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Your Choice for stainless

2024
Sustainability Report

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About this Report

This is the third release of YC INOX Co., Ltd. (hereinafter referred to as “YC INOX” or “the Company”) corporate sustainability report, and we warmly invite you to read it. It demonstrates our effort to drive economic, environmental, and people (including human rights), allowing us to grow and thrive sustainably.

Reporting Framework

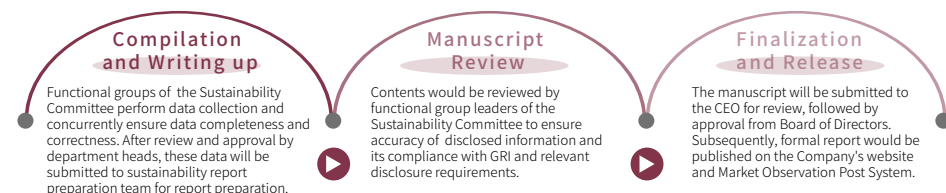
The primary reporting framework for this report is mapped closely with 2021 GRI Standards issued by GRI and follows closely with disclosure requirement set by Taiwan Stock Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, as well as sustainability metrics developed by SASB and disclosures made by TCFD. In this report, we would keep various stakeholders engaged by providing overview of the Company’s sustainability development in economic, environmental, and people (including human rights) for 2024.

Reporting Scope and Reporting Period

The reporting scope of this report only covers YC INOX’s mills in Taiwan (including headquarters, Shijou Mill, Puoshing Mill, Douliou Mill I, and Douliou Mill II), which accounted for 86% of consolidated net revenue for 2024. Apart from financial information being audited by Certified Public Accountant and other sustainability information, it does not include non-affiliated equity investees within the consolidated financial statements. For certain contents that are related to affiliates of YC INOX, it would be indicated in the respective sections.

Our Sustainability report is prepared and publicly disclosed annually and it covers the calendar year 2024 and includes various operational systems and activities related to YC INOX, with a strong emphasis on management and performance of material topics. To ensure comprehensive and comparable presentation of management performance, certain contents from before January 1, 2024, and after December 31, 2024 are also included.

Summary of Work Performed



Category	Content	Verification Organization
Economic	Disclosure of annual consolidated and parent company only financial statements	Deloitte and Touche (R.O.C.).
Environmental	ISO 14001:2015 Environmental Management System	TÜV Rheinland Taiwan Ltd.
	ISO 14064-1:2018 Greenhouse Gas Inventory Standard	
	ISO 14067:2018 Carbon Footprint of Products	
	ISO 50001:2018 Energy Management System	
Social	ISO 45001, CNS 45001 Occupational Health and Safety Management System	

External Verification

The Company has engaged an independent third-party assurance provider, Crowe (TW) CPAs, to perform a limited assurance engagement on specific key performance information in this report in accordance with ISAE 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and to issue a limited assurance report. For the scope of assurance and conclusions, please refer to the appendix of this report.

Report Issuance Date and Contact Information

Report Issuance Date

The Company annually publishes both Chinese and English versions of the “Sustainability Report” and discloses them in the Sustainable Development Zone of the Company website.

■ First Version: August 2023

■ Last Version: August 2024

■ Current Version: July 2025

Contact Information

If you have any questions or suggestions regarding this report, please feel free to contact us.

YC INOX Co., Ltd. | Sustainability Committee

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About YC INOX

The Company is dedicated to providing our customers with highest quality products and continuously pursuing excellence and improvement. Globally, our customers span across six continents. Our main products include stainless steel pipe and tube, stainless steel plate and sheet, and stainless steel coil and other related products. These products find wide applications in various industries such as chemical industry, construction industry, and machinery industry.

Facing development of corporate globalization and realizing importance of environmental and climate change issues, the Company continues to improve our own strengths and arrange training for executive managements and employees in addition to complying with government laws and regulations and company policies.

Company Profile

Industry	Iron and Steel
Main Business	Stainless steel pipe and tube, stainless steel plate and sheet, and stainless steel coil and other related products
Date of Establishment	January 31, 1973
Operational headquarters	No. 270, Section 4, Jungshan Road, Jiumei Village, Shijou Township, Changhua County
Number of Employees ^(Note)	728 persons
Total Assets	NT\$22,478,572 thousand
Total Equity	NT\$10,511,562 thousand
Paid-in Capital	NT\$5,202,256 thousand
Main Markets	Europe, Americas, Asia, Oceania, and Africa
Operational Sites	Taiwan and Türkiye

Note: The total number of employees is 995 (including the subsidiary in Türkiye). (As of December 31, 2024)

Membership Association

The Company participates actively in trade associations and industrial park associations, simultaneously serving as supervisor in Taiwan Steel and Iron Industries Association. We also actively participated in local police department/firefighting department activities as well as labor-management relationship improvement organizations.

Associations in which YC INOX participated in 2024	Participated as
Taiwan Steel & Iron Industries Association	Supervisor
Changhua County Industrial Association	Member
Yunlin County Industrial Association	Member
Yunlin Technology Industrial Park Association	Member
Association of Industrial Relations, Changhua County	Member
Community Security Patrol Team, Changan Village Community Development Association, Douliou City, Yunlin County	Member
Shijou Branch, Volunteer Fire Brigade	Consultant
Puoshing Branch, Third Brigade, Changhua County Volunteer Fire Brigade	Consultant
Douliou Branch, Douliou Squadron, First Brigade, Yunlin County Volunteer Fire Brigade	Consultant
Beidou Office, Chuanghua County Friends of the Police Association	Consultant
Xihu Office, Changhua County Branch, R.O.C. Friends of the Police Association	Consultant
Yunlin County Friends of the Police Association	Consultant
Taiwan Occupational Safety and Health Management System (TOSHMS) Central Region Association	Cadre

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Sustainability highlights and performance

TCFD

Major climate risks and opportunities identified

Waste management - implementation of waste resource utilization projects

83.86% of waste plastic compounds have been converted into recyclable plastic, totaling 43.02 metric tons.

Over the past three years, approximately 118.97 metric tons of waste plastic have been recycled, which is estimated to have reduced carbon emissions by about 40.5 metric tons. The total volume of hazardous waste disposal decreased by 7.59% compared to 2023.

Energy management - developing and installing new renewable energy sources

In 2024, 12,817 thousand kWh solar power was generated, which is equivalent to a reduction of approximately 6,331 metric tons carbon emissions.

The installed capacity of solar power generation systems accounts for 76.51% of the total contracted electricity capacity across all mills in Taiwan.

Energy management - promoting energy saving measures

In 2024, actual electricity consumption decreased by 727,584.7 kWh, representing a reduction of 1.97% compared to 2023.

In 2024, YC INOX was honored by the Yunlin Branch of Taipower with a certificate of appreciation for demand response load management.

Greenhouse gas management

Continuing the Implementation of ISO 14064-1:2018 greenhouse gas inventory. Completed ISO 14067:2018 Carbon Footprint of Products verification for three major product categories across four mills.

Air pollution management

Average emission monitoring values obtained from Puoshing Mill and Douliou Mill II conform to the "Standards for Air Pollutant Emission from Stationary Pollution Sources".

E Environment

In 2024, the completion rate of human rights awareness promotion and education training for new employees reached 100%.

In 2024, no reports or complaints related to human rights issues were received.

Occupational work safety education and training

4,686 employee training attendances totaling 12,516 hours.

556 contractor training attendances totaling 278 hours.

Shijou Mill and Puoshing Mill were awarded the Friendly Breastfeeding Room Certification by the Changhua County Government.

Received the 2024 "Healthy and Happy Workplace Award" from the Yunlin County Government.

18,337 training hours accumulated, averaging 25.19 hours per employee.

337 certifications, including newly acquired and renewed professional licenses across various job functions, were obtained during the year

Obtained the Talent Quality-management System (TTQS) certification from the Workforce Development Agency, Ministry of Labor.

Continual involvement in community events and caring for vulnerable groups. Organization/participation of community events on 44 occasions. NT\$6.79 million was contributed towards charitable activities expenditure and donations, representing a 148% increase compared to the previous year.

S Society

100% attendance rate for Board of Directors members.

100% attendance rate for functional committee members.

44% Board of Directors members are independent directors.

No significant regulatory non-compliance has been observed during the year.

100% new employees have completed ethical management education and training.

Final score received from 2024 (11th-term) corporate governance evaluation: 88.39; ranking between 21%~35% of all evaluated companies.

The shipment volume of 133,723 metric tons.

Obtained 19 product quality certification certificates from various countries.

Obtained 34 testing technology certificates from various countries.

Obtained the JIS MARK product certification (JIS G3468) from Japan, enhancing product competitiveness and enterprise recognition, aiding in the development of new customers, and expanding product usage.

In the 2024 annual supplier evaluation, the qualification rate was 100%.

In 2024, the overall customer satisfaction rate was 98.1%

Awarded the Gold Quality Award by Taiwan Semiconductor Manufacturing Company Limited (TSMC) for excellence as a dedicated equipment manufacturing supplier.

G Governance

Sustainability Special Issue

YC INOX was recognized among the Top 100 companies in the 2024 “Carbon Competitiveness” rankings, reaffirming its ongoing commitment to sustainable development.

With a robust sustainability strategy, YC INOX demonstrated leadership in climate action and was selected as one of the 2024 “Carbon Competitiveness Top 100” companies, distinguishing itself among nearly 1,000 publicly listed firms.

Sustainability Governance and Carbon Leadership

YC INOX follows the Financial Supervisory Commission’s “Corporate Governance 3.0 – Sustainable Development Roadmap” to actively strengthen its corporate governance framework. The Company has enhanced transparency in carbon-related disclosures and adopted the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify and manage significant climate-related risks and opportunities, ensuring the Company’s sustainable and resilient development.

Environmental Sustainability: Energy Conservation, Carbon Reduction, and Green Energy Deployment

As a member of the manufacturing industry, YC INOX is committed to reducing carbon emissions, promoting energy transition, and implementing various environmental protection measures, including:

- Water Resource Management: Adopted advanced biological treatment technologies, including Anaerobic Fluidized Bed (AFB) and Moving Bed Biofilm Reactor (MBBR), to enhance wastewater treatment efficiency. As a result, the Puoshing Mill (total nitrogen) and Douliou Mill I (ammonia nitrogen) have achieved stricter effluent discharge standards ahead of schedule.
- Waste Resource Utilization: Promoted the recycling and reuse of waste plastics, achieving a total recovery of 118.97 metric tons over the past three years, thereby reducing approximately 40.5 metric tons of carbon emissions.
- Renewable Energy Development: In 2024, solar power generation totaled 12,817 million kWh, resulting in an estimated reduction of approximately 6,331 metric tons of carbon emissions.
- Energy Conservation Initiatives: In 2024, various energy-saving measures were implemented, resulting in an annual electricity savings of 728,000 kWh and a reduction of approximately 359 metric tons of carbon emissions.
- Greenhouse Gas Management: Fully implemented the ISO 14064-1:2018 standard for greenhouse gas inventory and completed ISO 14067 carbon footprint verification for three major product categories across four mills.

Future Outlook: Toward Net-Zero Emissions by 2050

YC INOX actively supports Taiwan’s 2050 net-zero emissions policy and will continue to strengthen carbon footprint management, increase the share of renewable energy, and advance low-carbon transformation through smart manufacturing and green supply chain management.

With a strong track record in the field of ESG, YC INOX has already achieved notable results. Looking ahead, the Company remains committed to continuous innovation, aiming to provide the global market with more environmentally friendly and competitive stainless steel products.



CH1 Sustainable Business Management

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1.1 Message from the Chairman

Looking back on 2024, the global economy continued to face significant challenges, including persistent inflationary pressures, increasing frequency of extreme climate events, and supply chain disruptions driven by geopolitical tensions. Face of such uncertainties, YC INOX upheld the principles of prudent management and ethical governance, integrating nine major sustainability themes into our core operations. We have set short-, medium-, and long-term goals to enhance corporate resilience and advance toward our vision of becoming a leading global supplier of stainless steel tubes and sheets, as well as a benchmark enterprise in sustainability.

To respond to ongoing changes in the external environment, we have continued to strengthen internal capabilities. On the environmental perspective, we actively addressed climate change by adopting the ISO 14067 product carbon footprint framework and completing verification for three major product categories across four mills.

We also expanded the use of green energy—achieving a total solar power generation of 12,817 million kWh in 2024, resulting in carbon reduction of approximately 6,331 metric tons. The installed capacity of solar power generation system now accounts for 76.51% of the contracted capacity at our Taiwan mills. Furthermore, we implemented circular economy practices through plastic waste recycling and reuse, accumulating 118.97 metric tons of recycled plastic over the past three years.

In the area of occupational health and safety, we continued to prioritize employee well-being and safety management. No major occupational safety incidents occurred in 2024. We delivered a total of 18,337 hours of employee training and obtained 337 professional certifications, demonstrating our commitment to talent development. Meanwhile, YC INOX deepened its community engagement and local contributions, organizing and participating in 44 community service events throughout the year, with total donations and resources reaching NT\$6.79 million—fulfilling our corporate social responsibility.

In terms of corporate governance, we strengthened board functions and our sustainability governance framework. Both the Board of Directors and its three functional committees achieved a 100% attendance rate. The Sustainability Committee reports its implementation progress to the Board annually, ensuring both effective policy execution and transparent disclosure. Our corporate governance evaluation remains robust, with a 100% completion rate for ethical conduct training and no major legal or regulatory violations, reflecting YC INOX's strong commitment to integrity and institutional discipline.

Looking ahead, YC INOX will continue optimizing its processes and enhancing product competitiveness by integrating intelligent monitoring, energy management, and low-carbon technologies to accelerate progress toward net-zero sustainability. Only by combining firm belief, proactive measures, and close collaboration with employees, supply chain partners, and stakeholders can we successfully navigate a turbulent world and build a future defined by shared value and sustainability.



Signature of the Chairman

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1.2 Sustainable Business Philosophies

The Company deems promoting sustainable development of the industry as our responsibility. We are committed to pursue stable operational growth while ensuring all our business activities, in addition to complying with regulations and effectively implementing corporate governance, make positive contribution to environmental ecology, social ethics, and global economic development. Guided by our four core business principles namely “Innovation Breakthrough”, “Pursuing Excellence”, “Quality-First” And “Giving Back to Society”, we are dedicated to fulfill our corporate social responsibility and driving sustainability initiatives, meeting expectations of our stakeholders.



1.3 Sustainable Visions and Goals

In response to international sustainable development initiatives, the Company has considered the 17 Sustainable Development Goals (SDGs) initiated by United Nations when formulating the sustainability goals. We have also detailed our alignment with specific SDGs and their corresponding sub-goals. Our aim is to work together with global sustainability partners towards 2030 Sustainable Development Agenda. We outline our goals below:

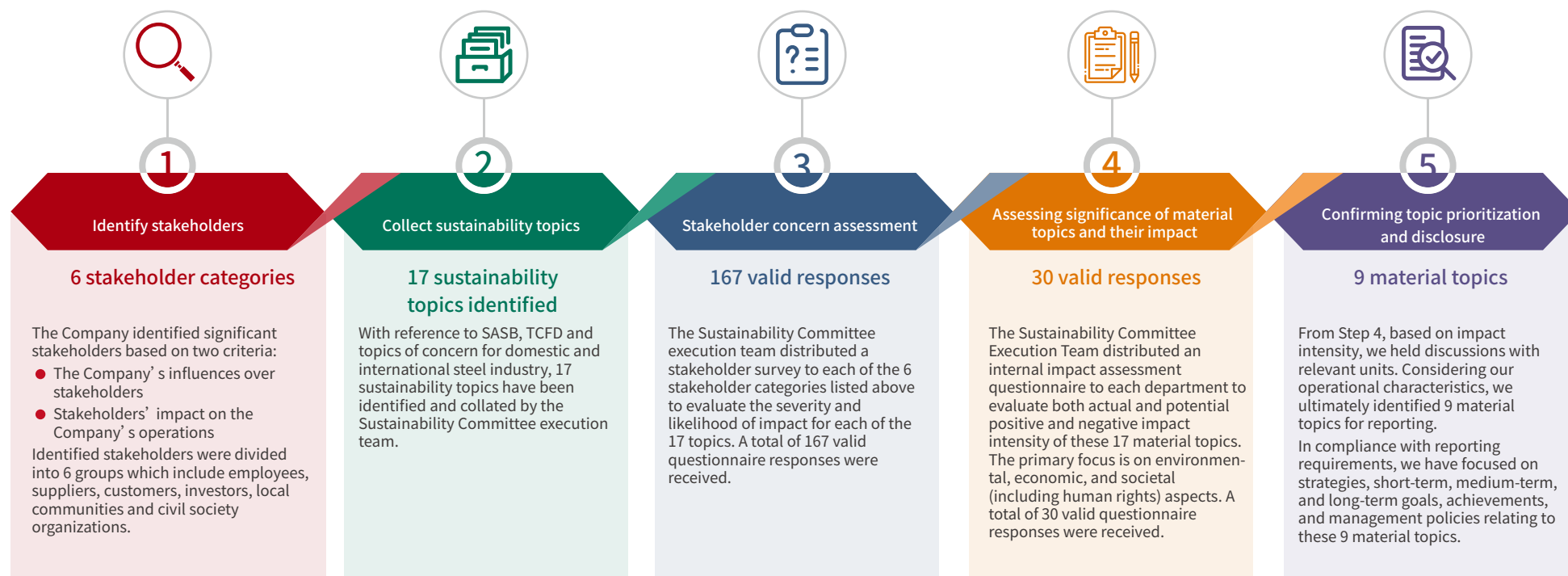
Corporate Vision	Sustainability Vision	United Nations SDGs		Sustainability Action Plans of YC INOX	
		Goals	Sub-goals		
Our goal is to become a leading global supplier of stainless steel pipe/plate and a benchmark sustainable enterprise	“Green, Net Zero, and Environmental Coexistence” (corresponding philosophy: Pursuing Excellence)		SDG 7: Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	➢ Continuation of green energy development in conjunction with increasing solar power generation system generation capacity ➢ Introduction of intelligent power monitoring system to monitor and manage electricity usage ➢ Setting annual energy savings target
				7.3 By 2030, double the global rate of improvement in energy efficiency	
			SDG 12: Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	➢ Introduction of new waste management solutions to increase waste recycling and explore viable recycling solutions
			SDG 13: Climate Action	13.2 Integrating climate change measures into national policies, strategies and planning	➢ Implementation of TCFD climate strategies ➢ Ensuring regulatory compliance on climate action and greenhouse gas emissions disclosure ➢ Regular identification of climate risks and opportunities to facilitate response strategies formulation and action plans ➢ Introduction of ISO 14067 Carbon Footprint of Products
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact education, and early warning				
	“Long-term Profitability” and “Ethical in Operations” (corresponding philosophies: Innovation Breakthrough, Quality-First)		SDG 8: Decent Work and Economic Growth	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	➢ Development of new products and processing technologies to enhance product competitiveness ➢ Active new overseas markets expansion to diversify sales risks ➢ Increasing production efficiency and quality and reducing manufacturing costs
			SDG 9: Industry, Innovation and Infrastructure	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	
			SDG 16: Peace, Justice and Strong Institutions	16.5 Substantially reduce corruption and bribery in all their forms	
	16.6 Develop effective, accountable and transparent institutions at all levels				
	“Social Co-Prosperity” and “Happy Development” (corresponding philosophy: Giving Back to Society)		SDG 8: Decent Work and Economic Growth	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	➢ Establishing a working environment free from occupational hazards by continuous improvement on occupational safety and health procedures. Safety and health officers shall conduct audits at irregular basis to ensure compliance in all units ➢ Conducting regular fire drills and occupational safety and health training to enhance employee's emergency response and self-management capabilities. Optimizing management systems to create a diverse and friendly workplace ➢ Deepening core values of YC INOX in order to cultivate high-quality corporate culture, becoming a Company that employees are proud of ➢ Implementation of ESG spirit to achieve sustainability goals ➢ Following various international human rights conventions, YC INOX has formulated the Human Rights Policies, publicly declaring the Company's commitment to respecting and protecting human rights
8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment					

1.4 Material Topics Identification

The Company followed “Global Reporting Initiative (GRI) Sustainability Reporting Standards” Traditional Chinese 2021 edition and also referenced industry sustainability trends, “Sustainability Accounting Standards Board (SASB)”, “Task Force on Climate-related Financial Disclosures (TCFD)”, in conjunction with significant domestic and international regulations. Additionally, we also adopt the materiality principle in order to systematically identify significant stakeholders and material topics so that we can assess substantial impact of these topics on economic, environmental, and people (including human rights) aspects. These assessments form the basis for our sustainability strategies and goals, serving as the foundation for writing sustainability reports and responding to stakeholders.

First, following internal discussions and in consideration of the absence of significant changes in the Company’s operations and industry environment, the material topics for 2024 have been adopted based on the results of the 2023 materiality assessment. The Company gathered and collated wide range of sustainability-related topics. Based on these issues, we had identified and conducted survey with significant stakeholders in order to preliminarily identify potential material topics. Following which, we distributed internal impact assessment questionnaires to internal units, prioritizing significant sustainability topics identified based on their impacts before finalizing major sustainability themes.

❖ Execution Phase

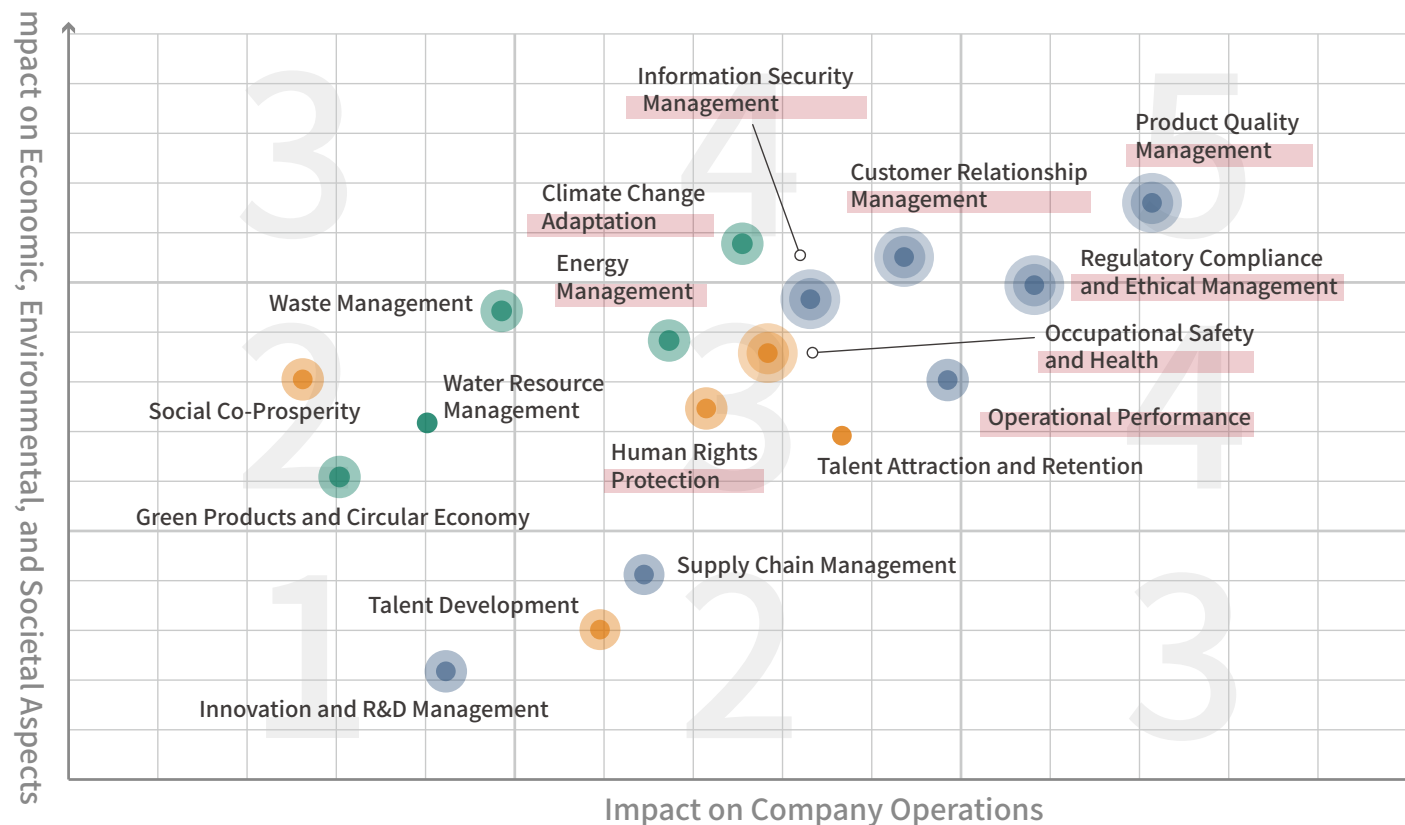


Significance Impact Assessment

The Sustainability Committee execution team assessed the impact for these 17 material topics identified based on economic, environmental, and societal (including human rights) aspects. Internal impact assessment questionnaire was distributed to each department within the Company. On a scale of 1 to 5, responses were given based on actual/potential, positive/negative impact and probability of each topic. Results from these questionnaires were compiled, impact levels for each topic were calculated. Finally, topics were ranked from highest to lowest based on their impact.

Below is a visual chart presenting the quantified data of material topics in order of impact level:

❖ Material Topics Matrix



The matrix is divided into nine grids, with the X-axis (impact on internal company operations) and the Y-axis (impact on external economic, environment, and societal) each weighted from 1 to 5.

Weight Range	Conditions for Inclusion as a Material Topic
5	All are material topics
4	Bubble size is medium or larger (inclusive)
3	Bubble size is medium or larger (inclusive)
2	Bubble size is large
1	Not included as a material topic

○ Bubble Size: Stakeholder Concern

Material Topics

● Environmental Aspects

● Social Aspects

● Governance Aspects

Positive and Negative Impact Assessment of Material Topics

+ Positive Impact - Negative Impact

Material Topics	Explanation of Negative Impact / Positive Impact	Likelihood of Occurrence and Impact Intensity
Regulatory Compliance and Ethical Management	+ Compliance with relevant laws and regulations helps stabilize market order, protect the natural environment, and safeguard the rights and interests of stakeholders, resulting in positive impacts.	●●●●○ ●●●●○
	- If ethical management in business operations is not upheld, it can harm the Company's credit rating and damage its reputation with external parties and stakeholders, reducing investor willingness to invest. It can also negatively impact employee morale, cohesion, and enthusiasm for their work.	●○○○○ ●●●●●
Operational Performance	+ Establish comprehensive strategies and management practices to meet the expectations of stakeholders, including customers, employees, and shareholders, achieving sustainable and steady growth for the Company.	●●●●○ ●●●●○
	- Poor or declining operational and financial performance will impact employee and shareholder confidence, create doubts about the Company's operations, and lead to a lack of trust.	●●○○○ ●●●●○
Product Quality Management	+ The quality of products can effectively influence market competitiveness. Continuous quality improvement can enhance customer satisfaction, strengthen customer loyalty, and simultaneously create greater profits and sustainable business opportunities for the Company.	●●●●● ●●●●●
	- If there are serious quality issues with the products, the Company may be forced to conduct a product recall, leading to decreased revenue, reputational damage, and potential legal action.	●○○○○ ●●●●○
Information Security Management	+ Effective information security management helps reduce the risks of hacking, data breaches, and ransomware attacks. It not only benefits the continuity of the Company's business operations but also helps maintain enterprise value and enhance customer trust.	●●●○○ ●●●○○
	- Due to security vulnerabilities or cyber-attacks, or ransomware threats, confidential corporate data may be leaked or altered, or operations may be disrupted, infringing on the rights of customers and related stakeholders.	●●○○○ ●●●●○
Customer Relationship Management	+ Understanding customer needs and providing customized products and services can increase customer satisfaction, making customers more willing to engage in long-term cooperation with the Company.	●●●●○ ●●●●●
	- Failing to effectively understand customer needs and expectations can lead to missed opportunities for cross-selling or upselling, underutilizing the potential of existing customers, and negatively impacting business performance.	●●○○○ ●●●●●
Climate Change Adaptation	+ By addressing climate action issues, setting carbon reduction goals, implementing greenhouse gas inventory, and managing carbon reduction initiatives, we can help mitigate global warming and promote a low-carbon transition in the industry.	●●●●○ ●●●●○
	- Inability to effectively manage climate issues can lead to increased potential operational costs and environmental impacts.	●●○○○ ●●●●○
Energy Management	+ Improving energy efficiency in the production process and reducing energy waste helps the Company save costs and reduce reliance on limited energy resources.	●●●●○ ●●●●○
	- Failing to effectively manage the organization's energy consumption can adversely impact operations, especially with the ongoing rise in energy costs.	●○○○○ ●●●○○
Occupational Safety and Health	+ Continuously improving through occupational safety and health management systems, hazard identification, risk assessment, and occupational health services ensures the health and safety of employees, enhances work efficiency and productivity, and also helps to maintain societal human resources and improve overall health levels.	●●●●○ ●●●●○
	- Unsafe working conditions can lead to health and safety hazards for employees, requiring them to undergo treatment to fully or partially recover. This can even extend to impacting the surrounding environment and endangering the safety of local residents.	●●●○○ ●●●●●
Human Rights Protection	+ Integrating human rights protection into company policies and ensuring its implementation helps enhance the corporate image and employee retention rate. It can also reduce the turnover rate of new employees and the costs associated with employee training.	●●●●○ ●●●●○
	- Failing to respect employee human rights or diversity and equality can lead to the loss of valuable employees, making talent recruitment difficult and damaging corporate image.	●●○○○ ●●●●○

Material Topics and Their Impact

Dimension	Material Topic	Impact Explanation	Corresponding GRI topics	Corresponding SDGs	Goals		Corresponding Section
					Short-term (2025)	Medium-to-long term (2030)	
Environment	Energy Management	Use of low-carbon and diversified energy sources in conjunction with effective energy management practice can improve company operation performance and achieve goal of net zero carbon emissions. Failure to focus on energy management may cause enterprises to trail behind industry trends, resulting in inferior product competitiveness. Enterprise's energy management will have either positive or negative impact on environment or economy.	GRI 302: Energy 2016	SDG 7 Affordable and Clean Energy (7.2, 7.3)	➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation system accounts for 37.5% of the total contracted electricity capacity across all mills in Taiwan ➢ Introducing new welding technologies to increase speed of production and reducing energy consumption by 2%	➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation system equivalent to 75% of total contracted capacity for all mills in Taiwan ➢ Introducing new heat treatment technologies to reduce energy consumption for subsequent processes	4.2 Sustainable Production-related Management
	Climate Change Adaptation	Addressing climate change is a crucial concern for today's businesses, as it has potential to impact our operational strategies and outcomes significantly. Responding to risks and opportunities brought about by climate change is essential. This issue should be integrated with other environmental considerations, including energy management, waste management, water resource management, and greenhouse gas management. Strong actions to address climate change can benefit enterprise's long-term survival, while inaction can have adverse effects. Enterprise's actions in economic performance can either have positive or negative impacts on environment.	➢ GRI 201: Economic Performance 2016 (GRI 201-2) ➢ GRI 305: Emissions 2016	SDG 13 Climate Action (13.2, 13.3)	➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation system accounts for 37.5% of the total contracted electricity capacity across all mills in Taiwan. ➢ Obtain ISO 14067 Carbon Footprint of Products Certification for at least one type of product category ➢ Establishing intelligent monitoring system that can capture 75% of Company's electricity consumption information ➢ Compliance with regulations relating to climate action and greenhouse gas emissions disclosure	➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation system equivalent to 75% of total contracted capacity for all mills in Taiwan ➢ Optimizing intelligent monitoring system that can capture 90% of Company's electricity consumption information ➢ Regularly identifying climate risks and opportunities and developing corresponding strategies and action plans	4.1 Climate Change Management
Governance	Operational Performance	To achieve sustainable business operations in ever-changing stainless steel industry, we focus on establishing strong financial structure and investing resources in research and development of new technologies and products. This enhances our product competitiveness, create enterprise value, safeguarding rights and interests of stakeholders while striving for sustainable development. Our actions in economic performance can either have positive or negative impacts on economy.	GRI 201: Economic Performance 2016	➢ SDG 8 Decent Work and Economic Growth (8.1) ➢ SDG 9 Industry, Innovation and Infrastructure (9.2)	Sales growth in 2025 is expected to increase compared to 2024, , hence, timely adjustments should be made to diversify sources of raw materials and adjusted product portfolio.	➢ Enhancing profitability of overseas production bases thus contributing stable profits to the group which in turns strengthen overall effectiveness and optimizes group capital utilization ➢ In response to climate change-related risks together with domestic and international climate policy pressures, we are committed to enhance both our care for environment and economic competitiveness thus realizing our vision of sustainable business	3.1 Business Performance
	Regulatory Compliance and Ethical Management	Regulatory Compliance is fundamental requirement for sustainable business operation. The Company should have in place relevant preventive or improvement measures to reduce risk of legal violations and enhance our corporate reputation. Serious regulatory violations could bring about negative public perception, which will subsequently affect our business. YC INOX's regulatory compliance will have either positive or negative impact on economy or society.	➢ GRI 205: Anti-corruption 2016 ➢ GRI 206: Anti-competitive Behavior 2016	SDG 16 Peace, Justice and Strong Institutions (16.5, 16.6)	Compliance with relevant laws and regulations, internal operating procedures/ guidelines and standard operating procedures (SOPs) thus preventing major compliance violations	Compliance with relevant laws and regulations, internal operating procedures/guidelines and standard operating procedures (SOPs) thus preventing major compliance violations	2.2 Ethical Management Results

Dimension	Material Topic	Impact Explanation	Corresponding GRI topics	Corresponding SDGs	Goals		Corresponding Section
					Short-term (2025)	Medium-to-long term (2030)	
Governance	Customer Relationship Management	Customers are the most important asset of an enterprise; having customers is the foundation upon which a business is built, and customer retention is the key factor that determines whether an enterprise can continue to grow in a highly competitive market. Therefore, customer satisfaction provides the drive and direction for an enterprise's long-term success and is an extremely crucial cornerstone. Developing and retaining customers requires a collective team effort. When facing customer complaints, we need to handle them proactively and communicate effectively with customers to maintain their trust in our products and services, thereby reducing the likelihood of customers turning to competitors.	GRI 418: Customer Privacy 2016	➢ SDG 8 Decent work and economic growth (8.3) ➢ SDG 17 Partnerships for the goals (17.16)	Maintain annual customer satisfaction in various aspects at $\geq 90\%$	Maintain annual customer satisfaction in various aspects at $\geq 90\%$	3.4 Customer Relationship Management
	Product Quality Management	Products sold with poor quality or failing to meet customer needs and expectations may lead to an increase in customer complaints, decreased satisfaction, and reduced market share. This, in turn, can increase compensation amounts and improvement costs, ultimately affecting the enterprise's reputation.	N/A	Goal 12 Responsible consumption and production (12.5)	➢ Obtained 20 product quality certification certificates from various countries ➢ Obtained 38 testing technology certificates from various countries	➢ Obtained over 24 product quality certification certificates from various countries ➢ Obtained over 40 testing technology certificates from various countries	3.2 Product Quality
	Information Security Management	Sensitive data leaks, personal information breaches, or system intrusions can impact not only enterprise operations but also its image and brand value. Additionally, the enterprise may face fines, legal actions and liabilities.	GRI 418: Customer Privacy 2016	SDG 9 Industry, Innovation and Infrastructure (9.C)	➢ Organize information security-related training courses, arranging for at least 40 seed employees to participate each year to help promote information security policies and raise employee awareness ➢ Prevent business email spoofing by conducting 4 social engineering drills per year ➢ Obtain ISO/IEC 27001:2022 Information Security Management System Certification	➢ Introduction of next-generation information security technologies, including but not limited to Endpoint Detection & Response (EDR), Security Operation Center (SOC), multi-factor authentication, vulnerability assessment. This can enhance our capability in detecting and preventing cybersecurity threats, thus reducing success rates of cyberattacks and keep occurrence of information security incidents to no more than 3 times per year ➢ Establish comprehensive information security incident response plan, including but not limited to response team, emergency drills and trainings so that we can address various information security incidents swiftly, with maximum response time capped at 8 hours	2.4 Information Security Management
Employee	Occupational Safety and health	Taking care of employee health is one of enterprise's social responsibilities. Creating safe working environment allows employees to work with peace of mind. This would elevate our operational performance. Conversely, neglecting this responsibility might lead to talent shortage, hindering our ability to provide high-quality products consistently. Enterprise's occupational safety and health will have either positive or negative impact on economy or society.	GRI 403: Occupational Health and Safety 2018	SDG 8 Decent Work and Economic Growth (8.8)	No high-consequence work-related injury (Note 1)	Employee disablement injury frequency rate < 6 (Note 2)	5.2 Safe and Friendly Working Environment
	Human Rights Protection	If the enterprise is unable to effectively identify and manage human rights risks across the entire value chain and establish a risk response system, it may lead to potential impacts such as reputational damage, financial risks, operational risks, and political and legal risks for the enterprise and its stakeholders.	GRI 401: Employment 2016	➢ SDG 8 Decent work and economic growth (8.5, 8.7) ➢ SDG 16 Peace, Justice and Strong Institutions (16.2, 16.9, 16.B)	➢ In compliance with government regulations and policies, continuously improve the Company's internal human rights-related procedures and processes ➢ No incidents of forced labor, labor disputes, violations of gender equality, or sexual harassment, nor any major human rights violations have occurred ➢ Continuously promote human rights awareness and education training	➢ No incidents of forced labor, labor disputes, violations of gender equality, or sexual harassment, nor any major human rights violations have occurred ➢ Continuously promote human rights awareness and education training ➢ Strengthen supply chain management by requiring suppliers to sign commitments on human rights-related issues	5.1 Human Rights Protection 5.3 Manpower Structure and Employee Benefits

Note 1: GRI 403-9 definition: High-consequence work-related injury refers to work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

Note 2: According to Article 6 of the "Enforcement Rules of the Labor Inspection Act," the Injury Frequency Rate is defined as the total number of disabling injury cases per one million working hours. The total number of disabling injury cases includes fatalities, permanent total disabilities, permanent partial disabilities, and temporary total disabilities.

1.5 Stakeholder Engagement

Stakeholder	Importance	Material Topics	Engagement Channels and Frequency	Engagement Effectiveness
Customers	We place great importance on meeting customer needs. We provide high-quality products to create value for our customers.	- Economic performance - Customer safety and health - Marketing and labeling - Customer privacy - Brand management - Product and service innovation	- Customer satisfaction survey (Annually) - Hold customer visits or receive customer visits to our facilities (No specific time frame). - International exhibition participation (No specific time frame) - Dedicated web section for customers/suppliers	- The overall satisfaction rate from the customer satisfaction survey is 98.1%. The Company has established a customer service system to analyze customer dissatisfaction causes. We respond appropriately based on customer feedback and expectations. Reports are presented at the monthly TQM meetings - In 2024, there were a total of 95 customer service cases, 73 of which were quality issues. Improvement measures have been raised to reduce the likelihood of future recurrence
Investors	Long-term investor support is the driving force for sustainable growth of the Company. Therefore, we must safeguard rights and interests of our investors, establishing sound governance systems to achieve sustainable business operations.	- Product and service innovation - Economic performance - Marketing and labeling - Ethical management - Regulatory compliance - Sustainable supply chain management - Reduce resource wastage - Greenhouse gas management - Water resource management	- General shareholders' meeting (Annually) - Institutional investor conference (Annually) - Issuance of annual reports and financial statements disclosures (Annually and quarterly) - Disclosure of information on the Market Observation Post System (If required) - Dedicated mailbox and hotline for investors	- Annual general shareholders meeting was held on June 17, 2024 - Participation in SinoPac Securities 2024 Q4 Institutional Investor Conference on December 11, 2024 - Disclosure of quarterly financial statements reviewed (first 3 quarters)/audited (annual report) by certified public accountant - Regular announcement of operating revenue status on MOPS - Publication of 50 material information released on MOPS
Suppliers	Partnerships are essential on our path towards sustainable business operation.	- Procurement practices - Economic performance - Sustainable supply chain management - Customer safety and health	- Supplier evaluation (Annually) - Requesting suppliers to sign integrity and anti-corruption commitment letter - Hold supplier visits (No specific timeframe) - Dedicated web section for customers/suppliers	- Supplier evaluation results achieved 100% qualification rate - In 2024, an additional 44 suppliers signed the integrity and anti-corruption commitment letter, bringing the total number of signed suppliers to 455
Employees	Employees are primary foundation for business operations and sustainable development.	- Occupational safety and health - Human Rights Protection - Regulatory compliance	- Releasing/Sending announcements via company website and individual mailbox. (Irregular basis) - Employee Welfare Committee meetings (4 times per year) - Occupational Safety and Health Committee meetings for each mill (4 times per year) - Labor-management meetings for each mill (4 times per year) - Occupational medical physician on site visit (Regularly) - Dissemination of healthcare-related information by occupational health nurse (Irregularly) - Reporting hotline	4 Employee Welfare Committee meeting sessions held 16 Occupational Safety and Health Committee meeting sessions held (4 for each mill) 16 labor-management meetings sessions held (4 for each mill) 246 occupational therapy consultation sessions were conducted by occupational medical physicians 29 health promotion sessions were conducted by occupational medical nurse - No suggestions or complaints received during 2024
Government Agencies	Regulatory compliance as well as policy requirement.	- Occupational safety and health - Reduce resource wastage - Human rights assessment - Working against will by either force or made compulsory - Customer safety and health	- Regulatory compliance audit - Correspondence and communication with government agencies - Participation in policy advocacy seminars held by competent authorities	Participation in regulatory advocacy seminars and training courses with aggregation of 5,048 attendances and 13,718.5 hours
Local Community and Civil Society Organizations	Receiving from society and giving back to society. By continuous investment in philanthropy and promoting environmental protection, we can keep this positive awareness circulating.	- Water resource management - Corporate citizenship and philanthropy - Local communities	- Paying visit to village chiefs (Irregularly) - Participation in community events - Participation in charitable activities	- Organized/participated in 44 community events - Expenditure and donations towards charitable activities amounted to NT\$6.79 million

CH2 Ethical Corporate Governance

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Chapter Highlights

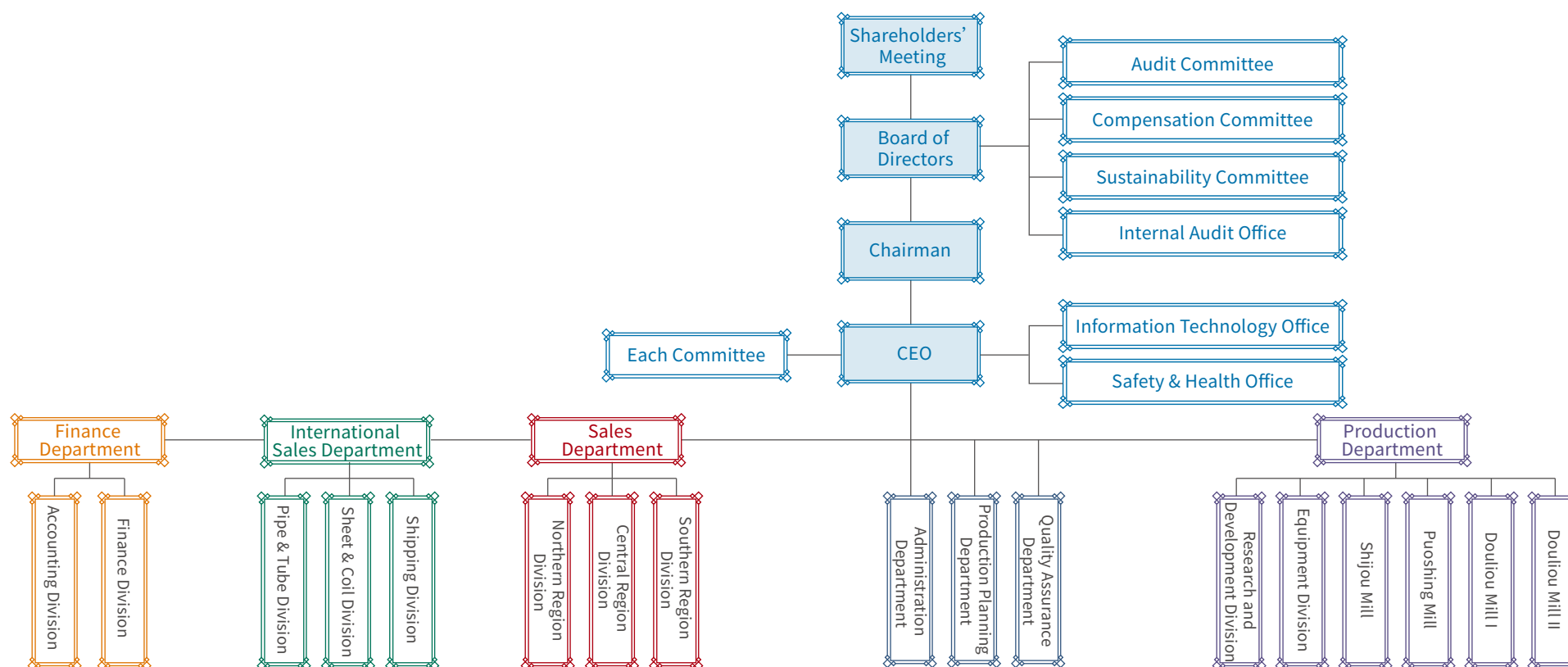
- 100% attendance rate for Board of Directors members
- 100% attendance rate for functional committee members
- 44% Board of Directors members are independent directors
- No significant regulatory non-compliance has been observed during the year
- 100% new employees have completed ethical management education and training
- Final score received from 2024 (11th-term) corporate governance evaluation: 88.39; Ranking between 21%~35% of all evaluated companies



2.1 Corporate Governance and Organization

Corporate Governance Framework

Under YC INOX's governance framework, shareholders' meeting has the highest authority. Board of Directors (hereinafter referred to as "the Board") is responsible for managing the Company's day to day operations with Chairman leads the Board. The Chairman concurrently serves as CEO to enhance both operational efficiency and decision-making execution. Relevant conflict of interest policies have been established to prevent and mitigate conflicts of interest. Furthermore, the Company is in midst of leadership renewal process for both the Board and Company's management positions. There are currently four independent directors which serves to strengthen independent functions of the Board.



In order to strengthen the Board's functions and enhancing decision-making quality, Audit Committee, Compensation Committee, and the Sustainability Committee have been established as functional committees under the Board, based on their respective functions and responsibilities. Except for the Chairman of the Board serving as the convener of the Sustainability Committee, all other members of the aforementioned committees are served by our independent directors.

Purpose and responsibilities of the Board and its functional committees.

Governance Body	Establishment Purpose and Responsibilities	Number of Meetings in 2024	Average Attendance Rate
Board of Directors	➤ Responsible for overseeing, appointing, and guiding the Company's management team, as well as being accountable for overall operational performance of the Company and safeguarding shareholder interests. ➤ The Company's articles of incorporation stipulate that there shall be between 9 to 11 directors, with a minimum of 3 independent directors; Directors shall be elected through a candidate nomination mechanism. Currently, there are 5 directors and 4 independent directors. ➤ A minimum of one meeting shall be held every quarter, additional meetings can be scheduled as needed.	7	100%
Audit Committee	➤ Assists the Board in overseeing quality and effectiveness of the Company's financial statements, audits, internal controls, regulatory compliance, and risk management. ➤ Composed of 3 independent directors. ➤ A minimum of one meeting shall be held every quarter, with additional meetings scheduled as needed.	6	100%
Compensation Committee	➤ Provides professional and impartial evaluation of the Company's Director and managerial officers' remuneration policies and systems before providing recommendations to the Board as a reference during decision-making. ➤ Composed of 4 independent directors. ➤ A minimum of two meetings shall be held every year.	3	100%
Sustainability Committee	➤ Responsible for formulating sustainable development policies, developing management guidance and specific implementation plans. Reviewing, monitoring and amending results of sustainability efforts. ➤ Composed of the Chairman of the Board and two independent directors. ➤ Report sustainability performance to the board of directors at least two meetings annually."	4	100%
Internal Audit Office	➤ Receives guidance and supervision from the Chairman and is responsible for conducting internal control system audit of the Company. ➤ Composed of one chief internal auditor, supported by internal auditors and their substitute. ➤ Chief internal auditor shall attend Audit Committee meetings and Board meetings to report on internal audit executions. ➤ A minimum of one discussion and communication session shall be held with independent directors every year.	Attended 6 meetings with the Audit Committee and 7 meetings with the Board, and 1 separate discussion meeting with independent directors.	100%

Governance Body Composition

Board of directors is highest governance body of the Company, and directors are elected through a candidate nomination mechanism, with a three-year tenure. Currently, there are four independent directors accounting for 44% of the Board. The composition of the Board is as follows:

Data as of April 18, 2025

Title	Name	Gender/ Age	Education and Work Experience	Current Position in The Company (Note)	Diversified Core Projects								Office Term
					Leadership and Decision- Making	Operational Judgment	Business Management	Finance and Accounting	Crisis Management	Industry Expertise	Viewpoint of International Market	Sustainability Management	
Chairman	Tai Chyang Investment Co., Ltd. Representative: Chang, Chin-Yu	Male 61~70	Department of Mechanical Engineering, Hwa Hsia University of Technology Chairman & CEO, YC INOX Co., Ltd.	- Chairman & CEO, YC INOX Co., Ltd. - Chairman (Representative), YC INOX TR Çelik Sanayi ve Ticaret A. - Chairman (Representative), Ji-Mao Investment Co., Ltd. - Member of Sustainability Committee	●	●	●	●	●	●	●	●	From June 17, 2024 to June 16, 2027
Director	Chin Ying Fa Mechanical Ind. Co., Ltd. Representative: Shih, Ya-Hui	Female 51~60	Business Administration, Faculty of Business Administration, Kindai University in Japan Director, Chin Ying Fa Mechanical Ind. Co., Ltd. Head of Chan Ying Investment Co., Ltd. Director, Acelon Chemicals & Fiber Corporation Executive Manager, Pou Chen Corporation	-	●	●	●	●	●	●	●	●	From June 17, 2024 to June 16, 2027
Director	Chang, Chin-Peng	Male 51~60	Kuang-Hwa Vocational Senior High School of Technology Deputy General Manager, Domestic Sales Department - Southern Region, YC INOX Co., Ltd.	- Deputy General Manager, Domestic Sales Department - Southern Region, YC INOX Co., Ltd. - Supervisor (Representative), Ji-Mao Investment Co., Ltd.	●	●	●		●	●		●	From June 17, 2024 to June 16, 2027
Director	Hsieh, Ming-Hong	Male 61~70	M.D., PhD. Institute of Medicine, Chung Shan Medical University Chief, Department of Psychiatry, Chung Shan Medical University Hospital, Chung Shan Medical University Attending Physician, Department of Psychiatry, Chung Shan Medical University Hospital, Chung Shan Medical University Associate Professor, School of Medicine at Chung Shan Medical University	-	●	●	●		●			●	From June 17, 2024 to June 16, 2027
Director	Chang, Po-Kai	Male 31~40	Bachelor of Business Administration University of Portland Manager, General Manager Office, YC INOX Co., Ltd.	- Manager, General Manager Office, YC INOX Co., Ltd. - Executive Director, YC INOX TR Çelik Sanayi ve Ticaret A.S. - Director (Representative), Ji-Mao Investment Co., Ltd.	●	●	●	●	●	●	●	●	From June 17, 2024 to June 16, 2027
Independent Director	Chang, Wei-Lun	Female 41~50	Bachelor of Accounting, National Taiwan University CPA of CKH & W CPA Office	Member of Audit Committee and Compensation Committee, YC INOX Co., Ltd.	●	●	●	●	●	●		●	From June 17, 2024 to June 16, 2027

Title	Name	Gender/ Age	Education and Work Experience	Current Position in The Company (Note)	Diversified Core Projects							Office Term	
					Leadership and Decision-Making	Operational Judgement	Business Management	Finance and Accounting	Crisis Management	Industry Expertise	Viewpoint of International Market		Sustainability Management
Independent Director	Yen, Wen-Pi	Male 61~70	Master of Department of Accounting and Information Technology, National Chung Cheng University Partner, Ernst & Young, Taiwan Independent Director, HUA YANG Precision Machinery Co., Ltd. Independent Director, Lightel Corporation	➤ Member of Audit Committee, and Compensation Committee, and YC INOX Co., Ltd. ➤ Sustainability Committee, YC INOX Co., Ltd.	●	●	●	●	●			●	From June 17, 2024 to June 16, 2027
Independent Director	Wu, Ching-Chang	Male 51~60	Lunghwa Junior College of Technology Assistant to the General Manager, United Daily News Group Economic Daily News	➤ Member of Audit Committee and Compensation Committee, YC INOX Co., Ltd.	●	●	●		●	●		●	From June 17, 2024 to June 16, 2027
Independent Director	Chen, Ming-Yu	Male 51~60	Department of Chemical Engineering, Nanya Institute of Technology; Deputy General Manager of Administration Department, YC INOX Co., Ltd.	➤ Member of Audit Committee, YC INOX Co., Ltd. ➤ Sustainability Committee, YC INOX Co., Ltd.	●	●	●		●	●		●	From June 17, 2024 to June 16, 2027

Note: Only concurrent positions of YC INOX and its affiliates are listed. For positions held in other companies and how it would affect independence, please refer to information disclosed in 2024 Annual Report for more details.

Training Status of the Board Members

In 2024, average training hours per director was 6 hours, which is in compliance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies”. The Company ensures that the directors maintain their core values and professional competence by sporadically providing training on domains such as latest regulatory updates, latest trends in sustainability and professional knowledge development, ensuring the directors stay tuned with market dynamics, thus creating maximum value for stakeholders, achieving the Company’s sustainability goals. For detailed training information, please refer to MOPS regarding Board attendance and training details of directors and supervisors, as well as profile and concurrent roles of independent directors (individually).

Remuneration Policy for Senior Executives

The remuneration policy, remuneration structure and performance evaluation for directors and managerial officers shall be subjected to review and assessment by Compensation Committee. Subsequently, proposals from Compensation Committee resolutions shall be presented before the Board. Compensation Committee composed of all independent directors and holds at least two meetings every year, ensuring reasonableness and fairness of management-level remuneration. Compensation Committee considers factors such as usual pay levels in the industry as well as in consideration of reasonableness of connection between individual performance, the Company’s business performance, and future risks, ensuring performance and sustainability are appropriately linked to executive compensation.

Directors Independent Directors - Remuneration and travel expenses are reimbursed as set forth in “Regulations for the Compensation of Directors and their Concurrently-Serving Functional Committees” - Directors’ remuneration as prescribed in the “Articles of Incorporation” states that in case the Company results profits for the year, Board of Directors may adopt a resolution to reserve up to 2% of said profits as Directors’ compensation. The resolution of distribution of employees’ profit sharing and directors’ compensation shall be reported to the Shareholders’ Meeting	Managerial Officers Compensation is determined in accordance with the Company’s “Policies and Regulations of Salary and Compensation” and “Payroll Policy”, with reference to usual pay levels in the industry, responsibility defined for this designation and contribution to the Company’s business objectives, to ensure fair and reasonable remuneration
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Board Performance Evaluation

YC INOX conducts a yearly internal performance evaluation in accordance with requirements set forth in “Regulations for Performance evaluation of the Board of Directors”. The Finance Department is responsible for distributing internal questionnaires, collecting response, and compiling results. The evaluation includes self-evaluation of Board operations, self-evaluation of Board members, self-evaluation of the Audit Committee operations, self-evaluation of the Compensation Committee operations, and self-evaluation of the Sustainability Committee. The evaluation items are detailed in the table below. In 2024, the performance evaluation results for Board operations, Board members, Audit Committee operations, Compensation Committee operations, and Sustainability Committee operations were all rated as “Excellent” and were reported to Compensation Committee and the Board of Directors on March 7, 2025.

Self-Assessment Criteria for Board Members' Performance Evaluation	Self-Evaluation Items within the Overall Evaluation			
	Board of Directors	Audit Committee	Compensation Committee	Sustainability Committee
➤ Familiarity with the goals and tasks of the Company ➤ Awareness of the duties of a director ➤ Involvement in the operation of the Company ➤ Management of internal relationships and communication ➤ The director's professionalism and continuing education ➤ Internal control.	➤ Involvement in the operation of the Company ➤ Improvement of the quality of the Board of Directors' decision making; ➤ Composition and structure of the Board of Directors ➤ Election and continuing education of the directors ➤ Internal control	➤ Involvement in the operation of the Company ➤ Awareness of the duties of the Audit committee ➤ Improvement of the quality of the Audit committees' decision making ➤ Composition of the Audit committee and election of its members ➤ Internal control	➤ Involvement in the operation of the Company ➤ Awareness of the duties of the Compensation committee ➤ Improvement of the quality of the Compensation committees' decision making ➤ Composition of the Compensation committee and election of its members; and ➤ Internal control	➤ Degree of participation in the operation of the Company ➤ Awareness of the duties of the Sustainability Committee ➤ Enhancement of the decision-making quality of the Sustainability Committee ➤ Composition of the Sustainability Committee and selection of its members ➤ Internal control

Managing Conflicts of Interest

To mitigate risk of unethical behavior, the Company has established “Ethical Corporate Management Best Practice Principles”. As set forth in this principle, in the event of directors, managerial officers or other stakeholders whom either attend or participate in Board meetings, with respect to proposed resolution, found conflicting interest with either themselves or juristic entities which they are representing, they must disclose in great details during that Board meeting. They shall also abstain from participating in discussion and voting on the matter or to act as proxies for other directors on that matter. As of December 31, 2024, the Company has not experienced any significant conflicts of interest incidents.

Communication of Critical Concerns

YC INOX's Board members and senior executive managements maintain open communication channels. Other than quarterly financial statements and quarterly internal audit reports prepared by Internal Audit Office, in case of any significant event, Board members and senior executive managements will liaise promptly to ensure information consistency. They shall assess and take appropriate actions in response to significant events in a timely manner. If any significant event should occur, it would be disclosed via MOPS.

There were no significant events in 2024 that had the potential to pose negative impact on stakeholders or that can result in actual negative consequences for stakeholders.

2.2 Ethical Management Results

❖ Material Topic Management

Material Topic	Regulatory Compliance and Ethical Management	
Corresponding GRI	GRI 205-1\GRI 205-2\GRI 205-3\GRI 206-1	
Impact	Regulatory compliance is fundamental requirement for sustainable business operation. The Company should have in place relevant preventive or improvement measures to reduce risk of legal violations and enhance our corporate reputation. Serious regulatory violations could bring about negative public perceptions, which shall subsequently affect our business. YC INOX's regulatory compliance will have either positive or negative impact on economy or society	
Commitments/Policies	The Company have established “Ethical Corporate Management Best Practice Principles”, “Codes of Ethical Conduct for the Directors and Managerial Officers” and “Codes of Ethical Conduct for Employees”. Additionally, internal control policy management systems have been developed for each process to serve as basis for internal compliance	
Targets	Short-Term(2025)	Compliance with relevant laws and regulations, internal operating procedures/guidelines and standard operating procedures (SOPs) thus preventing major compliance violations
	Medium-to-Long Term (2030)	Compliance with relevant laws and regulations, internal operating procedures/guidelines and SOPs thus preventing major compliance violations
Action Plans	➢ Arrange regulatory compliance and information security-related training to enhance employees' legal awareness, concurrently, improve their ability to recognize and respond to risks and threats. Execute risk identification and evaluation processes while simultaneously implementing relevant risk management measures. Regulatory compliance risks are overseen by the Corporate Governance Execution Team. Environmental and safety risks are overseen by Safety & Health Office while information security risks are taken care of by IT Office ➢ Keep in the loop of latest regulatory updates and ensure statutory requirements compliance	
Effectiveness Assessments	Tracking Process	➢ Internal Audit Office regularly reviews regulatory compliance ➢ Appointing external audit/third-party verification for auditing
	Achievements of The Year	➢ In 2024, zero occurrence of penalties imposed major legal violations ➢ In 2024, zero reports or complaints have been received
Complaint Channels	Compliant or Communication Channels	➢ Reporting and complaint channels have been established on company website ➢ Report to the Board on internal audit results
	Communication Results	➢ No complaints or reports have been received ➢ Internal audit results have been reported to the Board and no regulatory compliance deficiencies has been identified

The Company have established ethical principles and various guidelines, including policies to prevent conflicts of interest, to promote culture of integrity and control. These guidelines apply to directors, managerial officers, employees, appointees, and substantial controllers. The Company have also set up stakeholder contact point on our website to ensure interests of stakeholders.

“Ethical Corporate Management Best Practice Principles” and
“Procedures for Ethical Management and Guidelines for Conduct”

“Codes of Ethical Conduct for The Directors and Managerial Officers”

“Procedures for Prohibition of Insider Trading Regulations”



We have appointed Administration Department to serve as dedicated unit responsible for amending, interpreting, providing consultation and maintaining records of content related to “Procedures for Ethical Management and Guidelines for Conduct”. Finance Department is responsible for supervising execution of these procedures, analyzing and assessing risks associated with unethical behavior within business scope, formulating preventive measures for these risks and reporting results of ethics compliance and supervision to the Board at least once a year.

Assessment, Communication and Training relating Corruption Risks

In 2024, 100% operating locations have completed assessments relating to corruption-related risks. The Company conducts regular education and awareness programs yearly to ensure that our employees have thorough understanding of ethical operation. For new employees (excluding migrant workers), education and training shall be provided upon onboarding. In 2024, a total of 23 new employees received training, amounting to 11.5 hours, achieving completion rate of 100%.

“Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” are published in the Company’s internal document management system for employees’ reference. They are also made available on the Company’s website under governance section. Furthermore, all assistant manager level-above employees have signed an undertaking to adhere to “Ethical Corporate Management Best Practice Principles”, reinforcing principles of compliance.

In relation to subcontractors, “Supplier Management Measures” stipulates the requirement for subcontractors’ performance and integrity assessment. Furthermore, contracts signed with subcontractors include clauses requiring compliance with “Ethical Corporate Management Best Practice Principles”.

Whistleblower System and Misconduct Reporting

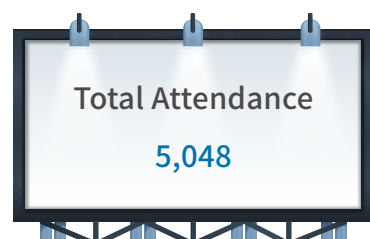
The Company encourages reporting of dishonest or improper behavior and has established dedicated Independent Internal Whistleblower Mailbox and hotline. These channels are publicly released on the Company’s website for both internal and external individuals. In cases of falsified complaint or malicious allegations, disciplinary action will be taken against internal individuals depending on severity. During investigation, the Company will also ensure absolute protection and confidentiality of complainants to prevent any unfair treatment against whistleblowers.

Furthermore, to ensure successful implementation of “Ethical Corporate Management Best Practice”, the Company has also established an effective internal control system. Internal auditors would perform employee compliance check on a regular basis, after which, perform work review on a yearly basis.

In 2024, the Company had no confirmed cases of corruption, insider trading, anti-competitive practices, antitrust, or monopolistic practices

Regulatory Compliance

According to “Regulations for Employees’ Education and Training”, the Company regularly conducts training for employees and assigns representatives to attend courses organized by regulatory authorities, enhancing employees’ compliance awareness. These training encompasses topics such as corporate governance, occupational safety and health, and labor-related regulations. Additionally, during business operations, attention is also given to ensure adherence of ethical principles by our employees.



In 2024, the Company did not incur any fines due to significant regulatory violation (where “Significant” is defined as any regulatory violations which carried fines of at least 1,000,000 New Taiwan Dollars (NT\$). The details are as follows:

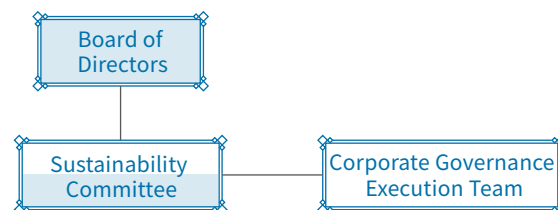
Unit: NT\$

Regulatory Violations	Number of Cases	Fine Amount	Improvement Measures
Violation of Article 57, Paragraph 1 of the Regulations for the “Occupational Safety and Health Equipment and Measures” and Article 6, Paragraph 1 of the “Occupational Safety and Health Act”	1 case	NT\$60,000	Establishment of a roller cleaning SOP, installation of emergency pull cords, requirement for team-based operation during roller cleaning, and deactivation of the automatic pre-drive rotation function
Violation of Article 32, Paragraph 2 of the “Labor Standards Act”	1 case	NT\$140,000	Flexibly allocate personnel according to the manpower needs of each mill to increase personnel utilization

2.3 Risk Management

Risk Management Organization

The Board of Directors serves as the highest governance body for risk management within the Company. The Sustainability Committee is responsible for overseeing and ensuring that the execution of risk management aligns with the policies set by the Board of Directors. The Committee is required to report the overall implementation status of risk management to the Board at least once a year. Under the Committee, the Corporate Governance Execution Team is designated as the responsible unit for executing risk management. Its duties include implementing risk management decisions, analyzing and identifying sources and types of risks faced by the Company, and regularly reviewing their applicability. The Team also coordinates cross-departmental communication and interaction related to risk management operations, provides early warnings for significant risks, evaluates potential losses, tracks response measures, and consolidates the outcomes of major risk incident handling. The Team must report the results of its risk management activities to the Sustainability Committee at least once annually.



Risk Management Approach

Risk Management Policy

Risk management approach involves systematic and institutionalized management mechanisms to effectively identify, measure, monitor, and manage risks, keeping them within the Company's acceptable limits, preventing potential losses, thus achieving our goal of sustainable business operation.

The establishment of sound risk management mechanism is cornerstone for achieving sustainable business and stable development of the Company. The Board has adopted "Risk Management Policies and Procedures" as core principle for risk management in the Company. According to "Risk Management Policies and Procedures", heads of each operational department are responsible for risk management within their area of responsibilities. They are tasked with identifying, analyzing, assessing, and responding to risks within their units, as well as establishing relevant crisis management mechanisms. This is to ensure the effective implementation of risk management practices and related control procedures within their respective units and to ensure appropriate risk control through regular reporting to higher authorities.

The Company identifies potential risks for four key aspects, namely business operations aspect, financial aspect, operational aspect and environmental aspect. The Corporate Governance Execution Team, in collaboration with relevant departments, conducts comprehensive risk identification through risk management meetings. These efforts aim to identify potential risk events that may hinder the achievement of the Company's objectives or result in losses or negative impacts. Identified risks are then classified and managed based on internal evaluations conducted by each operational department. Every operational department is responsible for formulating and executing risk management strategies and response plans for identified risks. Additionally, to ensure effective implementation of aforementioned risk management activities, "Risk Management Policies and Procedures" requires Internal Audit Office to draw up annual audit plan based on risk assessment results of each operational department. This ensures that all identified risks are appropriately controlled, concurrently, providing recommendations as deemed fit.

Outcome of Risk Management

The Company assesses likelihood and impact of identified risks in different aspects with the help of each operational department. The Corporate Governance Execution Team conducts materiality analysis for each risk to identify matters that draw high level of attention from the Company. Risk management is then conducted based on severity of each risk. Our risk management process is as follows:



Risk assessment results for 2024, conducted in accordance with the risk management process, are as follows:

❖ Risk level Assessment Rubric

Risk Level	Identified Risks	Countermeasures
Significant Risks	Energy management, market competition, climate change, concentrated sourcing and suppliers, information security, and human resources	For significant risks identified, countermeasures have been formulated. Please refer to the following table for detailed explanation
General Risks	Natural disasters, inflation, foreign exchange rate fluctuations, environmental pollution, corporate image, political factors, investments, interest rate fluctuations, customer complaints, production capacity imbalances, occupational safety and health, and major statutory communicable diseases	Each department carries out relevant operations in accordance with internal control systems or relevant policies, while the Corporate Governance Execution Team continues to regularly assess the impact level of such risks

Significant Risks Explanation

Risk Aspect	Risk	Description of Risk	Control Strategies and Practices	Responsible Unit
Environmental	Energy Management Risk	An enterprise's inability to effectively manage organizational energy consumption may result in continual upward trend in energy costs, this can have adverse impact on operations	➢ Installing solar power generation systems ➢ Replacement of high energy-consuming shared equipment ➢ Promoting the improvement of process equipment efficiency, enhancing energy management, and implementing the core principles of energy management ➢ Establishing energy consumption usage standards based on production categories, performing data tracking, and effectively controlling energy consumption ➢ Monitoring equipment energy consumption, understanding energy distribution, and establishing energy improvement measures ➢ Participating in Taipower's demand response load management measures, adjusting shifts, and shifting peak electricity usage	Administration Department Production Department
	Climate Change Risk	An enterprise may face adverse effects on future product sales or overall business operations due to failure in alignment with international net-zero carbon emission and other climate-related development trends. This includes responding to Taiwan's carbon fees and the European Union's Carbon Border Adjustment Mechanism (CBAM) carbon tax mechanism	➢ Completing greenhouse gas inventory and verification, setting energy-saving and carbon reduction goals and strategies ➢ Introducing carbon footprint of products calculations to assess and reduce carbon impact of products ➢ Continuously increasing the proportion of waste recycling and reuse ➢ Implementing water recycling systems for manufacturing processes ➢ Establishing a smart low-carbon factory, optimizing production equipment and adjusting production processes to maintain high energy efficiency operation of production equipment, thereby improving production efficiency, saving energy resources, and reducing operating costs ➢ Continuously promoting the installation of renewable energy devices to increase the Company's renewable energy generation capacity ➢ Continuously monitoring the implementation methods and details of government carbon fee collection, as well as the reporting and taxation procedures and legislative progress of the EU's CBAM and the U.S. Clean Competition Act (CCA) ➢ Continuously promoting the ISO 50001 Energy Management System, using the system's PDCA (Plan-Do-Check-Act) management cycle to implement various energy-saving and carbon reduction projects, mitigating the impact of carbon taxes For more information, please refer to 4.1 Climate Change Management	Administration Department Safety & Health Office Production Department
Business Operations	Market Competition	Company may experience adverse effects on its operations due to decline in competitiveness of its main products and failure to explore new markets	➢ Keeping a close watch on global trends, conduct regular industry and competitor analyses and stay informed about market, industry and customer dynamics ➢ Enhancing customer relationship management to understand the needs of domestic and international customers ➢ Expanding overseas business sites and establish comprehensive global sales strategy ➢ Continuing to develop new sizes and obtain certifications in specific product areas to enhance differentiation from competitors ➢ Implementing rolling adjustments to sales strategies and distribution channels in order to respond to market changes effectively thus strengthening the flexibility of sales strategies	International Sales Department Sales Department
	Concentrated Sourcing	The excessive concentration of raw material suppliers by an enterprise may lead to unstable supply delivery times, or result in risks of material shortages or price monopolies	➢ Analyzing the supply situation in major markets, identifying and maintaining alternative suppliers for raw materials to ensure supply diversification , mitigate the risk of material shortages, and risk of price monopoly ➢ Implementing assessments for key suppliers to ensure the quality and stability of supply delivery times ➢ Continuously monitoring the supply status of suppliers and adjusting procurement strategies in a timely manner	General Manager Office Administration Department
	Human Resources	When outstanding talent is not adequately motivated and developed, there is a risk of talent loss, which may lead to a shortage of key personnel and impact the normal operations of an enterprise	➢ Reviewing personnel management regulations annually to ensure legal compliance and proper implementation, and updating relevant regulations in a timely manner when laws are amended ➢ Caring for the adaptation of both current and new employees, providing professional skills training and general education courses ➢ Effectively training employees in their career capabilities to obtain professional certifications in their respective job fields ➢ Continuously enhancing salary competitiveness to stabilize employees' quality of life, attract more talent, and retain outstanding employees	Administration Department
Operational	Information Security	Due to human error, deliberate attacks, or natural disasters, there is a risk of assets being stolen or misused, information being leaked, altered, or destroyed, which can adversely affect an enterprise's operations, assets, or reputation	➢ Formulating an "Information Security Manual" and "Information Security Policies" ➢ Revising the "Procedures for Computer Operation Safety Management" to ensure compliance ➢ Implementing specific management measures for network security, information security, device security, continuous education and training, and operational maintenance ➢ Obtaining ISO/IEC 27001:2013 Information Security Management System Certification, with at least one internal self-audit and one external audit by an impartial third party each year ➢ Joining the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to enhance the acquisition of information security intelligence and improve the ability to respond to and report information security incidents	Information Technology Office

2.4 Information Security Management

❖ Material Topic Management

Material Topic	Information Security Management	
Corresponding GRI	GRI 418-1	
Impact	Sensitive data leaks, personal information breaches, or system intrusions can impact not only an enterprise's operations but also its image and brand value. Additionally, the enterprise may face fines, legal actions, and liabilities as consequences	
Commitments/ Policies	Ensuring the security of information and transactions transmission, as well as the effective operation of all information equipment, to minimize damage caused by information security incidents. This includes protecting the confidentiality, integrity, and availability of the Company's data during computer processing, in compliance with the "Cyber Security Management Act" and its subsidiary regulations. Additionally, it ensures that the aforementioned resources are safeguarded against any interference, destruction, or intrusion	
Targets	Short-Term (2025)	➢ Establish information security-related training courses, arranging for at least 40 seed employees to participate in training each year to assist in promoting information security policies and enhancing employees' information security awareness ➢ Prevent business email spoofing by conducting 3 social engineering drills per year ➢ Obtain ISO/IEC 27001:2022 Information Security Management System Certification
	Medium-to-Long Term (2030)	➢ Introduction of next-generation information security technologies, including but not limited to EDR, SOC, multi-factor authentication, vulnerability assessment. This can enhance our capability in detecting and preventing information security threats, thus reducing success rates of cyberattacks and keep occurrence of information security incidents to no more than 3 times per year ➢ Establish comprehensive information security incident response plan, including but not limited to response team, emergency drills and trainings so that we can address various cybersecurity incidents swiftly, with maximum response time capped at 8 hours
Action Plans	Enhance system security to defend against malware attacks. Perform system vulnerability scanning and testing on regular basis to discover and patch potential vulnerabilities and weaknesses proactively at the earliest time possible	
Effectiveness Assessments	Tracking Process	➢ Internal Audit Office regularly reviews regulatory compliance ➢ Appointing external audit/third-party verification for auditing
	Achievements of The Year	➢ In 2024, zero occurrence of major information security incidents ➢ Conducted a second round of online information security training and testing, with a total of 508 participants, to assist in promoting information security policies and enhancing employees' information security awareness ➢ Prevented business email spoofing by conducting 3 social engineering drills in 2024
Complaint Channels	Compliant or Communication Channels	Reporting and complaint channels have been established on the Company's website
	Communication Results	No complaints or reports have been received

Information Security Management Framework

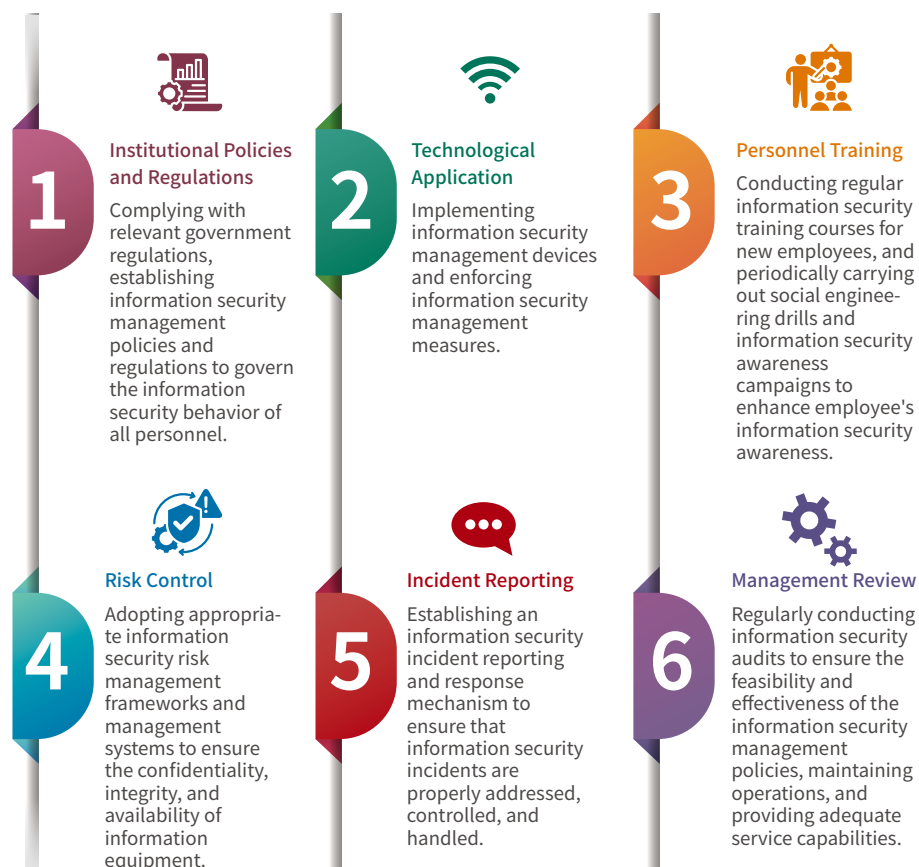
The IT Office is responsible for planning, executing, and promoting information security management matters. The Company has established an "Information Security Manual" that governs the implementation of information security management matters. Through regular education and training, employees are familiarized with the Company's information security policies, standards, and procedures, enhancing their security awareness and reducing the risk of information security incidents. This promotes employee behavior that aligns with information security policies and requirements. Additionally, external auditors are periodically dispatched to inspect the Company's information systems.

The highest-ranking executive in the IT Office is the chief information security officer, who reports the status of information security implementation to the Chairman from time to time and provides annual reports on information security management and performance results to the Board of Directors. Additionally, the Company assigns dedicated information security officer responsible for planning and executing information security initiatives. The Company reports the results of information security management and implementation to the Board of Directors annually.

Information Security Management Policies

To ensure the effective operation and execution of various information equipment, safeguard the security of information and transactions transmission, prevent unauthorized access, modification, use, and disclosure, and mitigate the damage caused by information security incidents, the Company has established an information security management mechanism. This mechanism also protects the confidentiality, integrity, and availability of the Company's data processed by computers, in compliance with the "Cyber Security Management Act" and its subsidiary regulations.

Information Security Management Mechanism



Information Security Management System Certification

In May 2023, the Company obtained the international standard ISO/IEC 27001:2013 Information Security Management System Certification. According to this standard, we implement the "Plan-Do-Check-Act" (PDCA) cycle. We conduct at least one internal self-audit and one external audit by an impartial third-party each year to ensure the effective implementation of the ISO 27001 management mechanisms. Additionally, we undergo a recertification process every three years to maintain the validity of the ISO 27001 certification. The update to the ISO/IEC 27001:2022 version is scheduled to be completed in 2025.

Information Security Specific Management Measures

Network Security	- Implementing next-generation firewalls to ensure firewall security control mechanisms. - Network Segmentation, preventing the spread of viruses within the internal network.	Implement SOC (Security Operation Center) for real-time monitoring services.
Data Security	- Internal/External access control measures. - Sensitive data access control.	External storage device control.
Device Security	- Implementing next-generation endpoint protection to continuously monitor for malicious software and behaviors. - Implementing next-generation email analysis gateways.	- Restricting remote access behaviors of personnel. - Implementing two-factor authentication for privileged accounts.
Education and Training	Conducting education and training sessions along with awareness campaigns.	Periodic social engineering drills.
Operational Continuity	- Monitoring and reporting mechanisms for systems/networks availability. - Implementing contingency measures for service interruptions.	- Implementing data backup and redundancy measures, including on-site and off-site backup mechanisms. - Conducting regular incident recovery drills.

Conducting education and training sessions on information security issues

We conducted 3 social engineering drills this year, each targeting 200~300 user accounts within the Company, totaling 759 participants. Also, we conducted two online information security training sessions and assessments, with a total of 508 participants., enhancing employee awareness of information security.

Information Security Incident Response Measures

Based on the internal “Information Security Incident and Operational Continuity Management Procedures,” we ensure that the processes for reporting, classifying, grading, handling, compiling statistics, and tracking information security incidents are institutionalized and systematized. When an information security incident occurs, we promptly report it and take countermeasures to restore normal operations as quickly as possible, ensuring that business operations can be maintained. Additionally, we have implemented mechanisms such as EDR, Advanced Persistent Threat (APT) monitoring, and SOC. By leveraging the resources of external information security experts, our information security maintenance and response team can quickly grasp security alerts and intelligence events, strengthening and accelerating our detection and response mechanisms. In 2024, no major information security incidents occurred, and no complaints were received regarding breaches of customer privacy or loss of customer data.



CH3 Sustainable Economic Development

3.1 Business Performance	31	3.3 Supply Chain Management	39
3.2 Product Quality	35	3.4 Customer Relationship Management	40

Chapter Highlights

- Total shipment volume of 133,723 metric tons
- Obtained 19 product quality certification certificates from various countries
- Obtained 34 testing technology certificates from various countries
- Obtained the JIS MARK product certification (JIS G3468) from Japan, enhancing product competitiveness and enterprise recognition, aiding in the development of new customers, and expanding product usage
- In the 2024 annual supplier evaluation, the qualification rate was 100%
- In 2024, the overall customer satisfaction rate was 98.1%
- Awarded the Gold Quality Award by Taiwan Semiconductor Manufacturing Company Limited (TSMC) for excellence as a dedicated equipment manufacturing supplier



3.1 Business Performance

❖ Material Topic Management

Material Topic	Operational Performance	
Corresponding GRI	GRI 201、GRI 201-4	
Impact	To achieve sustainable business operations in ever-changing stainless steel industry, we focus on establishing strong financial structure and investing resources in research and development of new technologies and products. This enhances product competitiveness, creates enterprise value, safeguards rights and interests of stakeholders while striving for sustainable development. Our actions in terms of economic performance can either have positive or negative impacts on economy	
Commitments/Policies	➢ Development of new products and processing technologies to enhance product competitiveness ➢ Active new overseas markets expansion to diversify sales risks ➢ Increase production efficiency and quality and reduce manufacturing costs	
Targets	Short Term (2025)	Sales growth for 2025 is expected to grow compared to 2024 hence, timely adjustments shall be made to diversify sources of raw materials and adjusted product portfolio
	Medium-to-Long Term (2030)	➢ Enhancing profitability of overseas production bases thus contributing stable profits to the group which in turn strengthens overall effectiveness and optimizes group capital utilization ➢ In response to climate change-related risks together with domestic and international climate policy pressures, we are committed to enhancing both our care for the environment and economic competitiveness thus realizing our goals of sustainable business
Action Plans	➢ Strengthening and integrating both domestic and international sales channels, introducing high-value-added products to enhance market competitiveness ➢ Timely adjusting source of raw materials and product sales portfolio ➢ Continuing to assess the possibility of investing in other overseas locations to align with global economic trends ➢ Continuing to introduce automation equipment to enhance production technology and efficiency, reducing impact of labor shortages and rising labor costs ➢ Effective utilizing financial instruments and strengthening customer credit checks to prevent bad debts thus protecting the Company's interests	
Effectiveness Assessments	Tracking Process	➢ Preparing annual business plan, holding quarterly management meetings to review execution status and propose improvement strategies ➢ Preparing annual budget yearly and reviewing budget achievement on a monthly basis, taking necessary measures to address any abnormal situations ➢ Holding weekly production and sales meetings to adjust production, sales, and procurement strategies if needed
	Achievements of The Year	Review business plan targets and annual budget achievement status before year end and report to the Board
Complaint Channels	Complaint or Communication Channels	➢ Analyze differences between financial performance and business goals on a monthly basis and report to the executive management ➢ Present financial performance and financial status to the Board on a quarterly basis
	Communication Results	➢ Convened 4 management meetings to address differences between financial performance and business goals, proposing improvement strategies in response to changes in industry environment ➢ Held 7 board meetings to review financial reports and business performance

Stable business growth is one of the key factors for sustainable business operation and a focal point for investors. Therefore, the Company has established a comprehensive financial system, enables us to optimize our operational strategies in line with market changes. Our primary source of revenue is from the sale of core products, and we aimed to maximize shareholder equity and maintain stable business operations.

Financial Performance

Please find the detailed consolidated financial performance of the Company from 2022 to 2024 in the table below. The amounts are based on calculations from consolidated financial statements. In 2024, overall revenue decreased by approximately 4.7%, with a net loss of NT\$103,494 thousand and a loss per share of NT\$0.22. This was primarily due to the subsidiary in Türkiye operating in a hyperinflationary economy, resulting in the recognition of a hyperinflationary loss of NT\$843,703 thousand.

In terms of economic value, the Company retained an economic value of NT\$644,813 thousand in 2024. The allocation of economic value is primarily focused on meeting operational needs, accounting for approximately 86% of the allocation. The remaining allocation is directed towards employee salaries and benefits (7%) and distributing dividends to shareholders (3%).

Unit: NTD thousands

Item		2022	2023	2024
Operating Ability	Total Assets	19,663,782	18,314,389	22,478,572
	Total Equity	10,416,263	8,950,169	10,511,562
	Consolidated Operating Revenue	16,840,315	15,232,177	14,522,266
	Consolidated Gross Profit	2,176,813	1,100,974	1,731,159
	Consolidated Net Profit	518,282	(169,815)	(103,494)
Profitability	ROA (%)	3.01	(0.28)	0.33
	ROE (%)	5.23	(1.75)	(1.06)
	EPS (NT\$)	1.16	(0.38)	(0.22)
Generation and Distribution of Economic Value	Direct Economic Value Generated ^{Note 1}	16,875,172	15,264,050	14,543,737
	Economic Value Distributed	16,050,128	15,548,515	13,898,924
	Operating Costs	14,059,126	13,517,472	12,015,970
	Employee Salaries and Benefits	861,287	828,490	1,041,891
	Dividend Distributed to Shareholders ^{Note 2}	666,964	669,309	470,226
	Interest Expenses	72,299	134,134	199,026
	Payments to Governments	388,130	396,367	165,019
	Community Investments	2,322	2,743	6,792
	Economic Value Retained ^{Note 3}	825,044	(284,465)	644,813

Note 1: Including consolidated operating revenue, interest income, dividend income, rental income, and other income.

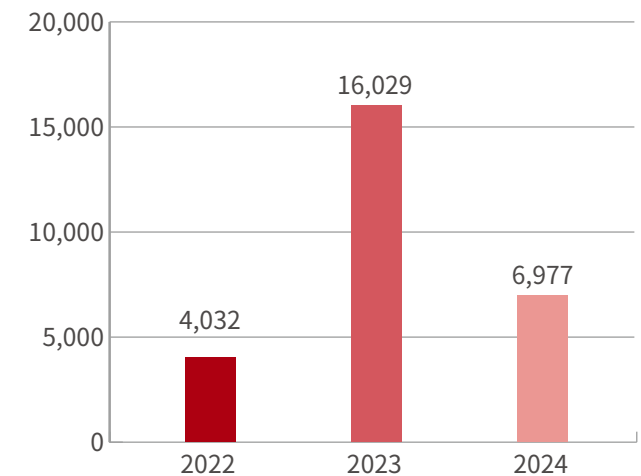
Note 2: The cash dividends for the fiscal year 2024 will be distributed from the capital surplus.

Note 3: The calculation for economic value retained is "direct economic value generated" less "economic value distributed".

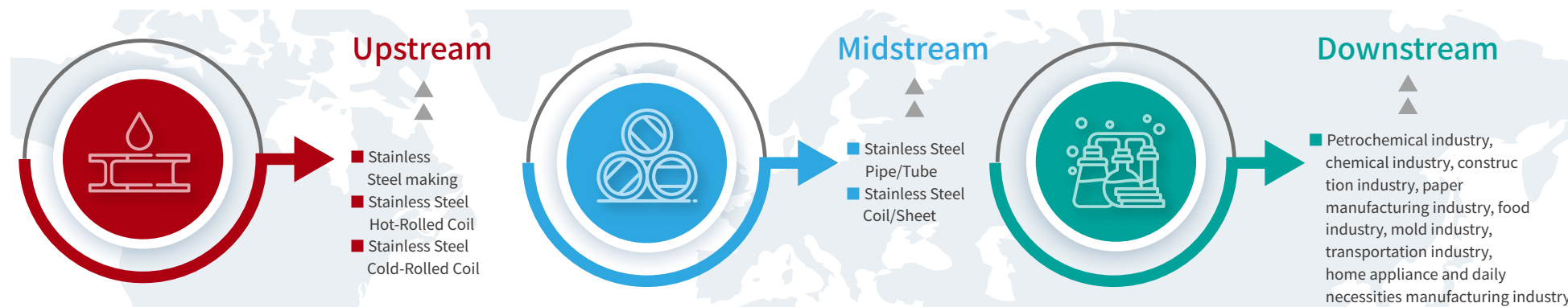
Government Assistance

The amount of assistance received from government in 2024 was NT\$6,977 thousand, primarily from investment deductions.

Unit: NTD thousands



Main Products



The Company is positioned in the midstream segment of the stainless steel industry. We primarily produce stainless steel pipe/tube and offer stainless steel sheet/coil slitting and processing services. Additionally, we manufacture products such as stainless steel angle, flat bar, and channel. We fall under the category of secondary processing within steel industry, and our products find a wide range of applications, from everyday items like kitchenware to construction materials and aerospace technology.

Our products can be categorized into three main groups: stainless steel pipe/tube, stainless steel sheet/coil, and other stainless steel products. Over the past three years, production has primarily focused on stainless steel pipe/tube and stainless steel sheet/coil. In 2024, we produced 73,391 metric tons of stainless steel pipe/tube and 58,429 metric tons of stainless steel sheet/coil. Both of these categories experienced an increase compared to previous year, mainly due to impact of fluctuating stainless steel raw material prices and an overall increase in market demand.



❖ Production Volume Breakdown

Unit: Metric tons

Product Type	2022	2023	2024
Stainless Steel Pipe/Tube	68,852	70,738	73,391
Stainless Steel Sheet/Coil	50,893	54,954	58,429
Other Stainless Steel Products	2,398	3,633	2,048
Total	122,143	129,325	133,868

Sales Overview

In 2024, our sales by product category were primarily composed of 73,527 metric tons of stainless steel pipe/tube and 58,073 metric tons of stainless steel sheet/coil. In terms of revenue distribution, 20% of our sales were in the domestic market, while 80% were from exports. Our key sales markets include Taiwan, Americas, and Europe.

❖ Regional Sales Breakdown

Unit: NTD thousands

Year		2022		2023		2024	
Region		Amount	%	Amount	%	Amount	%
Domestic		3,902,772	24.0%	2,909,882	21.4%	2,542,093	20.2%
Export	Asia	1,854,390	11.4%	1,490,988	10.9%	1,148,272	9.1%
	Americas	3,958,968	24.3%	4,241,160	31.1%	2,993,605	23.9%
	Europe	3,197,979	19.7%	2,350,579	17.3%	3,209,495	25.6%
	Oceania	2,096,742	12.9%	1,868,788	13.7%	1,862,622	14.8%
	Africa	1,251,696	7.7%	762,655	5.6%	800,720	6.4%
Total		16,262,547	100.0%	13,624,052	100.0%	12,556,807	100.0%

❖ Breakdown of Domestic/Export Sales Volume

Unit: Metric tons

Year		2022		2023		2024	
Product Category		Weight	%	Weight	%	Weight	%
Stainless Steel Pipe/Tube	Domestic Sales	25,018	18.6%	20,294	15.0%	20,888	15.6%
	Export Sales	46,800	34.9%	53,754	39.8%	52,639	39.4%
Stainless Steel Sheet/Coil	Domestic Sales	16,813	12.5%	17,418	12.9%	14,757	11.0%
	Export Sales	43,569	32.4%	41,237	30.6%	43,316	32.4%
Other Stainless Steel Products	Domestic Sales	1,112	0.8%	983	0.7%	897	0.7%
	Export Sales	1,121	0.8%	1,400	1.0%	1,226	0.9%
Total		134,433	100.0%	135,086	100.0%	133,723	100.0%

According to the “Taiwan Steel and Iron Industries Association’s Steel Information 2024 report” on import and export statistics of steel products, the Company’s sales volumes for welded stainless steel pipe/tube and stainless steel sheet/coil (including cold-rolled 300 series, 400 series, and hot-rolled 300 series) were analyzed in comparison to overall market in Taiwan. For stainless steel pipe/tube, the Company holds 23% market share in domestic market and a 48% market share in export market. In the case of stainless steel sheet/coil, our market share is 2% in domestic market and 5% in export market.



3.2 Product Quality

❖ Material Topic Management

Material Topic	Product Quality Management	
Corresponding GRI	N/A	
Impact	Products sold with poor quality or failing to meet customer needs and expectations may lead to an increase in customer complaints, decreased satisfaction, and reduced market share. This, in turn, can increase compensation amounts and improvement costs, ultimately affecting the enterprise's reputation	
Commitments/ Policies	The Company upholds the philosophy of “Quality First, Customer Foremost,” considering quality as the core value. We are committed to providing high-quality products and ensuring that we meet customer needs. Our quality management system is established by the Quality Assurance Department through the formulation of the “Regulation on Quality Control” and the “Management System Planning Procedures” to ensure that we operate in compliance with standards. By enhancing our awareness of the requirements of the quality management system, we continuously improve the efficiency of our operational activities, thereby achieving the benefits of quality improvements and providing customers with products and services that meet their needs and regulatory requirements	
Targets	Short Term (2025)	➢ Obtain 20 product quality certification certificates from various countries ➢ Obtain 38 testing technology certificates from various countries
	Medium-to-Long Term (2030)	➢ Obtain over 24 product quality certification certificates from various countries ➢ Obtain over 40 testing technology certificates from various countries
Action Plans	➢ Optimization of technology and process capabilities ➢ Enhancement of customer service levels ➢ Continuous quality improvement	
Effectiveness Assessments	Tracking Process	Using the results published by certification authorities after their audits and the scores announced by testing agencies as a basis to improve the quality of products and services
	Achievements of The Year	➢ Obtained 19 product quality certification certificates from various countries ➢ Obtained 34 testing technology certificates from various countries ➢ Obtained the JIS MARK product certification (JIS G3468) from Japan, enhancing product competitiveness and enterprise recognition, aiding in the development of new customers, and expanding product usage
Complaint Channels	Complaint or Communication Channels	Reporting and complaint channels have been established on the Company's website
	Communication Results	➢ Customer satisfaction survey results showed 100% satisfaction with product quality ➢ In 2024, there were a total of 95 customer service cases, 73 of which were quality issues. Improvement measures have been raised to reduce the likelihood of future recurrence

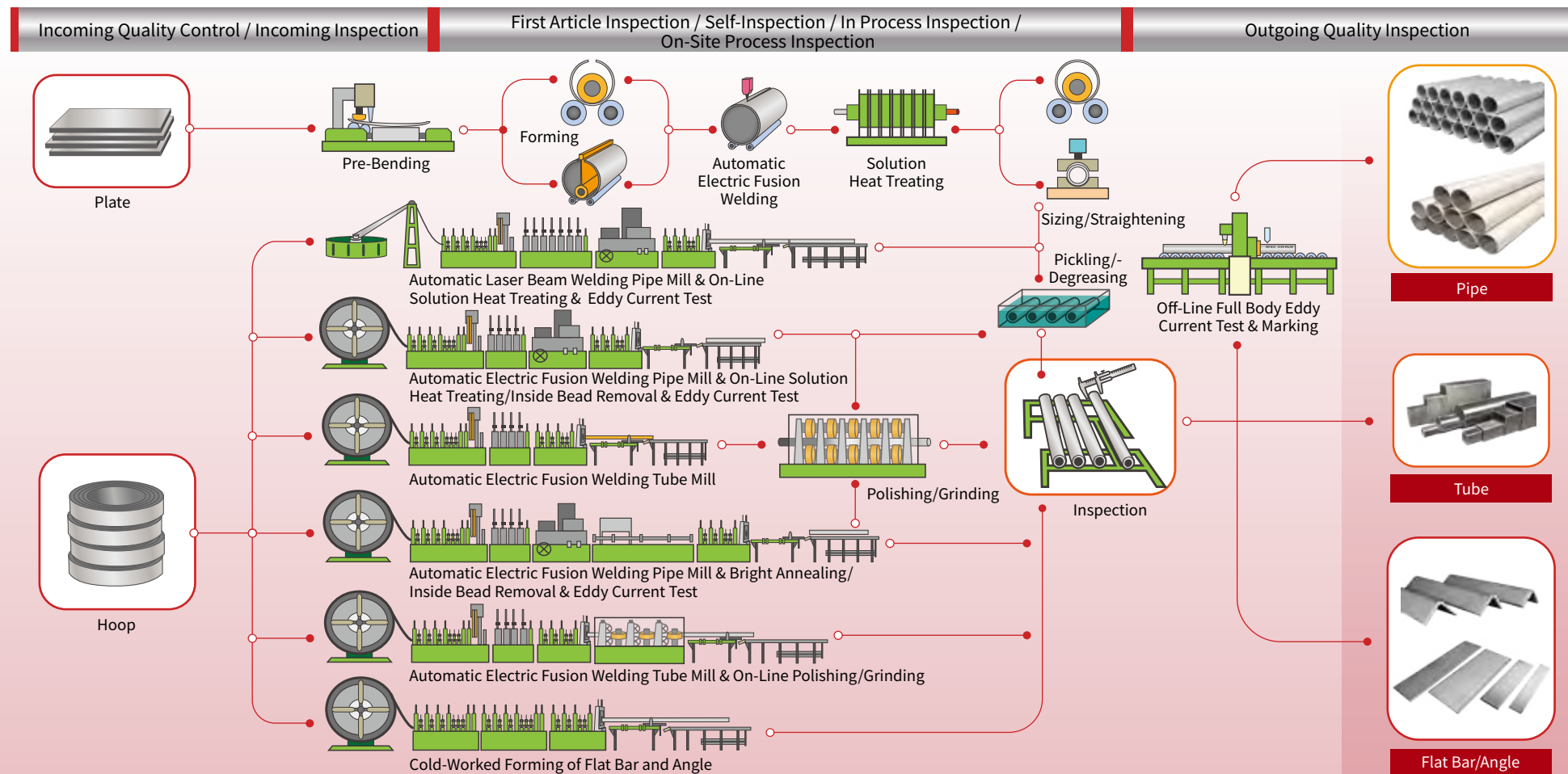
Stainless steel is a special type of steel known for its heat resistance, corrosion resistance and durability. It can withstand exposure to acids, alkalis and oxidation, making it a long-lasting material compared to carbon steel. Additionally, stainless steel and related scrap materials can be recycled and melted down to refine new raw materials, making it an environmentally friendly and waste-reducing green product.

Quality Management

The Company upholds the philosophy of “Quality First, Customer Foremost” and is dedicated to providing high-quality products that meet customer needs. Currently, the Company's factories and production processes have achieved various international certifications, including the ISO 9001 Quality Management System and the ISO 3834 Quality requirements for fusion welding of metallic materials. We have also obtained product certifications from certifying authorities in the United States, Japan, Europe Union, Australia, Norway, Italy, France, and the United Kingdom. Additionally, the Company has established a laboratory that meets the national-level TAF (Taiwan Accreditation Foundation) certification standards to ensure the stability and reliability of product quality.

To ensure effective quality control, the Company has established “Regulation on Quality Control” based on our “Quality Manual”, with Quality Assurance Department serving as the responsible unit. The Company’s measuring equipment and instruments are regularly maintained to ensure their metrological capabilities, maintaining accuracy of inspections and tests. In the event of anomalies in quality system or product quality, investigations are conducted to identify the root causes of these anomalies. Corrective measures and preventive actions are proposed to prevent the recurrence of anomalies. We also implement internal audits every six months and annual external audit to assess the effectiveness of our quality management system. This helps us understand the performance of our quality management system and make necessary improvements.

❖ Processes and Inspection Points Flowchart

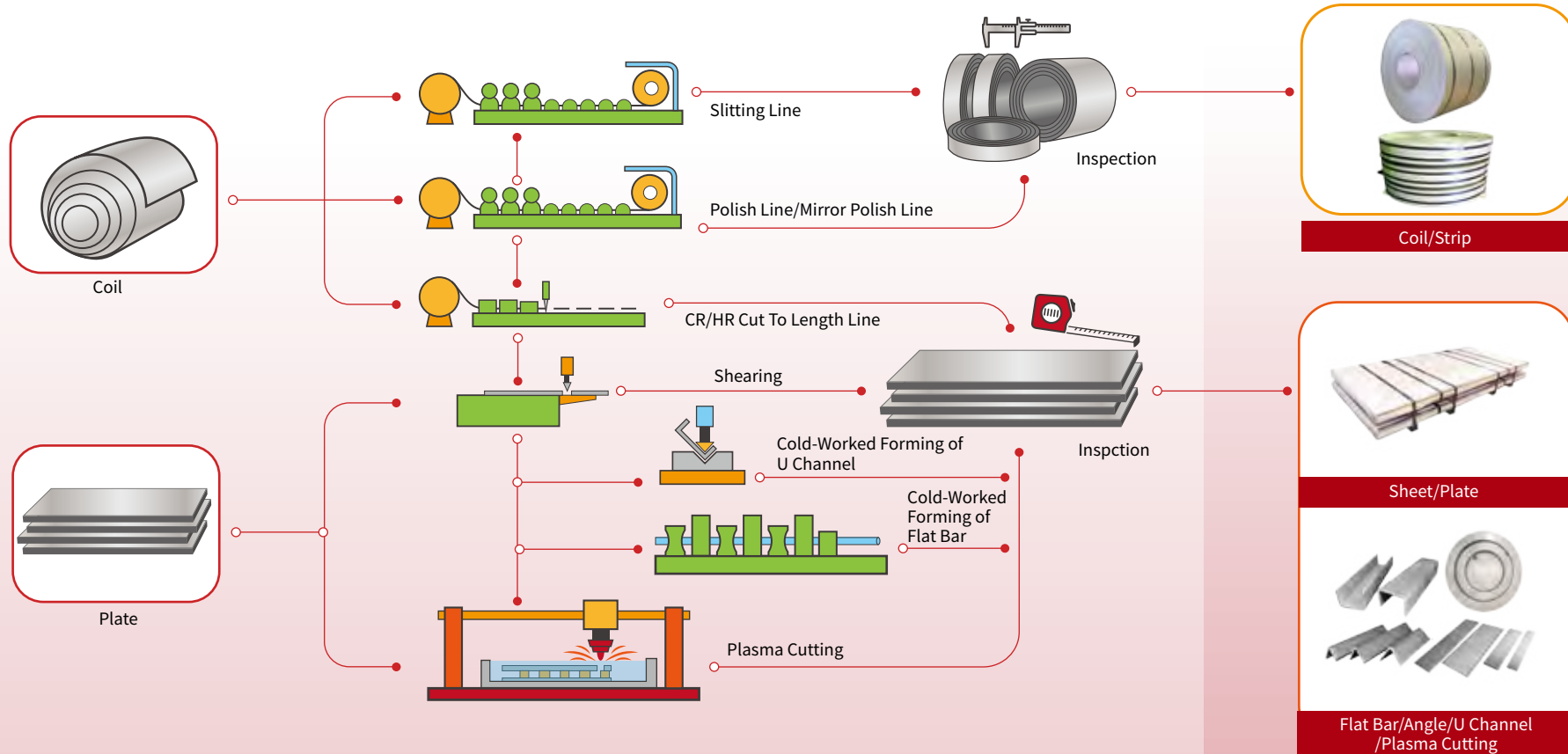


Incoming Quality Control / Incoming Inspection

First Article Inspection / Self-Inspection / In Process Inspection / On-Site Process Inspection

Finished Quality Inspection

Outgoing Quality Inspection



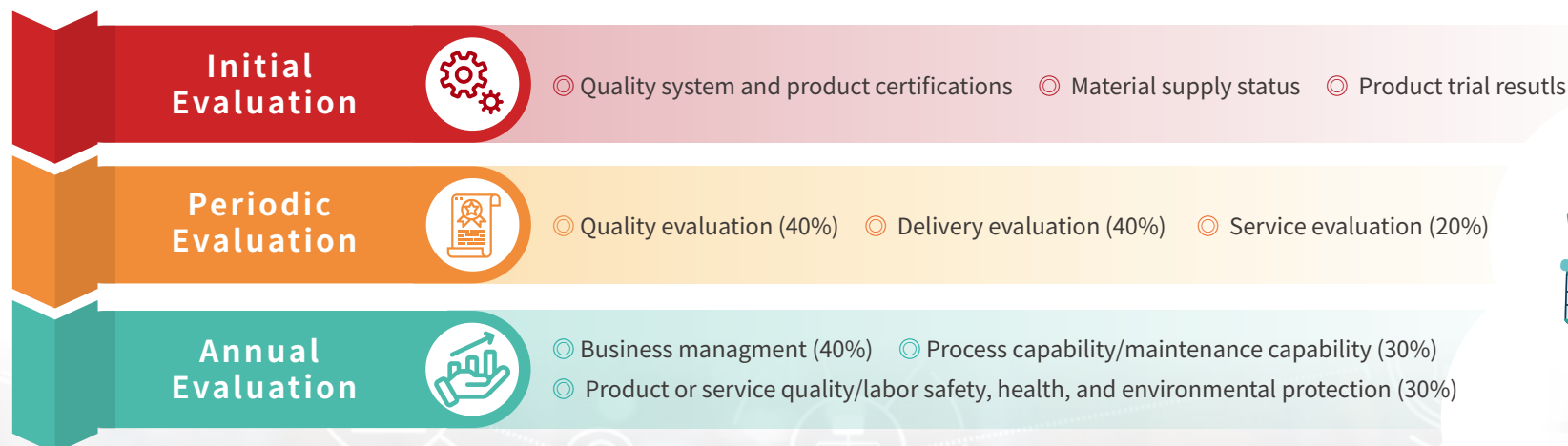
Certificates and Verifications Obtained

Product Validation		3-A (3-A Sanitary Standards, Inc., USA)		NSF (National Sanitation Foundation)
		WaterMark (Australian Building Codes Board)		CE (Conformité Européene)
		UKCA (UK Conformity Assessed)		JIS (Japanese Industrial Standards)
		CNS (National Standards of the Republic of China)		DNV (Det Norske Veritas)
		BV (Bureau Veritas)		RINA (Registro Italiano Navale)
		LR (Lloyd's Register)		
Laboratory Accreditations		TAF (Taiwan Accreditation Foundation) Laboratory Accreditation		
Quality System Certifications	ISO 9001 Quality Management System			
	ISO 3834 Welding Management System			
	Pressure Equipment Directive Ped 2014/ 68/ EU & AD 2000 W0			
Environmental, Safety, Health and Energy Certifications	ISO 45001 Occupational Health and Safety Management System			
	CNS 45001 Occupational Safety and Health Management System			
	ISO 14001 Environmental Management System			
	ISO 50001 Energy Management System			
	ISO 14064-1 Greenhouse Gas Inventory Standard			
Information Security Certifications	ISO 14067 Carbon Footprint of Products			
	ISO/IEC 27001 Information Security Management Systems			

3.3 Supply Chain Management

Potential suppliers must undergo an evaluation process by the Company. Their products must meet our requirements during trials before they can become qualified suppliers. The Company conducts regular assessments annually, covering three key evaluation criteria: quality, timely delivery, and service. Suppliers who pass the assessment and meet our criteria are listed as cooperative suppliers for the following year. Additionally, labor safety and health, as well as environmental protection, have been included in the assessment criteria. In 2024, we completed annual supplier evaluation, achieving a 100% qualification rate.

Supplier Evaluation Criteria



Our primary raw materials are cold-rolled and hot-rolled stainless steel coil/plate/sheet. Currently, most of the hot-rolled materials and special specifications are imported from overseas. For other categories, we mainly procure from domestic suppliers such as Yieh United Steel Corporation and Walsin Lihwa Corporation.

3.4 Customer Relationship Management

❖ Material Topic Management

Material Topic	Customer Relationship Management	
Corresponding GRI	GRI 418-1	
Impact	Customers are the most important asset of an enterprise; having customers is the foundation upon which a business is built, and customer retention is the key factor that determines whether an enterprise can continue to grow in a highly competitive market. Therefore, customer satisfaction provides the drive and direction for an enterprise's long-term success and is an extremely crucial cornerstone. Developing and retaining customers requires a collective team effort. When facing customer complaints, we need to handle them proactively and communicate effectively with customers to maintain their trust in our products and services, thereby reducing the likelihood of customers turning to competitors	
Commitments/Policies	YC INOX's core philosophy in customer relationship is "Quality First, Customer Foremost". YC INOX values customers' perceptions of the product quality, pricing, delivery times, and services provided by the Company. In addition to regular communication and contact with customers, we also engage with them through emails, phone calls, messaging apps, and marketing events (exhibitions) on an irregular basis. Furthermore, we conduct an annual satisfaction survey at the end of each year, and based on customer feedback, we provide appropriate responses or improvement plans	
Targets	Short Term (2025)	Maintain annual customer satisfaction in various aspects at $\geq 90\%$
	Medium-to-Long Term (2030)	Maintain annual customer satisfaction in various aspects at $\geq 90\%$
Action Plans	Following the "Service and Complaint Response Policy", we actively respond to customer feedback, collecting data for investigation and analysis. We consider customers' needs and expectations, engaging in communication and negotiation to provide appropriate responses. For cases involving quality issues attributed to the Company, we implement corrective measures to prevent recurrence. We hold cross-departmental quality meetings on an irregular basis to track the progress of each case and conduct an annual customer satisfaction survey at the end of each year as a basis for further improvements	
Effectiveness Assessments	Tracking Process	Annual customer satisfaction survey report
	Achievements of the Year	In 2024, the overall satisfaction rate from the customer satisfaction survey was 98.1%
Complaint Channels	Complaint or Communication Channels	Reporting and complaint channels have been established on company website
	Communication Results	No incidents of customer privacy infringement or complaints about privacy violations have occurred

Customer Service System

YC INOX upholds the quality policy of "Quality First, Customer Foremost" striving to provide customers with products that meet mutually agreed-upon standards or specifications. When products fail to meet order requirements, customers can report complaints through our sales personnel. All complaints should undergo a basic technical evaluation based on policies, industry standards, application standards, contracts, and order content, followed by communication with the customer. Based on the customer's needs and expectations, we will provide appropriate responses and implement corrective measures for quality issues caused by the Company to prevent recurrence.

Customer Satisfaction

YC INOX's customer satisfaction survey is divided into five major aspects: product quality, service of sales contact, delivery time, price, and overall performance of product & service. The main respondents of the survey are customers. We collect, summarize, and analyze the questionnaires to create a "Customer Satisfaction Survey Report." Each quarter, we review the "Specific Implementation Results Report on Customer Satisfaction Improvement Measures." For survey results that show dissatisfaction, an analysis must be included in the Customer Satisfaction Survey Report, along with proposed improvement measures.

In 2024, a total of 475 customer satisfaction surveys were distributed, with 433 responses received, resulting in a response rate of 91%. The overall satisfaction rate was 98.1%.

❖ Awarded the Gold Quality Award by Taiwan Semiconductor Manufacturing Company Limited (TSMC) for Excellence as a Dedicated Equipment Manufacturing Supplier

台積電新建廠
2023年度品質獎

允強實業股份有限公司
榮獲

設備製造專責廠驗金質獎

部經理 呂孟倉 敬贈
廠務安全與品質管理部
台灣積體電路製造股份有限公司
2024年1月12日



Communication Channels with Customers

Customers can use the information on the Company's website to contact the sales personnel based on their product needs and geographic location. The current communication channels with customers include email, phone, messaging apps, in-person meetings, video conferences, and visits for domestic and international customers. We also participate in international exhibitions, which not only strengthen our relationships with existing customers but also help us further expand into overseas markets and develop potential market customers.

Customer Complaint Handling Process

YC INOX follows the "Service and Complaint Response Policy" to provide a limited warranty on products. When sales personnel receive a customer service case, they provide the relevant information to the Quality Assurance Department and other related units for investigation and analysis. Subsequently, the sales personnel will request the necessary information from the customer to facilitate follow-up and allow the Quality Assurance Department to conduct a basic technical evaluation based on policies, industry standards, application standards, contracts and order content, clarifying the cause of the case. If the case is determined to be due to product or process defects, the responsible unit must propose corrective actions and review them for implementation. Finally, the sales personnel should respond appropriately based on the customer's needs and expectations.

Protecting Customer Privacy

YC INOX upholds the principles of protecting business information and customer privacy by establishing regulations such as the "Codes of Ethical Conduct for Employees" and the "Information and Communication Security Policy." These regulations are designed to prevent unauthorized access, modification, or improper disclosure of information, thereby safeguarding customer privacy and rights. Additionally, through awareness campaigns, management reviews, and internal audits, all employees are required to comply with these regulations. In 2024, the Company did not experience any incidents of customer privacy infringement or complaints regarding privacy violations.

CH4 Sustainable Environmental Management

4.1 Climate Change Management 43

4.2 Sustainable Production-related Management 52

Chapter Highlights

- TCFD –Major climate risks and opportunities identified
- Waste management - Implementation of waste resource utilization projects
 - ◎ 83.86% of residual plastic compounds have been converted into recyclable plastic, totaling 43.02 metric tons
 - ◎ Over the past three years, approximately 118.97 metric tons of waste plastic have been recycled, which is estimated to have reduced carbon emissions by about 40.5 metric tons
 - ◎ The total volume of hazardous waste disposal decreased by 7.59% compared to 2023
- Energy management - Developing and installing new renewable energy sources
 - ◎ In 2024, 12,817 thousand kWh solar power was generated, which is equivalent to reducing approximately 6,331 metric tons carbon emissions
 - ◎ The installed capacity of solar power generation systems accounts for 76.51% of the total contracted capacity across all mills in Taiwan
- Energy management - Promoting energy saving measures
 - ◎ In 2024, actual electricity consumption decreased by 727,584.7 kWh compared to 2023, representing a reduction of 1.97%
 - ◎ In 2025, we received a Certificate of Appreciation for Demand Response Load Management from the Yunlin Branch of Taiwan Power Company
- Greenhouse Gas Management
 - ◎ Continuing the Implementation of ISO 14064-1:2018 Greenhouse Gas Inventory.
 - ◎ Completed ISO 14067:2018 Carbon Footprint of Products verification for three major product categories across four mills.
- Air pollution management
 - ◎ Average emission monitoring values obtained from Puoshing Mill and Douliou Mill II conform to the “ Standards for Air Pollutant Emission from Stationary Pollution Sources ”

4.1 Climate Change Management

❖ Material Topic Management

Material Topic	Climate Change Adaptation	
Corresponding GRI	GRI 201-2, GRI305	
Impact	Addressing climate change is a crucial concern for today's businesses, as it has potential to impact our operational strategies and outcomes significantly. Responding to risks and opportunities brought about by climate change is essential. This issue should be integrated with other environmental considerations, including energy management, waste management, water resource management, and greenhouse gas management. Strong actions to address climate change can benefit an enterprise's long-term survival, while inaction can have adverse effects. An enterprise's actions in economic performance can either have positive or negative impacts on environment	
Commitments/ Policies	➢ We have formulated environmental, safety, health and energy policies that incorporates risk control and energy efficiency into our considerations. We have established a Sustainability Committee and Environmental Sustainability Execution Team, which is responsible for providing annual plans and progress reports to the Board ➢ We are aligning our goals with government's 2050 net-zero emissions roadmap to achieve sustainable development ➢ We are enhancing carbon information disclosure and implementing ISO 14067 Carbon Footprint of Products Certification	
Targets	Short Term (2025)	➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation system is equivalent to 37.5% of total contracted capacity for all mills in Taiwan ➢ Obtain ISO 14067 Carbon Footprint of Products Certification for at least type 1 products ➢ Establishing intelligent monitoring system that can capture 75% of Company's electricity consumption information ➢ Complying with regulations relating to climate action and greenhouse gas emissions disclosure
	Medium-to-Long Term (2030)	➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation system equivalent to 75% of total contracted capacity for all mills in Taiwan ➢ Optimizing intelligent monitoring system that can capture 90% of Company's electricity consumption information ➢ Regularly identifying climate risks and opportunities and developing corresponding strategies and action plans
Action plans	➢ Integrating framework into existing risk management process, identifying climate risks and opportunities, formulating response and improvement measures and adapting to climate change-induced uncertainties to transform risks into opportunities ➢ Starting from 2020, we conduct greenhouse gas inventory at each mill to understand emission status and introduce third-party verification. Developing management plans for waste reduction, emissions reduction, pollution prevention and other projects to execute and control ➢ Promoting waste resource utilization programs, continuously increasing the reuse ratio, and thereby reducing greenhouse gas emissions from waste treatment ➢ Improving the accuracy of carbon inventories and implementing ISO 14067 product carbon footprint verification	
Effectiveness Assessments	Tracking Process	➢ In accordance with the ISO 50001 Energy Management System and ISO 14064-1 Greenhouse Gas Inventory standards, data is collected and tracked monthly, with annual performance reviews conducted, followed by management reviews and the implementation of corrective actions ➢ Gathering electricity usage data from production line machinery to understand energy consumption trends within the mills, and prioritizing improvements in the electricity usage of high-energy-consuming equipment
	Achievements of The Year	➢ The Company achieved electricity savings rate of 1.97% across all mills ➢ The installed capacity of solar power generation system accounts for 76.51% of total contracted capacity for all mills in Taiwan ➢ Major equipment at each mill was equipped with smart monitoring system, enabling the tracking of electricity usage data for production, which can be used for calculating product costs ➢ In 2024, 12,817 thousand kWh solar power was generated, which is equivalent to reducing approximately 6,331 metric tons carbon emissions ➢ Completed carbon footprint inventories and third-party verifications for three major product categories across four mills in 2023 and 2024
Complaint Channels	Complaint or Communication Channels	Reporting and complaint channels have been established on the Company's website
	Communication Results	In 2024, one management review meeting was held to continuously evaluate various implementation plans and identify opportunities for short-, medium-, and long-term investment improvements

Response to Climate-related Risk

Global businesses are facing potential operational impacts due to intensifying global warming and extreme weather events in recent years. According to the World Economic Forum (WEF) Global Risk Report for 2025, among the top five long-term risks to business operations, four are environmental risks. These include “Extreme Weather Events”, “Biodiversity Loss and Ecosystem Collapse”, “Critical Change to Earth Systems”, and “Natural Resources Shortages”. This underscores that operational risks for businesses have shifted from economic concerns to environmental issues. Countries worldwide are formulating climate policies and advocacy, requiring companies to disclose their climate risks and opportunities. In response to this trend and challenge, the Financial Supervisory Commission (FSC) has aligned with international standards, mandating that listed companies must topic-specific disclose their climate-related information. YC INOX has proactively responded to this trend and challenge to align with global developments.

YC INOX places significant importance on environmental impact and climate change issues relevant to value chain. The Company actively develops measures to address global climate change and transition trends, aiming to mitigate industry’s impact on climate and reduce operational disruptions caused by current trends. In order to identify risks and opportunities associated with climate change for each department and effectively mitigate and reduce extensive impacts arising from climate change, YC INOX adopted 2017 “Climate-Related Financial Disclosures Framework” issued by Financial Stability Board (FSB). This framework covers four core elements: governance, strategy, risk management, and metrics and targets.

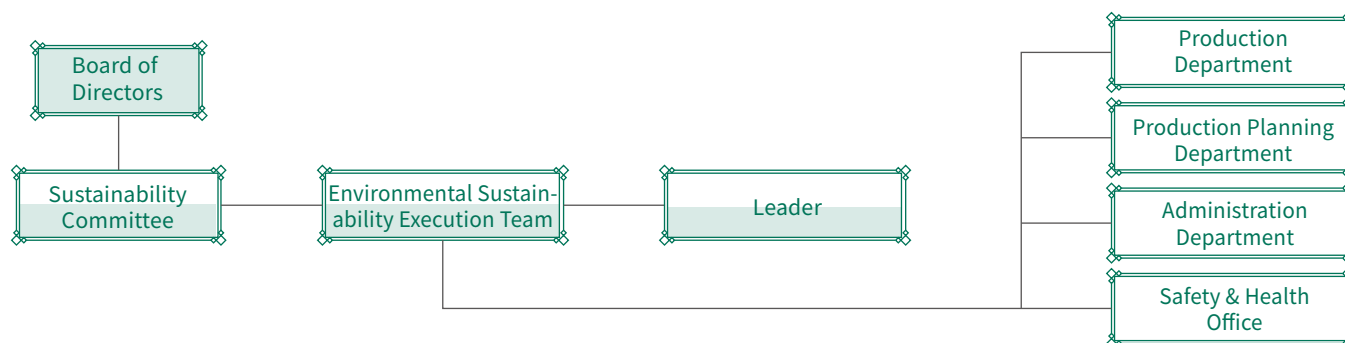
Governance

Establishment of Sustainability Core Team

The Board of Directors is the highest governing body responsible for reviewing and guiding YC INOX’s overall climate change strategy, action plans and annual objectives. The Sustainability Committee reports to the Board annually on implementation plans and achievements in this regard.

In order to effectively manage climate-related risks and opportunities, YC INOX established a Sustainability Committee and formed Environmental Sustainability Execution Team. Environmental Sustainability Execution Team is led by manager of safety and health office. In accordance with YC INOX’s risk management policies, this execution team is responsible for analyzing and monitoring climate-related risks and opportunities. It holds regular meetings to discuss related topics. After compiling its work, the Environmental Sustainability Execution Team shall periodically report to Sustainability Committee.

❖ Environmental Management Organizational Structure Chart



Strategy

Internal climate issue management agenda setting

YC INOX manages climate-related issues based on TCFD recommendation framework. The Company collects climate data beforehand and conducts cross-departmental discussions to identify significant climate change risks and opportunities. We assess short, medium, and long-term financial impacts of these risks and opportunities and formulates adjustment policies and response measures for the Company's operating models and strategies. Management timeframe is defined as short-term with impact of less than three years and medium to long-term with impact of more than three years.

Risk management

Establishing Process for Identifying Climate Change Risks and Opportunities:

❖ Process of Identifying Climate Change Risks and Opportunities

Collect international reports, literature, and climate-related risk and opportunity issues from domestic and international competitors.

Organize educational training and internal discussions on climate risks and opportunities, and assess their potential impact on YC INOX

Based on potential impacts identified, summarize significant climate-related risks and opportunities for YC INOX.

The process for managing climate change-related risks is executed by the Administration Department of the Company in accordance with the "Risk Management Policies and Procedures". We periodically collect information on domestic and international climate change trends and regulatory changes, identify climate-related risks and opportunities in the industry, and compile a list of climate-related risks and opportunities. We also conduct educational training on climate risks and opportunities, and hold group meetings to annually identify and screen risks. The process concludes with a summary of significant climate-related risks and opportunities for YC INOX, as well as existing management measures and response plans. For the overall risk management system at YC INOX, please refer to Section 2.3 of the risk management.

Metrics and Targets

Compliance with Government Policies and Regulations

Adhere to government policies and regulations related to environment, energy, and resources, as well as staying informed about new climate change policies and initiatives both domestically and internationally, examining their potential impact on YC INOX.

YC INOX integrates identified significant climate-related risks and opportunities into business strategy and uses them to establish climate-related development goals. The Company implements a mechanism for regular assessment of execution results to enhance environmental sustainability performance.

Greenhouse Gas Management

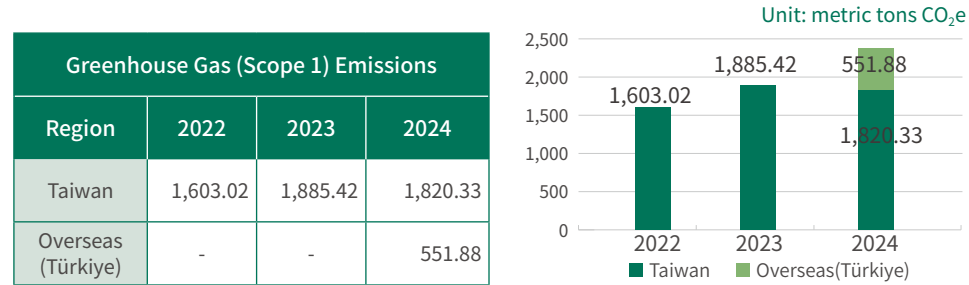
YC INOX has been implementing ISO 14064-1:2018 Greenhouse Gas Inventory Standard in its Taiwan operations since 2021, continuously verifying annual greenhouse gas emissions. Furthermore, the Company is advancing ISO 14067 Carbon Footprint of Products assessments, conducting comprehensive inventories of greenhouse gas emissions from raw material acquisition (including transportation) to the manufacturing stage. Starting in 2024, YC INOX's overseas operations in Türkiye began conducting greenhouse gas inventories in accordance with the ISO 14064-1:2018 standard. The inventories have been completed for Mill 108 (tube) and Mill 109 (sheet/coil), with third-party verification also completed in the same year. YC INOX is actively identifying actual product conditions and carbon emission hotspots, and implements various carbon reduction plans, in response to global carbon reduction trends and government regulations related to climate change.

In 2024, YC INOX's combined Scope 1 and Scope 2 greenhouse gas emissions totaled 22,786.53 metric tons of CO₂e, with the majority (89.59%) originating from Scope 2 electricity emissions. The unit GHG emission for steel pipe products in Taiwan was 0.247 metric tons CO₂e per metric ton, and for sheet/coil products, it was 0.017 metric tons CO₂e per metric ton. In the overseas (Türkiye) operations, the unit GHG emission for steel pipe products was 0.236 metric tons CO₂e per metric ton, and 0.016 metric tons CO₂e per metric ton for sheet/coil products. YC INOX will remain committed to implementing emission reduction initiatives to achieve net-zero emissions by 2050.



2024 ISO 14064-1 Verification Certificate

❖ Scope 1: Direct greenhouse gas (GHG) emissions

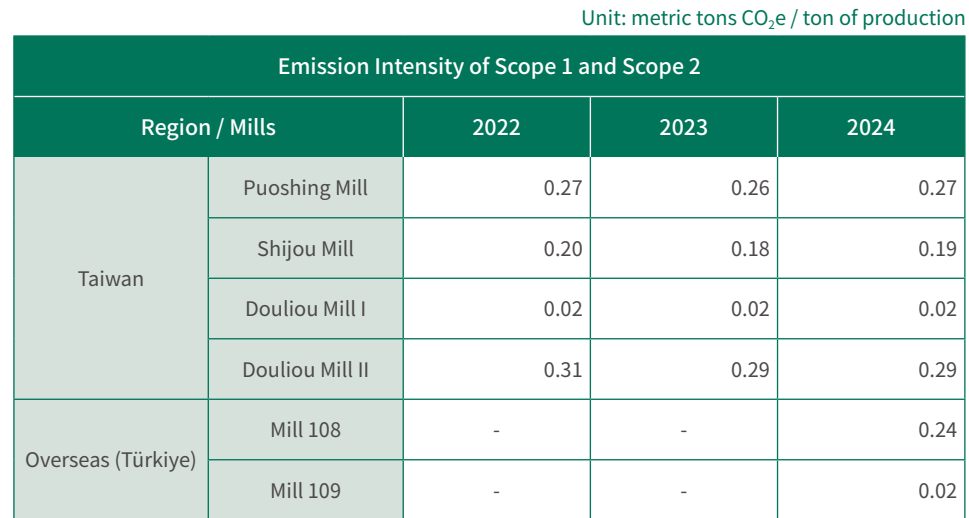


Note 1: Scope 1 emissions include direct emissions from natural gas, gasoline and diesel consumption, welding processes, refrigerant leakage, and other production-related sources.

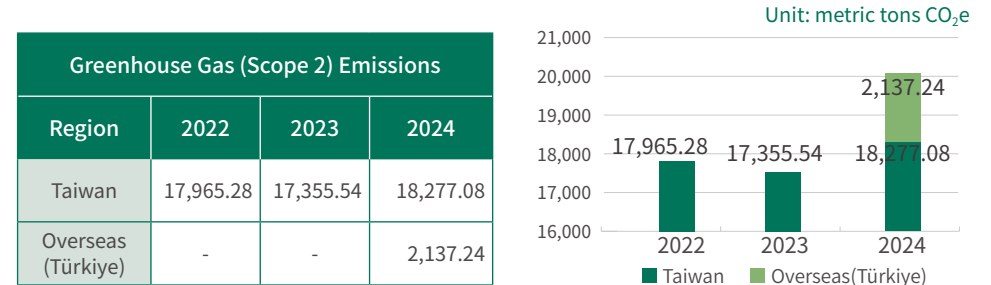
Note 2: The Global Warming Potential (GWP) values are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021). The greenhouse gas emission factors are referenced from the Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table, Version 6.0.4.

Note 3: The inventory scope includes the following mills: in Taiwan – Puoshing Mill, Shijou Mill, Douliou Mill I, and Douliou Mill II; overseas (Türkiye) – Mill 108 and Mill 109.

❖ Greenhouse Gas Emission Intensity (Scope 1 and Scope 2)



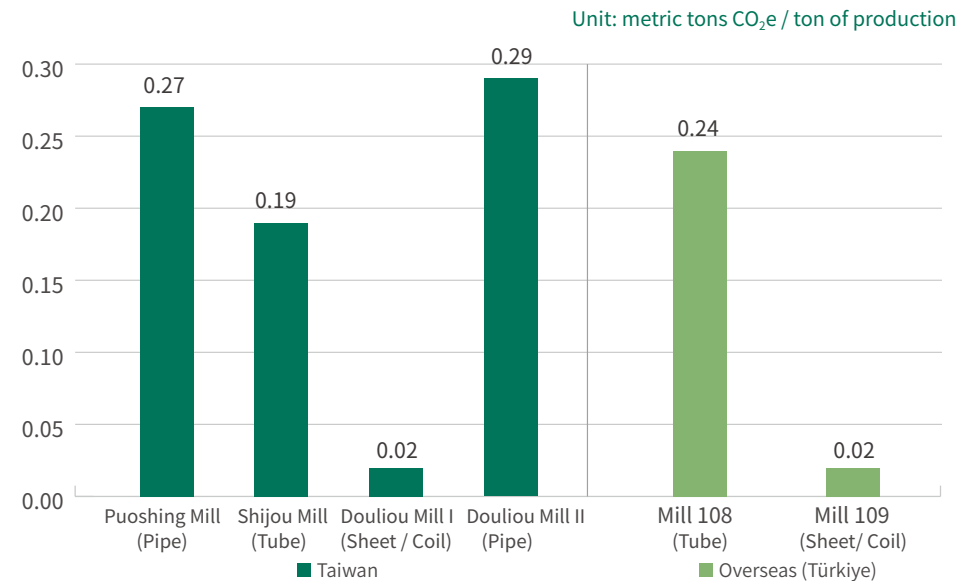
❖ Scope 2: Indirect Greenhouse Gas (GHG) Emissions



Note 1: Scope 2 emissions refer to emissions from purchased electricity.

Note 2: The Global Warming Potential (GWP) values are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021), and the greenhouse gas emission factors are referenced from the Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table, Version 6.0.4.

Note 3: The inventory scope includes the following mills: in Taiwan – Puoshing Mill, Shijou Mill, Douliou Mill I, and Douliou Mill II; overseas (Türkiye) – Mill 108 and Mill 109.



❖ Scope 3: Supply Chain Greenhouse Gas Emissions

Unit: metric tons CO₂e

GHG Protocol	ISO 14064-1:2018	Taiwan	Overseas (Türkiye)
4.Upstream Transportation and Distribution 7. Employee Commuting	Category 3: Indirect GHG emissions from transportation	3,436.75	4,269.66
1.Purchased Goods and Services 3.Fuel- and Energy-Related Activities (not included in Scope 1 or 2) 5.Waste Generated in Operations	Category 4: Indirect GHG emissions from products used by the organization	4,964.93	133,874.56

Note 1: Scope 3 emissions include extraction, manufacturing, and processing of raw materials (raw materials, purchased electricity, tap water, chemical usage), transportation, wastewater discharge, waste treatment, and other indirect emissions.

Note 2: The Global Warming Potential (GWP) values are based on the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021), and the greenhouse gas emission factors are referenced from the Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table, Version 6.0.4.

Note 3: The inventory scope includes the following mills: in Taiwan – Puoshing Mill, Shijou Mill, Douliou Mill I, and Douliou Mill II; overseas (Türkiye) – Mill 108 and Mill 109.

Note 4: Other indirect emissions (Scope 3) from the consolidated subsidiary overseas (Türkiye) differ from those of the parent company (Taiwan) due to variations in the significance assessment criteria, resulting in differences in reported emission volumes.

Sustainability Commitment and Actions in Climate Change Management

As global attention to climate change continues to intensify, YC INOX actively responds to both international and Taiwan's net-zero emission goals by implementing a series of concrete actions and innovative technologies, progressively fulfilling its commitment to sustainable management.

Climate Change Management Strategy

YC INOX recognizes the profound impact of climate change on both corporate operations and the global environment. In response, the Company has developed a comprehensive strategy spanning the short, medium, and long term to ensure effective management of climate-related risks while seizing emerging opportunities.

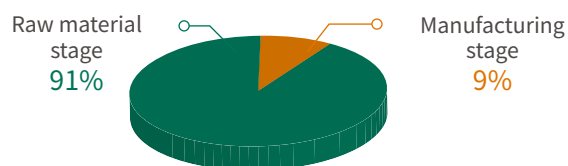
- ❖ **Greenhouse Gas Inventory and Management:** since 2021, YC INOX has implemented the ISO 14064-1 greenhouse gas inventory standard across all manufacturing sites in Taiwan and integrated the ISO 50001 energy management system into its operations. As of the end of 2024, the Company has completed ISO 14067 product carbon footprint assessments and verifications for three major product categories: stainless steel coils at the Douliou Mill I, stainless steel structural tubes at the Shijou Mill, and stainless steel industrial piping at the Puoshing Mill and Douliou Mill II.
- ❖ **Climate Risk and Opportunity Identification:** YC INOX follows the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify and analyze material risks and opportunities related to climate change. The Company adopts a multi-level risk management mechanism, integrating climate change considerations into its decision-making processes to ensure that every action balances both environmental and economic benefits.
- ❖ **Green Energy and Energy-saving Technology Implementation:** The Company has expanded its solar power capacity, with the second-phase solar power system reaching an installed capacity of 6,127 kWp and an estimated annual electricity generation of 8.2 million kWh. At the same time, manufacturing processes have been optimized—for instance, Douliou Mill II has adopted advanced wastewater treatment technology, increasing the wastewater recycling rate to over 90%.

Innovative Technologies and Carbon Management Practices

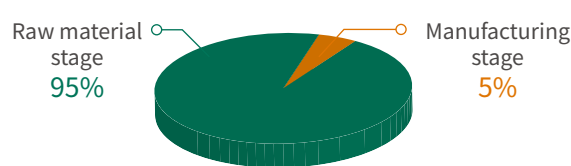
YC INOX's Carbon Footprint Program is a multi-year comprehensive strategy that encompasses every stage from raw material procurement to the production process. Carbon inventory data from 2023 and 2024 reveal that emissions from the raw material acquisition stage account for as much as 91% to 99% of total emissions (as shown in the figure below). In response, the Company is focusing on sourcing low-carbon materials while simultaneously planning to adopt advanced environmental technologies to gradually reduce energy consumption and carbon emissions during the manufacturing stage.

❖carbon emission proportion

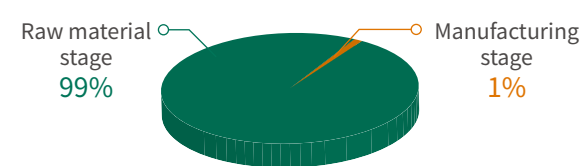
Stainless Steel Pipe Product carbon emission proportion



Stainless Steel Tube Product carbon emission proportion



Stainless Steel Sheet/Coil Product carbon emission proportion



Future Outlook: YC INOX will further enhance the accuracy of its carbon inventory, expand carbon footprint management across its supply chain, and continue to seek optimal solutions for carbon offsetting and the adoption of green energy.

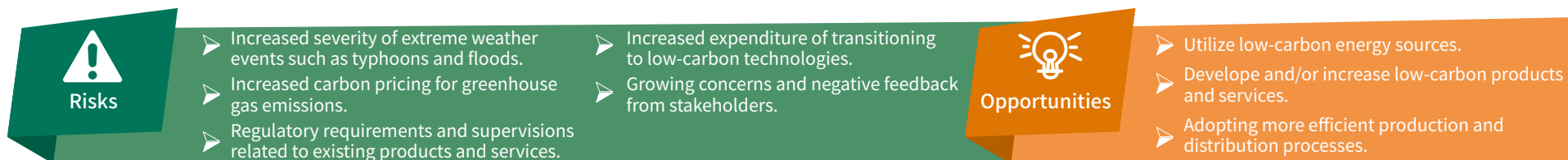
Sustainability Vision and Future Commitments

YC INOX views climate change management as a core pillar of its sustainable business strategy. The Company is committed to significantly increasing its use of renewable energy and improving energy efficiency across its mills by 2030, contributing to Taiwan's 2050 net-zero emissions goal. Through continuous innovation and strengthened internal management, YC INOX aims to work alongside global partners to advance toward a cleaner and more sustainable future.

Identification Results of Major Climate Risks and Opportunities

YC INOX identified climate-related risks and opportunities based on different time spans and topics by evaluating impact on the Company's operations before formulates response strategies. In total, 5 climate change risks and 3 climate change opportunities have been identified:

❖Major Climate Risks and Opportunities



❖ Identification results of major climate risks

Risk Type	Climate Risk Topic	Description	Potential Impact on the Company	Impact Time Span	Existing Management Measures	Response Strategies and Action Plans
Physical Risks						
Immediate Risks	Increased severity of extreme weather events such as typhoons and floods	Increased probability of extreme weather events due to climate change can lead to changes in supply and demand for both upstream and downstream businesses. This can result in various impacts, such as rising raw material prices, increased global transportation costs leading to higher production costs, or causing production equipment damaged resulting in a shortage of production capacity	Increased production costs and higher capital expenditures	Long term	➢ Maintaining safe inventory level for raw materials and adjust sources of raw materials as needed. Staying updated on shipping status and synchronize this information with customers ➢ Staying informed about domestic extreme weather forecasts, enhance protection of equipment and raw material and establishing emergency power supply systems and backup water supply at mills ➢ Staying updated to news from supply sources to facilitate rapid adjustments in supply ratio in case of unforeseen circumstances ➢ Setting up disaster prevention facilities and proving personnel training for extreme weather disaster response ➢ Establishing emergency response standard operating procedures, including disaster prevention and reporting mechanisms, and formation of emergency contingency team	➢ Staying updated on supplier's raw material production status, as well as delivery lead times. Maintain constant communication between production planning unit and sales units to keep track of shipment progress in real-time ➢ Continuing to diversify sources of raw materials and increase raw material storage space as needed to reduce risk of raw material supply disruptions and adjust raw material safety inventory levels as circumstances require ➢ Production planning unit shall remain prepared to adjust production schedules as needed and conduct weekly production and sales meetings for setting up production goals. Flexibility is crucial for adapting to fluctuations in raw material lead times and prices ➢ Establishing Climate Risk Management Team to implement preventive protection measures for manufacturing equipment and raw materials based on early climatic alerts ➢ Conducting annual disaster preparedness exercises to enhance the Company's resilience in responding to extreme weather disasters
Transition Risks						
Policy and Regulatory Risks	Increased carbon pricing for greenhouse gas emissions	Increasing trend of carbon credit mechanism, carbon taxes or carbon fee implemented by countries worldwide may result in additional costs for businesses, leading to overall increase in operating costs	Increased operational costs	Short term	➢ Completing ISO 14064-1 Greenhouse Gas Inventory and Verification, and setting energy-saving and carbon reduction goals and strategies ➢ Continuously promoting the ISO 50001 Energy Management System, implementing various energy-saving and carbon reduction projects through a systematic PDCA management cycle, to mitigate the impact of carbon taxes ➢ Continuously monitoring the implementation methods and details of carbon fee collection by government agencies, as well as the reporting and taxation methods and legislative progress of the EU's CBAM and the USA's CCA	➢ To reduce carbon emissions, the Company has established solar power generation systems, with green energy installation capacity accounts for 76.51% of total contracted capacity for all mills in Taiwan. In the future, we plan to shift the solar power to self-consumption by 2025 ➢ To monitor energy usage information of production equipment, record the electricity consumption history of the equipment, and identify opportunities for energy-saving measures. We also adhere to applicable government regulations and aim to achieve annual energy saving rate of at least 1%, thus reducing greenhouse gas emissions ➢ Progressively requesting carbon emission data from suppliers
	Regulatory requirements and supervisions related to existing products and services	Climate change has led regions to increasingly emphasize on environmental issues and subsequently establish related regulations and standards. In the future, if an enterprise fails to comply with standards and regulations of various regions, it could restrict sales channels, ultimately affecting the enterprise's revenue and growth	Increased production costs and decreased operating revenue	Medium term	➢ Complying with domestic environmental regulations related to emissions, energy, etc. Conduct regulatory reviews for key markets with more extensive regulations, such as EU and North American markets ➢ We have implemented "Supplier Management Measures", "Regulations for Procurement Management" and supplier corporate social responsibility self-assessment forms. Use systematic questionnaires and evaluations to collect and screen suppliers that meet environmental requirements ➢ To comply with government regulations, the Puoshing mill has implemented AFB, and the Douliou Mill II has installed domestic wastewater recycling system, as well as industrial wastewater and waste acid recycling systems. Also, the Douliou Mill I has implemented the Moving Bed Biofilm Reactor (MBBR) wastewater treatment technology	➢ Cultivating customer relationships through regular participation in exhibitions and stay updated on the latest regulations ➢ Voluntarily adopting ISO 14067 Carbon Footprint of Products and disclose product carbon content as a proactive measure to comply with increasingly stringent environmental regulations ➢ Collecting information through channels such as customers or through the internet, in order to conduct research, and respond promptly to latest regulatory requirements
Technical Risks	Increased expenditures of transitioning to low-carbon technologies	Adaptation to carbon neutrality issue leads to energy transition, such as increase usage of renewable energy and adoption of low-carbon production equipment or development of low-carbon production technologies as process improvement, which can result in higher operational costs	Increased operating costs, higher capital expenditures, and rising research and development costs	Long term	➢ Establishing smart low-carbon mills, optimizing production equipment, and adjusting production processes to maintain high energy efficiency, thereby improving production efficiency, saving energy resources, and reducing operating costs ➢ Continuously promoting the installation of renewable energy systems to increase the Company's renewable energy generation capacity	➢ Actively promoting various energy-saving and carbon reduction projects, such as comprehensive upgrades or replacement of electrical and electronic wiring, to adapt to uncertainties caused by climate change. This can enhance process efficiency, reduce resource usage such as electricity and water and thereby decrease greenhouse gas emissions ➢ Holding monthly research and development meetings to review energy-saving and carbon reduction projects ➢ The second phase of the solar power generation system installation has a capacity of approximately 6,127 kWp, with an estimated annual power generation of about 8.2 million kWh

Risk Type	Climate Risk Topic	Description	Potential Impact on the Company	Impact Time Span	Existing Management Measures	Response Strategies and Action Plans
Reputation Risks	Growing concerns and negative feedback from stakeholders	In global context where climate change poses threat, if businesses cannot comprehensively assess associated risks and adopt proactive strategies to address them, it could lead to negative public perception. Other than that, it can also bring about challenges in talent recruitment and retention, reduced investor confidence or lower bank credit ratings. This, in turn, may result in loss or instability of company's fund sourcing	Corporate reputation damaged, operating revenue decreases	Medium term	In response to the EU's Carbon Border Adjustment Mechanism and the demands from the stakeholders such as the FSC regarding our compliance with environmental regulations and international agreements related to climate and sustainability issues, we have increased: ➢ Comprehensive evaluation and improvement of energy efficiency ➢ Continuous monitoring the climate change-related issues and initiatives ➢ Timely disclosure of climate change-related information ➢ Complying with disclosure requirements of FSC (R.O.C.) ➢ Adherence to applicable environmental regulations ➢ The Sustainability Committee regularly reports the performance of sustainability plan implementation to the Board of Directors ➢ Completing ISO 14064-1 Greenhouse Gas Inventory and Verification, implementing ISO 14067 Carbon Footprint of Products and ISO 50001 Energy Management System to assess the Company's carbon footprint and achieve carbon reduction goals	➢ The Environmental Sustainability and Climate Risk Management Team continue to operate, promote, and execute Sustainability Committee's resolutions. Climate Risk Management Team regularly reports progression and execution outcome to the Sustainability Committee and the Board ➢ The Company published sustainability report that incorporates relevant requirements of TCFD and SASB. This includes timely disclosure of climate change-related issues ➢ To fulfill the Company's commitment to environmental sustainability, various environmental improvement measures are implemented. For example, the introduction of AFB biological treatment technology at the Puoshing mill and the MBBR wastewater treatment technology at the Douliu Mill I have enabled the Company to achieve the national standards (total nitrogen level) for effluent water and the stricter industrial zone ammonia nitrogen effluent standards ahead of schedule for 2027 ➢ The Company conducts ESG internal education and advocacy for employees and supervisors. We also actively participated in ESG-related advocacy events organized by regulatory authorities

❖ Identification results of major climate opportunities

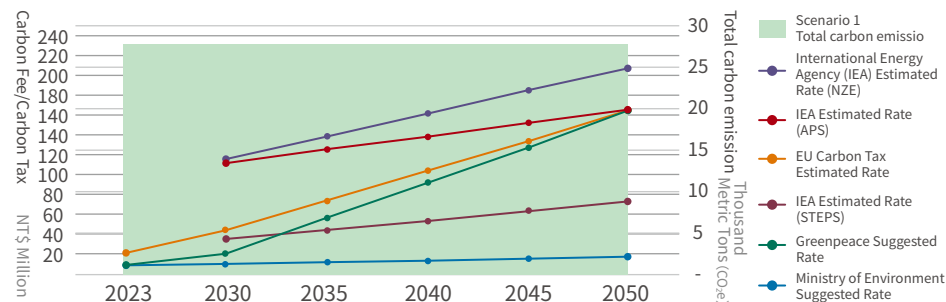
Opportunity Type	Climate-related Opportunity Topic	Description	Potential Impact on YC INOX's Operations	Impact Time Span	Existing Control Measures	Response Strategies and Action Plans
Energy Sources	Utilize low-carbon energy sources.	Policy goal set by Ministry of Economic Affairs to reach 20% renewable energy generation share by 2025 encourages us to increase share of renewable energy. It helps offset carbon emissions and attracts customer orders as well as investment institutions' attention through its low-carbon transition. This is beneficial for the Company's long-term planning	Capital expenditure increases and operating revenue increases	Long term	➢ Continuously promoting the installation of renewable energy devices to increase the Company's renewable energy generation capacity ➢ Comprehensive upgrades or replacement of electrical and electronic wiring to enhance energy efficiency	➢ The second phase of the solar power generation system installation has a capacity of approximately 6,127 kWp, with an estimated annual power generation of about 8.2 million kWh ➢ Evaluating benefits and costs of upgrades or replacement of electrical and electronic wiring
Products and Services	Develop and/or increase low-carbon products and services.	Research and develop low-carbon products or processes to meet market demands, thereby maintaining or increasing market channels and market share	Research and development cost increases and operating revenue increases	Long term	➢ Staying updated on market trends and customer demands while developing proactive technology ➢ Actively researching and developing differentiated or high-cost-performance products	➢ The Company has implemented ISO 14067 Carbon Footprint of Products to address carbon disclosure requirements ➢ Requesting low-carbon raw materials from compliant suppliers ➢ Promoting use of relatively low-carbon materials, such as promoting wave-shape plate/sheet and substituting stainless steel for galvanized painted carbon steel materials ➢ Continuously strengthen relationships with technology partners to enhance waste recycling technical capabilities and economic benefits, aiming to achieve a higher rate of waste resource recovery
Resource Utilization Efficiency	Adopting more efficient production and distribution processes	By leveraging new technologies and techniques such as use of big data analysis and automation, the Company aims to enhance production efficiency and yield, thereby reducing energy consumption and waste generation	Decrease in production costs and operating costs	Medium term	➢ Utilizing data analysis to monitor equipment abnormalities in real-time. ➢ Implementing process automation and collection of production data by the Production Department to review potential for optimizing current operations, increasing production efficiency and reducing energy wastage. ➢ Implementing new machinery and evaluating usage of packaging materials ➢ Promoting ISO 14064-1 Greenhouse Gas Inventory and Verification and ISO 14067 Carbon Footprint of Products to effectively track usage status of resources. Utilization of ISO 50001 energy management system to improve process efficiency and reduce energy consumption as needed ➢ Participate in Taipower's demand response load management program by adjusting work schedules to shift peak electricity consumption	➢ Analyzing feasibility of automation production lines ➢ Proposing to install data analysis instruments on equipment such as setting up smart meters and data loggers for temperature and gas pressure. Data collected will be presented on a dashboard so that we can perform data evaluation regularly ➢ Purchasing new welding equipment to increase production speed ➢ Analyzing energy requirements of individual operation and propose energy-saving solutions ➢ Exploring alternative for existing energy sources ➢ Recycling, purifying and reusing wastewater generated during manufacturing

Carbon Fee/Carbon Tax Scenario Analysis

In response to the global trend towards net-zero emissions, over 130 countries have announced net-zero emission targets. To achieve these targets, countries worldwide are beginning to develop carbon trading markets. According to the World Bank's "2023 State and Trends of Carbon Pricing" report, the price of the EU Emissions Trading System (ETS) surged significantly in 2022, with the cost per ton of CO₂ exceeding 100 Euros (approximately NT\$3,400) for the first time. The High-Level Commission on Carbon Pricing stated in 2017 that the global carbon price needs to reach between US\$50 and US\$100 (approximately NT\$1,500 to NT\$3,000) per ton by 2030. Considering inflation, this would need to be US\$61 to US\$122 (approximately NT\$1,900 to NT\$3,800) per ton by 2030. Taiwan's Ministry of Environment also announced plans to impose a carbon fee for the first time in May 2025. YC INOX has calculated the potential financial impact of carbon fees/taxes on the Company under the following three scenarios:

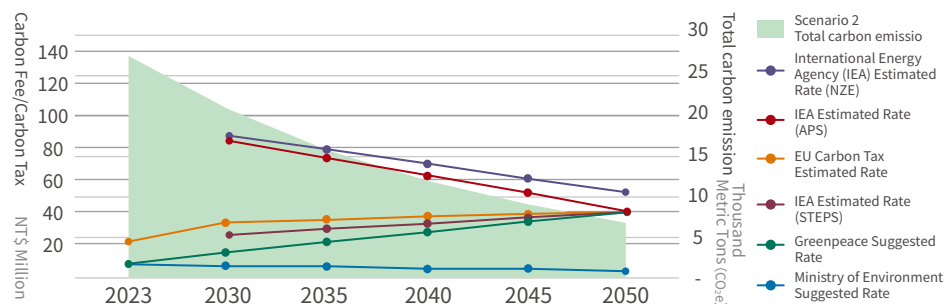
Scenario 1

The government adopts only the existing reduction policies, with no further reductions anticipated.



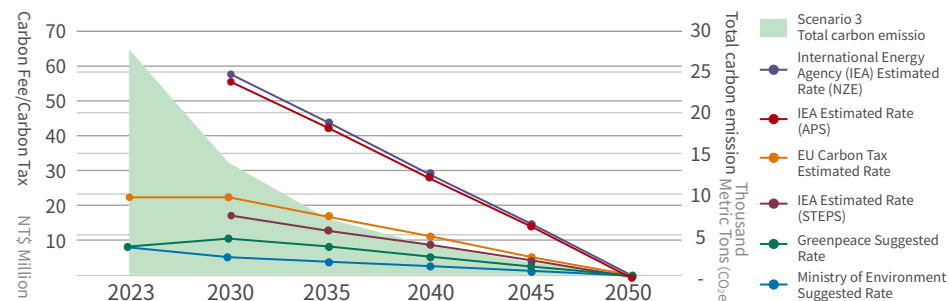
Scenario 2

According to the "Taiwan 2050 Net-Zero Transition Stage Goals and Actions" announced by the National Development Council on December 28, 2022, setting a 2030 carbon reduction goal of 24% ±1%.



Scenario 3

Based on the "Taiwan 2050 Net-Zero Emission Target" announced by the National Development Council on March 30, 2022, setting a 2050 carbon reduction goal of 100%.



Note 1: This analysis assumes that the carbon fee set by Ministry of Environment will be adjusted based on the core CPI annual growth rate announced in February 2024 (2.90% per year).

Note 2: This analysis also assumes that when Taiwan implements carbon pricing, it will simultaneously implement a carbon border adjustment mechanism for foreign entities.

Note 3: The IEA's estimated rate (STEPS) is assumed to align with South Korea's estimated rate for Taiwan.

Note 4: The exchange rate for USD to NTD is calculated at NT\$30.

Note 5: Unit: NT\$/CO₂e ton.

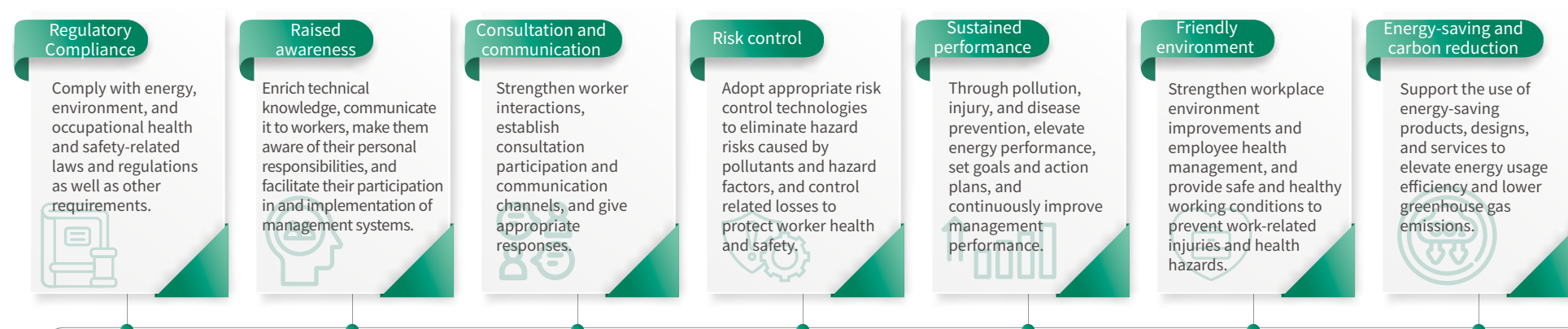
Note 6: Reference sources: Greenpeace's "The Net-Zero Game: The Impact of International Carbon Border Taxes on Taiwan" and IEA's "2022 Global Energy and Climate Model Documentation".

4.2 Sustainable Production-related Management

Environmental Management

Douliou Mill I has obtained ISO 14001 Environmental Management System certification in 2009, adhering to international standards. The Company has also established environmental, safety, health and energy policies, among other related environmental risk management policies and strategies. Environmental, health, safety and energy policies of the Company serves as the highest principle for environmental, safety, health and energy activities. It involves continuous monitoring and improvement of effectiveness of environmental, safety, health and energy implementation, reporting to the representative annually at Environmental Management Review Committee meeting.

❖ Environmental, Safety, Health, and Energy Policy Framework



❖ ISO 14001 Certification



❖ Latest Certificate Validity Period:

Item	Category	Certificate Validity
Taiwan (Douliou Mill I)	ISO 14001:2015	2024/08/24~2027/08/23
Overseas (Türkiye)	ISO 14001:2015	2023/02/15~2026/02/14

Water Resource Management

YC INOX currently operates in compliance with regulations outlined in “Water Pollution Control Act” and has obtained wastewater discharge permit. The Company’s water quality standards, including parameters such as Chemical Oxygen Demand (COD) and Suspended Solids (SS), meet requirements stipulated by law.

YC INOX’s Douliou Mill I and II withdrawn water from the Hushan Dam and Jiji Weir respectively; Puoshing Mill and Shijou Mill primarily use groundwater drawn from deep wells (provided by Taiwan Water Corporation), rights of use for these wells have been obtained from local authorities. In 2024, the total wastewater discharge across all mills amounted to 29.70 million cubic meters, marking a **7.16% decrease** compared to 2023.

YC INOX’s four mills continue to implement water-saving measures and adopt new technologies. One classic example is recycling and reuse of wastewater generated from production process (through the use of multi-stage desalination (reverse osmosis, RO) system, process wastewater is recycled in segments and concentrated multiple times), recycled water is reused to cool towers or tower washing to enhance water recycling and recirculation. These efforts have enabled YC INOX to reach water recycling rate¹ of 99% in 2024, effectively reduced our reliance on fresh water sources. In 2024, through water resource management and the implementation of water-saving technologies, approximately 14.67 million liters of water were conserved, representing a **12% decrease** compared to 2023.

We calculate the carbon emissions generated from water withdrawal and consumption through greenhouse gas verification and disclosure. By leveraging the results of Product Carbon Footprint verification (ISO 14067) and Greenhouse Gas Inventory verification (ISO 14064-1), we promote various water-saving projects to reduce carbon emissions associated with raw material usage.

❖ Historical Water Withdrawn and Water Usage Efficiency for Each Mill

Unit: Million Liters

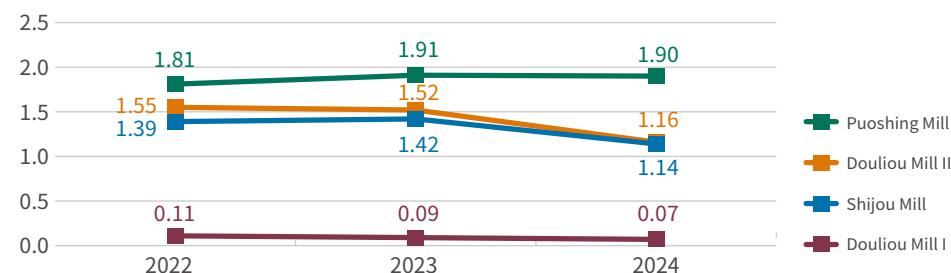
Site	Year	Water from Third Party (Tap Water and Industrial Water)	Well Water	Total Water Withdrawn	Compared to Previous Year	Water Usage Efficiency (m ³ /output, in metric tons)
Puoshing Mill	2022	20.44	31.49	51.93	-13.2%	1.81
	2023	20.35	28.82	49.17	-5.3%	1.91
	2024	20.30	27.27	47.57	-3.2%	1.90
Shijou Mill	2022	16.57	13.06	29.63	-13.8%	1.39
	2023	17.69	14.84	32.53	9.8%	1.42
	2024	19.43	6.85	26.28	-19.2%	1.14
Douliou Mill I	2022	5.58	-	5.58	-24.1%	0.11
	2023	5.06	-	5.06	-9.3%	0.09
	2024	3.98	-	3.98	-28.7%	0.07
Douliou Mill II	2022	34.78	-	34.78	-16.4%	1.55
	2023	38.53	-	38.53	10.8%	1.52
	2024	32.79	-	32.79	-5.7%	1.16

Note 1: Water withdrawn by mills was from fresh water source (≤1,000 mg/L of total dissolved solids).

Note 2: Puoshing Mill, Shijou Mill, and Douliou Mill II had a water usage efficiency of m³/metric ton of stainless steel pipe/tube, whereas Douliou Mill I had a water usage efficiency of m³/metric ton of stainless steel plate and sheet(coil).

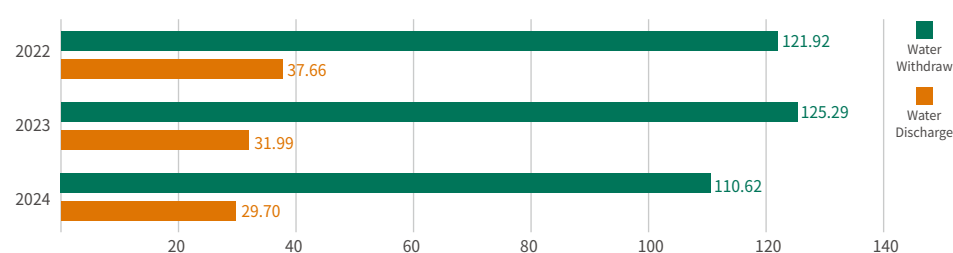
Note 3: Water withdrawn from third-party was calculated based on utility bills, Puoshing and Shijou Mills’ underground well water withdrawn was calculated based on water meters.

❖ Water Usage Efficiency Changes

Unit: m³/ Metric Tons of Production


❖ Water Withdrawn and Discharge

Unit: Million Liters



Note: Puoshing Mill discharges its wastewater into surface water bodies, while discharge endpoint for Douliou Mill I and II is industrial area wastewater treatment plant.

1. Water recycling rate = (total water recirculated + total water recycled) / total water used × 100%

In accordance with requirements of ISO 14001 Environmental Management System, we continue to work on improving pollution prevention measures relating to production, products and services to reduce environmental impact. Monitoring of wastewater discharge is conducted daily to comply with “Water Pollution Control Act” and “Water Pollution Control Measures and Test Reporting Management Regulations”. Pollution prevention equipment is monitored and recorded regularly to ensure fair understanding of water quality. Additionally, water quality testing and reporting are performed every six months to ensure discharged water complied with regulatory standard.

Douliou Mill II primarily recycles and reuses its domestic and industrial wastewater through wastewater treatment system. Additionally, Douliou Mill I has completed the implementation of the Moving Bed Biofilm Reactor (MBBR) in the first half of 2023, ensuring beforehand compliance with stricter ammonia nitrogen discharge standards set in the industrial area. Puoshing Mill, Douliou Mill I and II are closely monitored and measured to ensure daily discharged water concentration and volume complied with wastewater discharge standards. Puoshing Mill discharges its water into Donggou drainage branch, while Douliou Mill I and II are connected directly to industrial area’s wastewater treatment plant. Water bodies receiving these discharges have not sustain any significant environmental burden or impact due to our discharge operations.

❖ Wastewater Discharged by and Emission Standards of Puoshing Mill

Unit: mg/L

Year	Wastewater Discharged (Million Liters)	COD	SS	Nitrate nitrogen
2022	28.72	ND	8.4	2.6
2023	21.33	ND	9.5	13.4
2024	19.56	ND	8.7	5.75
Water discharge standards (surface water bodies)		100	30	50

Note: Puoshing Mill discharges its wastewater to Donggou Drainage Branch.

❖ Wastewater Discharged by and Emission Standards of Douliou Mill I

Unit: mg/L

Year	Wastewater discharged (Million Liters)	COD	SS	Nitrate nitrogen
2022	4.16	91.6	27	ND
2023	4.06	54	24.6	<0.05
2024	3.19	327	184	14.9
Water discharge standards (sewer connected)		480	320	50

Note: Douliou Mill I discharges its wastewater to industrial area wastewater treatment plants.

❖ Wastewater Discharged by and Emission Standards of the Douliou Mill II

Unit: mg/L

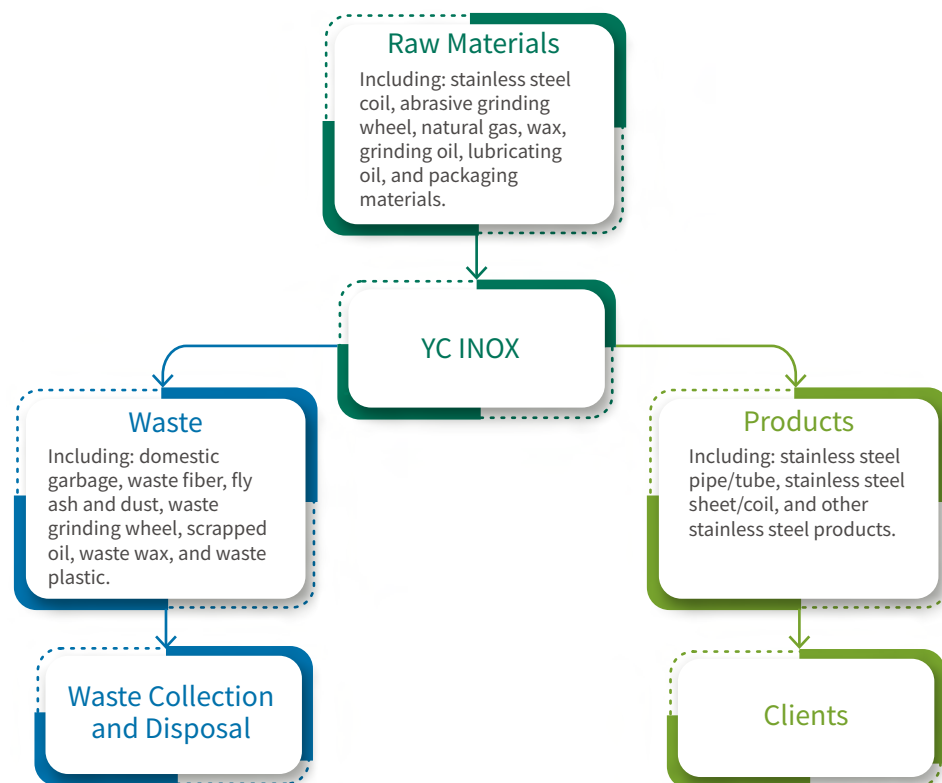
Year	Wastewater Discharged (Million Liters)	COD	SS	Nitrate nitrogen
2021	10.41	6.9	3.6	0.68
2022	4.78	ND	2.2	16.9
2023	6.61	ND	<1.4	3.99
Water discharge standards (sewer connected)		480	320	50

Note: Douliou Mill II discharges its wastewater to industrial area wastewater treatment plants.

Waste Management

All four YC INOX mills practice waste management, conduct regular self-audits, make and keep written records, and constantly review and improve their operations. They report, via the Internet, their industrial waste output, storage, removal, and disposal, and commission waste collection and disposal businesses that have obtained waste removal and disposal licenses issued by competent authorities to dispose of the said waste. Paper materials such as waste delivery slips are kept for three years.

❖ Waste Management and Monitoring Process



In 2024, non-hazardous industrial waste produced by YC INOX mainly consisted of inorganic sludge and general waste generated by business activities. Hazardous industrial waste primarily includes chromium and its compounds. Total waste generated in 2024 was 1,043.59 metric tons, a slight decrease of approximately 4.30% compared to 2023. Among them, the hazardous waste generated in 2024 amounted to 311.43 metric tons, accounting for 29.84% of overall waste generated.

❖ Waste Generation and Treatment Amount in 2024

Category	Waste Name (Code)	Amount Generated (Metric Tons)	Amount Disposed of (Metric Tons)	Waste %	Disposal Method ^{Note}
Non-Hazardous Industrial Waste	Inorganic Sludge (D-0902)	362.83	4.04	0.55%	Landfill
			358.79	49.00%	Physical treatment
			0	0.00%	Thermal treatment
	General Industrial Waste (D-1801)	120.03	120.03	16.40%	Incineration (energy recycled)
	Non-Hazardous Fly Ash and Dust or Its Compounds (D-1099)	21.28	21.28	2.91%	Landfill
	Waste Grinding Wheels (D-2406)	62.1	62.1	8.48%	Landfill
	Waste Plastic Mixtures (D-0299)	8.28	8.28	1.13%	Incineration (energy recycled)
	Waste Plastics (R-0201)	43.02	43.02	5.88%	Recycling and reusing
	Scrapped Oil Mixtures (D-1799)	36.83	36.83	5.03%	Physical treatment
			0	0.00%	Thermal treatment
	Waste Fibers or Other Mixtures such as Cotton and Cloth (D-0899)	20.31	20.31	2.77%	Incineration (energy recycled)
	Waste wax (D-2404)	56.24	56.24	7.68%	Landfill
Hazardous Industrial Waste	Sandblasting Waste (D-2407)	1.24	1.24	0.17%	Landfill
	Total	732.16	732.16	100%	
	Chromium and its compounds (C-0104)	311.43	311.43	100%	Landfill after solidification

Note: Waste disposal methods are obtained from our contracts with contractors or from our waste declarations.

❖ Total Waste Generation and Disposal Methods

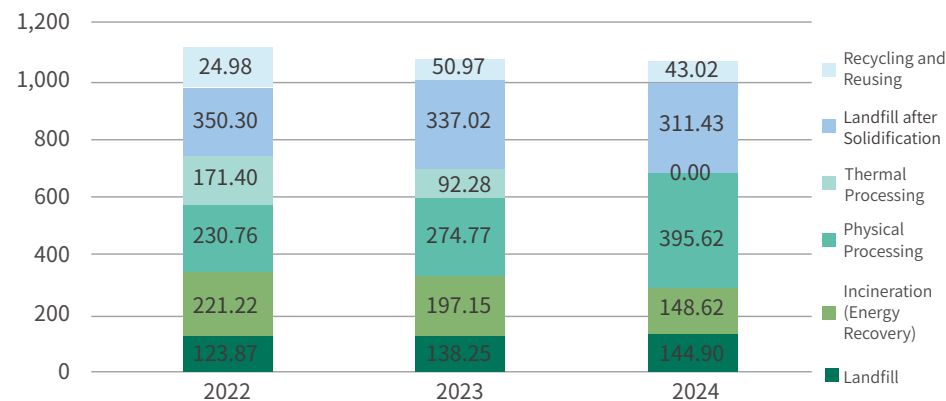
Unit: metric ton

Disposal Method ^{Note}	2022	2023	2024
Landfill	123.87	138.25	144.9
Incineration (Energy Recovery)	221.22	197.15	148.62
Physical Processing	230.76	274.77	395.62
Thermal Processing	171.4	92.28	0
Landfill after Solidification	350.3	337.02	311.43
Recycling and Reusing	24.98	50.97	43.02
Total waste	1,122.53	1,090.44	1,043.59

Note: Waste disposal methods can be obtained from our contracts with contractors or from our waste declarations.

❖ Historical Waste Generation

Unit: metric ton

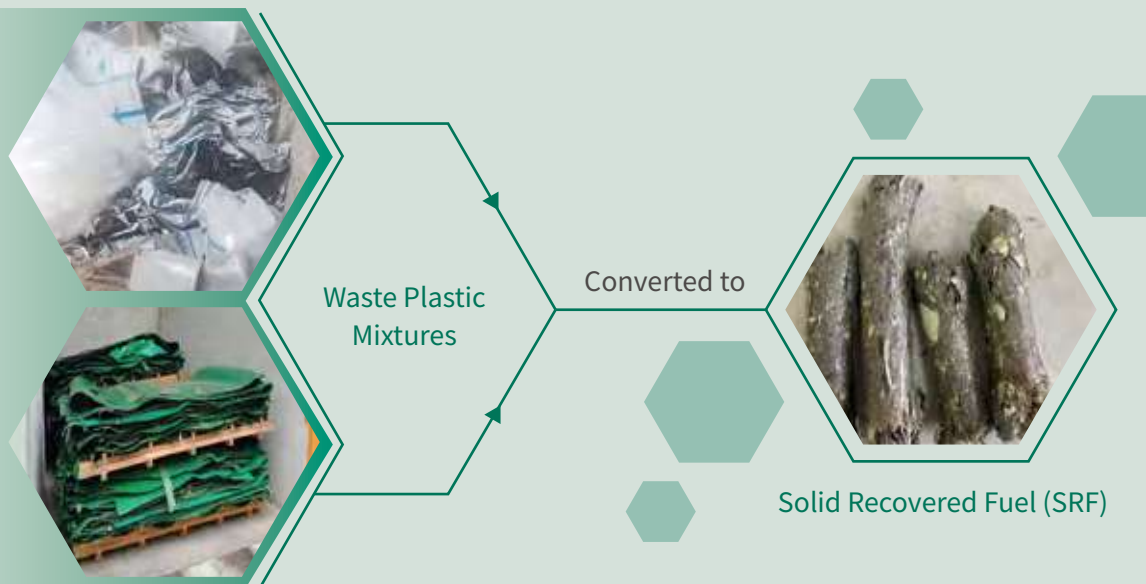


Waste Recycling Project

In response to the growing challenges of global resource scarcity and environmental protection, YC INOX continues to actively promote resource utilization and the practice of circular economy as part of its commitment to ESG (Environmental, Social, and Governance) initiatives.

From Waste to Recyclable Resources

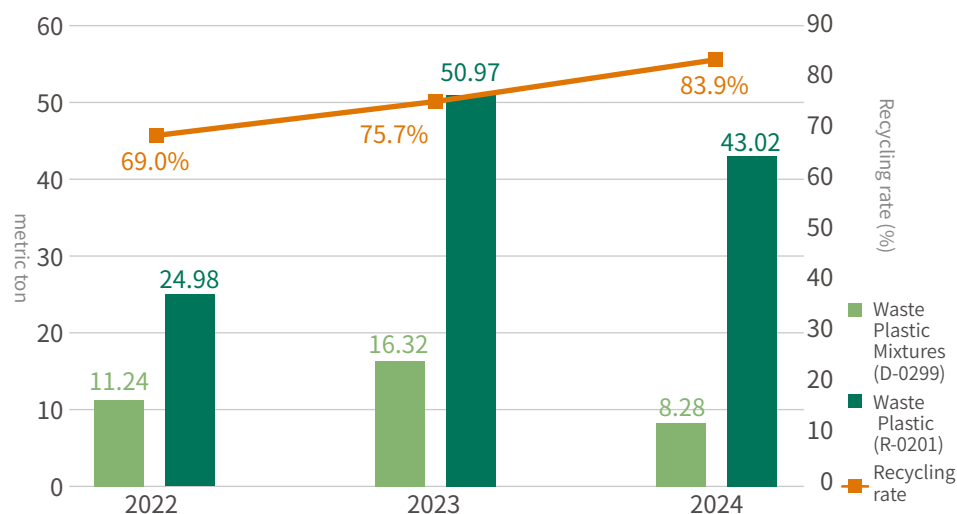
YC INOX has long been committed to improving the efficiency of waste reutilization, with a particular focus on the resource recovery of plastic waste mixtures (D-0299). Through close collaboration with professional plastic recycling technology partners, YC INOX has successfully converted plastic waste mixtures into reusable recycled plastic (R-0201).



Historical Waste Disposal Achievements

Historical waste management data from YC INOX demonstrates the Company's continuous progress toward more efficient and environmentally friendly practices.

- From 2022 to 2024, the total volume of waste processed has shown a year-on-year decline, with a 7.59% reduction in 2024 compared to 2023. Meanwhile, the proportion of waste being recycled and reused has increased significantly, with the recycling rate of plastic waste reaching 83.86% in 2024.
- Milestones in the Past Three Years: YC INOX has achieved a cumulative recycling volume of 118.97 metric tons of R-0201 plastic waste. This accomplishment not only contributes to advancing the circular economy but is also estimated to have reduced CO₂e emissions by approximately 40.5 metric tons.



Core Values of Sustainability

YC INOX believes that corporate development should coexist harmoniously with the environment. The resource transformation project converting D-0299 plastic waste mixture into R-0201 recycled plastic exemplifies YC INOX's strong commitment to the circular economy and environmental protection.

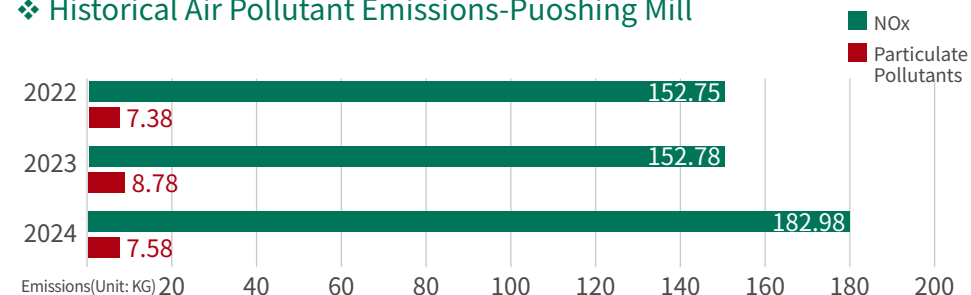
Looking ahead, we will continue to pursue technological innovation to enable more efficient reuse of waste materials, contributing meaningfully to sustainable development.

Air Pollution Management

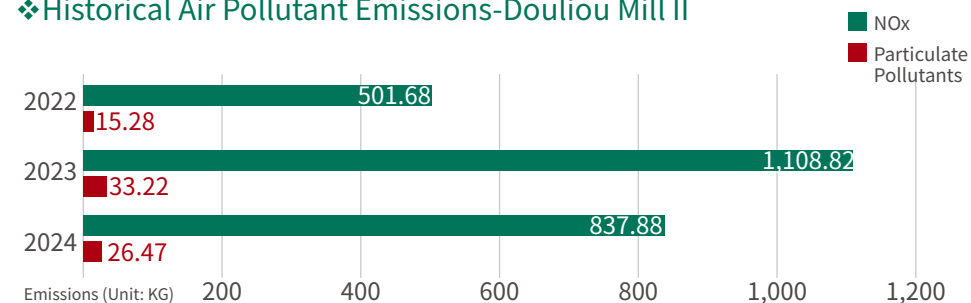
To reduce the impact of air pollution on the natural environment, YC INOX continues to monitor and actively engage in air pollution control. Currently, regulated mills that are subjected to monitoring and reporting as per regulatory requirements include Puoshing Mill and Douliou Mill II. In 2024, all average monitored emissions for these mills complied with "Standards for Air Pollutant Emission from Stationary Pollution Sources".

The air pollutants generated by YC INOX primarily consist of Nitrogen Oxides (NO_x) and particulate pollutants. In 2024, the Puoshing Mill emitted 190.56 kilograms of air pollutants, an increase of approximately 17.95% compared to 2023. The Douliou Mill II emitted 864.35 kilograms of air pollutants, a decrease of approximately 24.32% compared to 2023. The emission trends of air pollutants in each mill for 2024 were as follows:

Historical Air Pollutant Emissions-Puoshing Mill



Historical Air Pollutant Emissions-Douliou Mill II



Note 1: Results were obtained using directly measured emissions, calculations made based on specific data on-site, calculations made based on publicly available emission coefficients, or estimations made using other assumptions.

Note 2: The emission coefficients are calculated based on coefficients publicly announced by Environmental Protection Administration, whereas the emission standards used are based on "Standards for Air Pollutant Emission from Stationary Pollution Sources".

Energy Management

❖Material Topic Management

Material Topic	Energy Management	
Corresponding GRI	GRI 302	
Impact	Use of low-carbon and diversified energy sources in conjunction with effective energy management practice can improve company operational performance and achieve goal of net zero carbon emissions. If energy and greenhouse gas management are not prioritized, the enterprise may fall behind industry trends, resulting in inferior product competitiveness. YC INOX's energy and greenhouse gas management will have either positive or negative impact on environment or economy	
Commitment/Policy	Support the use of energy-efficient products, designs and services to improve energy efficiency	
Targets	Short Term (2025)	➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation systems equivalent to 37.5% of total contracted capacity for all mills in Taiwan ➢ Introducing new welding technologies to increase speed of production and reducing energy consumption by 2%
	Mid-to-Long Term (2030)	➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation systems equivalent to 75% of total contracted capacity for all mills in Taiwan ➢ Introducing new heat treatment technologies to reduce energy consumption for subsequent processes
Action Plans	➢ Installation of high-efficiency equipment with flow monitoring to reduce energy consumption of high-energy-consuming devices such as air compressors and chillers ➢ Managing energy usage to identify energy-saving opportunities, replace less efficient equipment to mitigate energy losses ➢ Promoting energy-saving awareness among employees, encourage participation in energy-saving activities ➢ Monitoring energy usage data effectively, regularly evaluate and improve energy management effectiveness ➢ Monitoring risks and issue early warnings	
Effectiveness Assessments	Tracking Progress	➢ According to the ISO 50001 Energy Management System and ISO 14064-1 Greenhouse Gas Inventory Standard, data is collected and tracked monthly, performance results are reviewed annually, and management reviews are also conducted along with proposal for appropriate countermeasures ➢ Electricity consumption data from production line equipment is collected to analyze plant-wide energy usage trends, with priority given to improving the efficiency of high energy-consuming equipment
	Achievements of The Year	Achieved energy savings rate of 1.97%. In 2024, total electricity savings for the Company was 727,584.7 kWh, resulting in reduction of 359.43 metric tons of carbon emissions
Compliant Channels	Complaint or Communication Channels	Meeting on energy related issues (Shall be convened at least once annually)
	Communication Results	In 2024, we held one energy related issues meeting to review potential energy-saving solutions and distinguish opportunities for short-term and medium- to long-term improvements

To effectively manage energy usage and respond to increasing global environmental awareness, YC INOX actively assesses its energy consumption. Our main energy source is purchased electricity. The Company has successfully obtained ISO 50001 Energy Management System certification in 2021 and has been monitoring and regulating energy usage in every mill. The Company also implements energy-saving measure to reduce energy consumption and carbon emissions. The ISO 50001 Energy Management System certification is valid from November 4, 2024, through October 31, 2027.

In 2024, the Company's total energy consumption was 160,326.54 GJ, with total energy intensity of 1.20GJ per ton of production. Through the ongoing implementation of various energy-saving projects and the increase in energy use efficiency, the Company successfully achieved its goal of a 1% annual energy reduction in 2024.

Total energy consumption of each factory over the years

❖ Historical Energy Consumption and Energy Intensity for Each Mill

Energy Consumption (Unit: GJ)			
Site	2022	2023	2024
Puoshing Mill	56,588.60	51,397.46	51,373.21
Shijou Mill	30,099.74	30,310.14	31,923.09
Douliou Mill I	6,695.56	7,329.88	7,293.30
Douliou Mill II	57,180.31	64,749.07	69,736.94
Total	150,564.21	153,786.55	160,326.54
Energy Intensity (Unit: GJ/Metric Tons of Production)			
Site	2022	2023	2024
Puoshing Mill	1.98	2.00	2.06
Shijou Mill	1.42	1.32	1.38
Douliou Mill I	0.13	0.13	0.13
Douliou Mill II	2.55	2.55	2.46
Total	1.23	1.19	1.20

Note 1: Energy consumption data is obtained from electricity bills, actual usage of natural gas, gasoline, and diesel, with no estimated.

Note 2: The source of the heat transfer coefficients is the 2016 Energy Statistical Annual Report published by the Ministry of Economic Affairs, Bureau of Energy (issued on June 30, 2017).

Note 3: The audit scope covers all of YC INOX's mills, including Puoshing Mill, Shijou Mill, Douliou Mill I, and Douliou Mill II.

Note 4: YC INOX's energy consumption includes externally purchased and consumed energy.

Investments in Energy Efficiency or Green Energy

In 2024, the Company invested NT\$165.107 million in environmentally sustainable machinery and equipment related to energy efficiency and green energy. These investments are expected to save approximately 727,584 kWh of electricity annually, equivalent to a reduction of 359 metric tons of carbon emissions per year. Additionally, a solar power generation system with an installed capacity of 4,670.72 kWp was established at the Shijou Mill, with an estimated annual electricity output of 6.31 million kWh, which is expected to reduce carbon emissions by approximately 3,117 metric tons.

Energy efficiency efforts are described as follows:

Item	Description	Electricity Saved (kWh)
Energy Management	Reduced operating hours of cooling tower motors	169,600
Equipment Efficiency Upgrade	Replaced with high-efficiency fans/booster pumps	64,627
	Replaced chillers in office building	88,550
	Upgraded to high-efficiency welding machines	133,003
Reduction of Process Energy usage	Consolidated production equipment to reduce energy consumption	23,969
	Integrated dust collection pipelines to reduce motor power usage	215,683
	Integrated hydraulic pipelines to reduce motor power usage	32,152

Responding to the Smart Electricity Policy

In 2024, YC INOX was honored by the Yunlin Branch of Taipower with a certificate of appreciation for "Demand Response Load Management", recognizing the Company's outstanding performance in this area. Upholding a spirit of long-term cooperation, we have actively participated in Taipower's demand response load management measures. By proactively adjusting our electricity usage and implementing demand response load management, we have successfully partnered with Taipower to curb peak loads, establishing an exemplary "Energy Saving Team." We will continue to maintain this cooperative spirit, jointly facing the challenges of energy saving and carbon reduction, and making further contributions to environmental sustainability.



CH5 Workplace Well-Being

5.1 Human Rights Protection 61

5.2 Safe and Friendly Working Environment 63

5.3 Manpower Structure and Employee Benefits 73

5.4 Employee Training Program 77

Chapter Highlights

- In 2024, the completion rate of human rights awareness promotion and education training for new employees reached 100%
- In 2024, no reports or complaints related to human rights issues were received
- Occupational work safety education and training:
 - ◎ 4,686 employee training attendances, with a total of 12,516 hours
 - ◎ 556 contractor training attendances, totaling 278 hours
- Shijou Mill and Puoshing Mill were awarded the Friendly Breastfeeding Room Certification by the Changhua County Government
- Awarded the 2024 Healthy and Happy Enterprise by the Yunlin County Government
- 18,337 training hours accumulated with averaging 25.19 hours per employee
- 337 newly received or renewed job domain related professional certifications during the year
- ★ ➢ Awarded the Talent Quality-management System (TTQS) certification by the Workforce Development Agency under the Ministry of Labor



5.1 Human Rights Protection

❖ Material Topic Management

Material Topic	Human Rights Protection	
Corresponding GRI	GRI2-23	
Impact	If the enterprise is unable to effectively identify and manage human rights risks across the entire value chain and establish a risk response system, it may lead to potential impacts such as reputational damage, financial risks, operational risks, and political and legal risks for the enterprise and its stakeholders	
Commitments/ Policies	To fulfill our corporate social responsibility and safeguarding fundamental human rights of our employees, customers, and stakeholders, the Company supports and adheres to international human rights standards and principles, such as the “United Nations Universal Declaration of Human Rights” and the conventions of the “International Labour Organization (ILO) Conventions”. We treat our employees with dignity and respect and strictly comply with local labor-related regulations, ensuring that we do not violate or infringe human rights Human Rights Policy Link: https://www.ycinox.com/tw/ir/ir-242 .	
Targets	Short-Term (2025)	➢ In compliance with government regulations and policies, continuously improve the Company’s internal human rights-related procedures and processes ➢ No incidents of forced labor, labor disputes, violations of gender equality, or sexual harassment, nor any major human rights violations have occurred ➢ Continuously promote human rights awareness and education training
	Medium-to-Long Term (2030)	➢ No incidents of forced labor, labor disputes, violations of gender equality, or sexual harassment, nor any major human rights violations have occurred ➢ Continuously promote human rights awareness and education training ➢ Strengthen supply chain management by requiring suppliers to sign commitments on human rights-related issues
Action Plans	Specific actions include incorporating human rights protection policies into the Company’s personnel management systems, including but not limited to the “Factory working rules”, “Codes of Conduct for Safety and Health”, and “Prevention and Management of Unlawful Infringement in the Performance of Duties and Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment”. We hold regular labor-management meetings and Safety and Health Committee meetings every quarter to help employees maintain physical and mental health and work-life balance, providing a safe and healthy working environment. Additionally, through education and training, we enhance employee awareness of human rights protection in order to safeguard their legal rights and interests	
Effectiveness Assessments	Tracking Process	➢ Every year, we formulate annual operational plan covering human rights policy issues. We track progress of annual operational plan on a quarterly basis and review achievement of our goals during annual management review meetings ➢ The Internal Audit Office regularly reviews compliance with human rights policies ➢ The Sustainability Committee reviews, tracks, and revises human rights issues related to sustainable development
	Achievements of The Year	➢ In 2024, the completion rate of human rights awareness promotion and education training for new employees reached 100% ➢ In 2024, no reports or complaints related to human rights issues were received
Complaint Channels	Compliant or Communication Channels	Reporting and complaint channels have been established on the Company’s website
	Communication Results	➢ Relevant information is published on the Company’s website under the Sustainable Development Zone and Investor Relations Zone, providing communication channels for stakeholders ➢ The 2024 internal audit results have been reported to the Board and no human rights deficiencies have been identified

Human Rights Management

To fulfill our corporate social responsibility and safeguarding fundamental human rights of our employees, customers, and stakeholders, the Company supports and adheres to international human rights standards and principles, such as the “United Nations Universal Declaration of Human Rights” and the conventions of the “International Labour Organization (ILO) Conventions”. We treat our employees with dignity and respect and strictly comply with local labor-related regulations, ensuring that we do not violate or infringe human rights. Specifically, we have incorporated human rights protection policies into the Company’s personnel management systems, including but not limited to the “Factory working rules”, “Codes of Conduct for Safety and Health”, and “Prevention and Management of Unlawful Infringement in the Performance of Duties and Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment”. Through education and training, we enhance employee awareness of human rights protection in order to safeguard their legal rights and interests.

In addition to our focus on human rights issues, we continually optimize our management systems to create a diverse and friendly workplace. We also work towards reducing occupational safety risks. For more detailed information regarding occupational safety issues, please refer to Section 5.2 “Safe and Friendly Working Environment.”

Human Rights
Policies



Human Rights Due Diligence

In 2023, YC INOX Industrial initiated a human rights due diligence process, integrating it as a key approach in promoting sustainable management. Based on industry characteristics and business development strategies, the Company regularly conducts risk assessments on human rights issues, incorporates external expectations and stakeholder communications, identifies material human rights topics and high-risk groups, and establishes risk due diligence procedures along with mitigation measures and management objectives.

In 2024, no complaints or reports related to human rights issues were received. Audit results found no human rights-related non-compliance. Considering that there were no significant changes in operations or industry environment and following thorough risk evaluation, no high-risk human rights issues were identified. YC INOX will continue to conduct human rights risk assessments and implement preventive and mitigation measures for related risks.



5.2 Safe and Friendly Working Environment

❖ Material Topic Management

Material Topic	Occupational safety and health	
Corresponding GRI	GRI 403	
Impact	Taking care of employee health is one of enterprise's social responsibilities. Creating safe working environment allows employees to work with peace of mind. This would elevate our operational performance. Conversely, neglecting this responsibility might lead to talent shortage, hindering our ability to provide high-quality products consistently. Occupational safety and health of an enterprise will have either positive or negative impact on economy or society	
Commitments/ Policies	YC INOX has established environmental, safety, health, and energy policies and actively implemented this policy to create a safe and friendly working environment, ensuring the safety of employees ➢ Regulatory Compliance: ❖ Comply with energy, environment, and occupational health and safety-related laws and regulations as well as other requirements ➢ Raised awareness: ❖ Enrich technical knowledge, communicate it to workers, make them aware of their personal responsibilities, and facilitate their participation in and implementation of management systems ➢ Consultation and communication: ❖ Strengthen worker interactions, establish consultation participation and communication channels, and give appropriate responses ➢ Risk Control: ❖ Adopt appropriate risk control technologies to eliminate hazard risks caused by pollutants and hazard factors, and control related losses to protect worker health and safety ➢ Sustained performance: ❖ Through pollution, injury, and disease prevention, elevate energy performance, set goals and action plans, and continuously improve management performance ➢ Friendly environment: ❖ Strengthen workplace environment improvements and employee health management, and provide safe and healthy working conditions to prevent work-related injuries and health hazards ➢ Energy-saving and carbon reduction: ❖ Support the use of energy-saving products, designs, and services to elevate energy usage efficiency and lower greenhouse gas emissions	
Targets	Short Term (2025)	No high-consequence work-related injury (GRI 403-9 definition: High-consequence work-related injury refers to work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months)
	Mid-to-Long Term (2030)	Employee disablement injury frequency rate <6. (According to Article 6 of the Enforcement Rules of the Labor Inspection Act, the injury frequency rate is defined as the total number of disabling injuries occurring per one million work hours. The total number of disabling injuries includes all cases of fatalities, permanent total disability, permanent partial disability, and temporary total disability.)
Action Plans	➢ Building upon ISO 45001 Occupational Health and Safety Management System to improve our operational processes ➢ Senior managements and safety and health officers shall conduct audits at irregular basis to ensure compliance in all units, and provide suggestions or improvement measures as needed ➢ Mid-level managements regularly carry out safety observations and propose improvement plans as needed ➢ Fire drills and occupational safety and health training are conducted on a regular basis to raise employee emergency response readiness and instill self-management capabilities	
Effectiveness Assessments	Tracking Progress	➢ Regular Meetings: We hold Occupational Safety and Health Committee meetings quarterly, company-level safety and health meetings, and labor-management meetings. Additionally, we conduct management review meetings annually ➢ Conducting hazard identification: We organize hazard identification activities to recognize potential risks and develop improvement measures
	Achievements of The Year	➢ Training Achievements: ❖ Conducted 4 on-the-job training sessions of training for foreign workers on crane operation and lifting operations, with a total of 92 attendances ❖ Conducted safety education training for migrant employees on fixed crane operation, with a total of 43 attendances ❖ Conducted safety and health hazard identification training and disaster prevention training for local employees, with a total of 1,623 attendances ❖ Organized 26 sessions of safety and health hazard prediction training for foreign workers, with a total of 890 attendances ➢ No high-consequence work-related injury ➢ Employee Care: ❖ 246 occupational therapy consultation sessions were conducted by occupational medical physicians ❖ 29 health education activities were organized ❖ Provided health consultations to a total of 294 participants
Complaint Channels	Complaint or Communication Channels	➢ Reporting and complaint channels have been established on the Company's website ➢ Quarterly Occupational Safety and Health Committee meetings, labor-management meetings, and annual management review meetings
	Communication Results	➢ No occupational safety-related complaints have been received ➢ 4 Occupational Safety and Health Committee meetings and labor-management meetings were convened to discuss the implementation of occupational safety and propose improvement measures for identified deficiencies

Safe workplace

YC INOX adheres to a people-centric philosophy, prioritizing safety and health of its employees. As such, YC INOX has established occupational safety management system, regularly identifies hazards and risks, proposing preventive measures to prevent accidents.

Occupational Safety and Health Management System

To enhance Occupational Safety and Health Management System in 2008. In 2009, we received Occupational Health and Safety Assessment Series (OHSAS) 18001 certification, and in the same year, we obtained verification from Ministry of Labor on Taiwan TOSHMS, which later became national standard CNS 15506 in 2011. To align with new standards of ISO 45001:2018/TOSHMS (CNS 45001:2018), we revised our existing safety and health management regulations and completed transition verification by TÜV Rheinland in 2020. Overseas operations in Türkiye implemented an occupational safety and health management system starting in 2023 and successfully achieved certification in the same year.

❖ Latest Certificate Validity Period:

Item	Category	Certificate Validity
Taiwan	ISO 45001:2018 CNS 45001:2018	2024/08/24~2027/08/23
Overseas (Türkiye)	ISO 45001:2018	2023/02/15~2026/02/14



Occupational Safety and Health Management System applies to all personnel within the Company's mills and workplace areas, including both employees and non-employees, contract workers are separately defined by contracting agreements. Each department conducts hazard identification and risk assessment for their respective operations and implements improvements. Effectiveness of these improvements is then assessed through management and operational performance indicators.

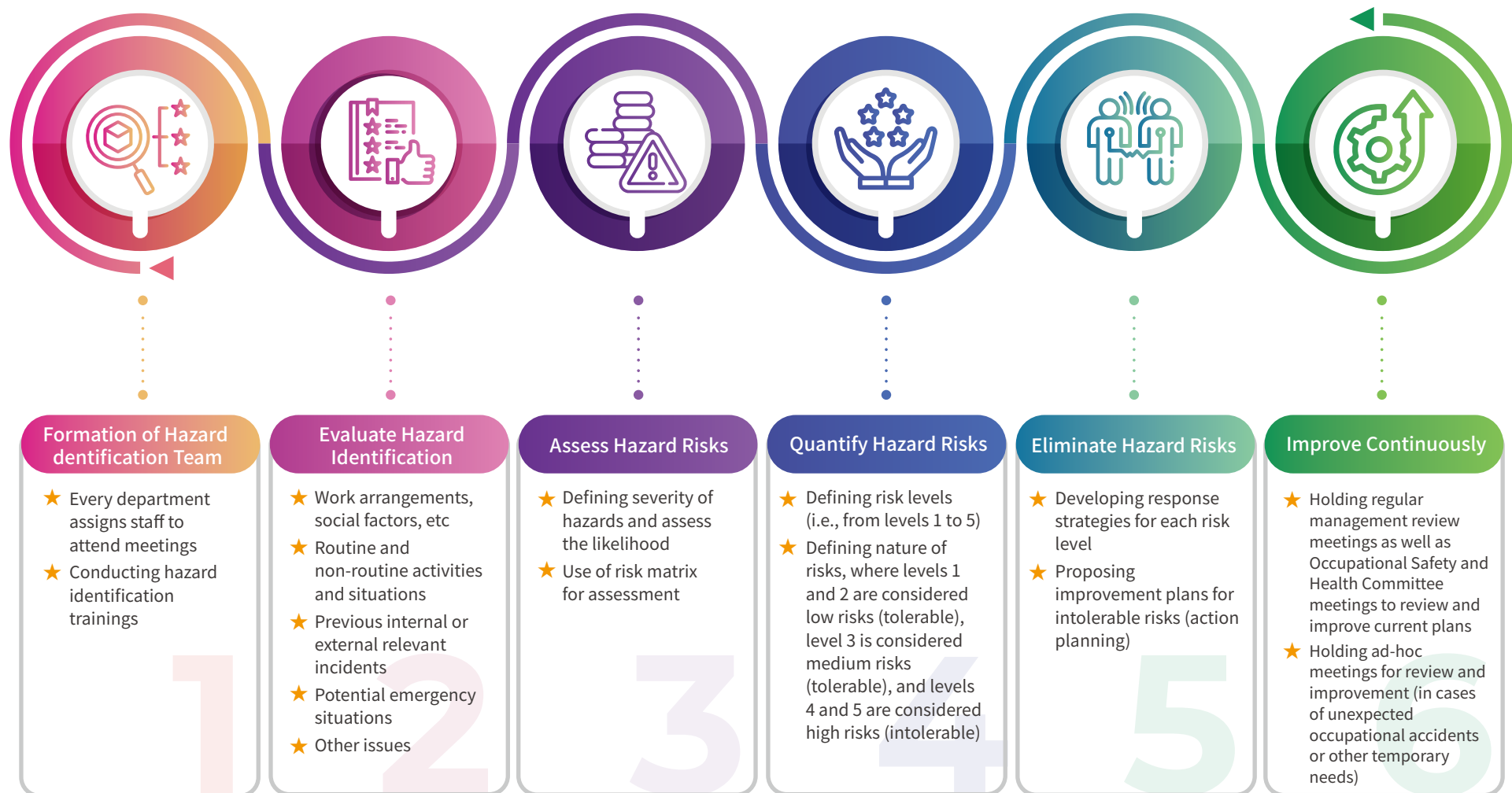
The primary responsible units for occupational safety and health management are the safety and health offices in each mill. For every safety and health office, we have Class 1 qualified Occupational safety and health affairs managers and specialists. In addition, the Company provides occupational medical physicians and occupational medical nurses. Regular meetings and emergency response drills are conducted to track occupational safety and health performance and to ensure timely updates to the safety and health management plans. Meetings and emergency response drills are conducted at the following frequencies:



Hazard Identification and Management

The Company conducts comprehensive hazard identification assessments annually in accordance with “Hazard Identification and Risk Assessment Management Procedure.” Activities are organized to identify hazards, including expert diagnosis, site audits by senior managements, and regular dynamic safety observation activities. In 2024, our 4 mills have developed action plans to control risks for hazard levels 4 and 5 based on the results of their identification assessment.

❖ Occupational Hazard Identification and Risk Assessment Management Procedures



Important Risk Items and Response Measures

Risk items	Risk-related Descriptions	Response Measures
Fall/Tumble	➤ Maintenance and repair activities require personnel to access areas via the rooftop, presenting a potential falling risk	➤ Installing additional walkways in the high-voltage substation
	➤ A height difference at the opening of the external welding equipment presents a falling risk for personnel	➤ Installing guardrails the opening of the external welding equipment
	➤ Personnel are exposed to a falling risk during the inspection of wastewater treatment equipment	➤ Installing protective covers to prevent personnel from falling
Clamp/Roll/Crush and Cut/Laceration Injuries	➤ An incident occurred during the hoisting of steel coils into the material rack where the raw materials were not properly centered, causing the coil to fall and injure personnel	➤ Adding brake drums to the decoiler
	➤ Insufficient guardrail length on the rounding machine creates a risk where operators may come into direct contact and risk being entangled	➤ Enhancement of machine guardrail safety measures
	➤ Stacked rectangular tubes may collapse and cause crushing injuries if accidentally struck	➤ Installing support railings
	➤ A hand injury occurred when personnel failed to pay attention to hand placement during the lowering of the lift platform	➤ Installing photoelectric sensor functionality
	➤ During quality inspection, personnel sustained hand cuts due to inability to identify burrs caused by chemical liquid covering the products	➤ Revising SOP for shutdown maintenance inspection to prevent cutting risks
	➤ Lack of guarding at rotating equipment causing personnel injury	➤ Installing a protective cover on the motor chain
	➤ Personnel face a risk of crush injuries when passing through the steel pipe operation area	➤ Installing additional guardrails
	➤ A crush injury risk exists when personnel enter the blade-setting area from behind while another worker is performing blade adjustment operations	➤ Installing infrared power-cut safety device
Collisions	➤ Steel pipes discharged from the internal shot blasting machine may cause laceration injuries if they roll off unexpectedly	➤ Upgrading the discharge platform to an electric lift platform
	➤ If an overhead crane malfunctions and accelerates uncontrollably, it may result in personnel being struck and injured	➤ Installing an emergency power off device on the overhead crane remote control
Dust Exposure	➤ The laser welding machine generates metal fumes, leading to environmental contamination in the work area	➤ Installing a dust collector at the rear end of the equipment
Slip/Trip	➤ Floor openings pose a tripping and falling risk to personnel during movement, potentially resulting in injuries	➤ Adding steel plates to cover floor openings
	➤ Uneven flooring may cause personnel to trip and fall	➤ Improving the floor leveling
Fire and Explosion	➤ Excessive gaps and lack of anti-slip features in the machine walkway may lead to personnel slipping or tripping	➤ Improving the machine walkway
	➤ The outdated electrical control box poses risks of electric leakage and operational errors	➤ Consolidating and improving the electrical control panel
Objects Flying/Falling	➤ The dust collector inhaled sparks, causing internal smoldering that led to a fire	➤ Adjusting the dust collector equipment
	➤ The conventional overhead crane employs a single-point suspension method, posing a risk of steel pipes tilting and falling	➤ Installing a dual-point suspension fixture
Musculoskeletal injury	➤ During the process of clearing a stuck equipment shaft, improper use of hand tools may result in personnel injury	➤ Using a bearing puller
	➤ During the packaging of small-diameter steel pipes, the process of bagging requires extensive manual pressing of the pipes, which over prolonged periods may lead to musculoskeletal injuries	➤ Improving the small-diameter pipe bagging operation

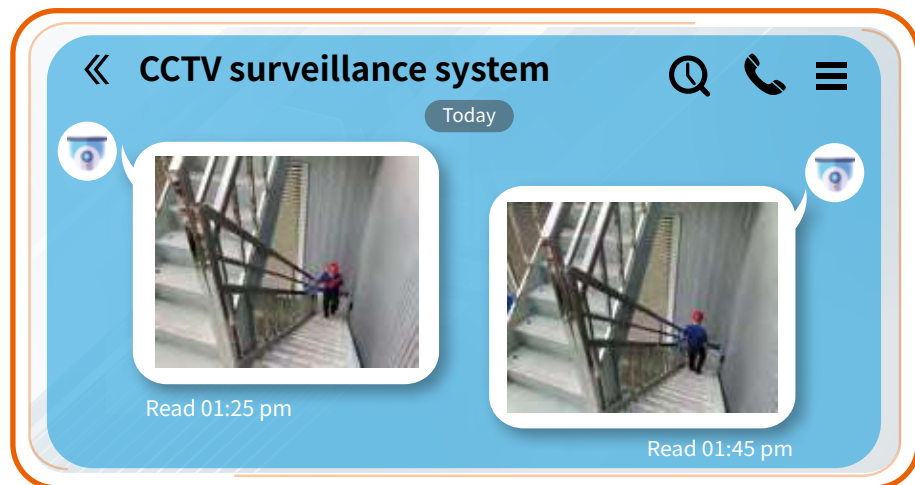
Bonus for Occupational Safety Proposals

To enhance the Company's occupational safety and health management capabilities, we have established "Regulations Governing Operations of Policy Improvement Proposals". Using a bottom-up improvement approach, we encourage employees to submit proposals that address identified safety and health issues along with specific improvement ideas. When a proposal is adopted, we award a bonus to the employee and take into consideration during their individual performance evaluation.

Implementation of Occupational Safety Measures

Installation of CCTV surveillance system at the solar facility entrance and exit

Motion sensors and cameras have been installed at the rooftop solar stairway entrance and exit. When personnel enter or exit, the monitoring system immediately captures a photo and uploads it to a designated group, allowing supervisors to stay informed.



All mills in Taiwan are equipped with smart medical grade blood pressure monitor

Employees have to enter their staff identification number when they are using blood pressure monitor. Blood pressure data will be automatically transmitted to ERP system. Employees can access their blood pressure record with ease. These records are also available for use by occupational medical physician and nursing staff to monitor employees' health status as needed. In 2024, the smart medical grade blood pressure monitor was used a total of 2,227 times.

Installation of a safety assistance system on forklifts

❖ To prevent pedestrian accidents and enhance driver awareness.

Collisions and impacts involving forklifts are common accidents. Through the use of intelligent personnel detection cameras, the system alerts the operator when pedestrians are detected near the vehicle, thereby helping to prevent pedestrian accidents.

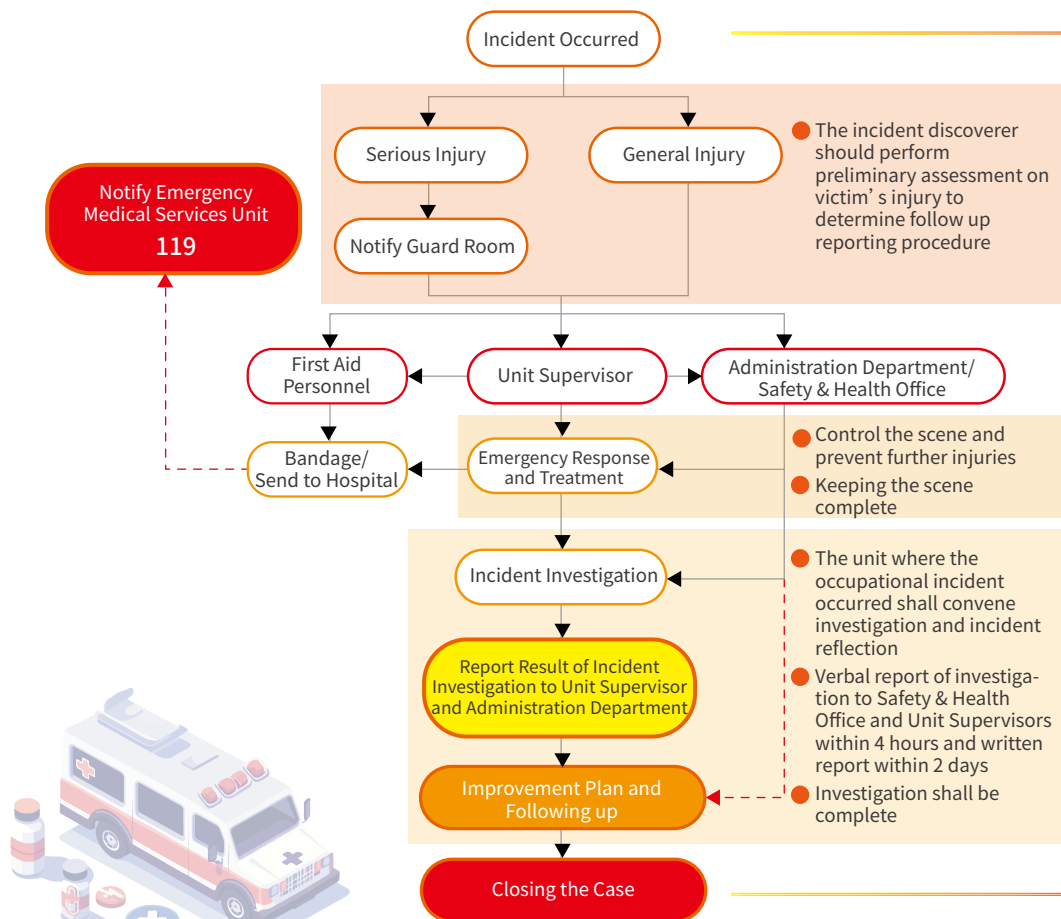
❖ Enhance driver attentiveness.

Through driver-facing cameras, alerts can be issued to the driver upon detecting signs of fatigue, mobile phone use, or smoking, ensuring the operator remains fully attentive while driving.



Emergency Response Contingency Procedure

In the event of potential hazards within the workplace, employees are required to promptly report to their supervisor or Safety and Health Offices. Supervisor must take immediate action to cease on-site operations and arrange safe evacuation of fellow workers. Employees are permitted to independently suspend their work and retreat to secure location when such actions do not compromise safety of other employees. No disciplinary actions shall be imposed on employees taking these steps. The contingency procedure in the event of a hazard is outlined as follows:



Occupational Safety Performance

In 2024, 7 occupational injury cases have been reported, which is a decrease of 6 injury cases as compared to 2023. Common types of occupational injuries reported including cuts, abrasions, and entanglement or pinching. The Company has taken improvement measures, including reinforcing safety awareness, providing educational training and the provision of personal protective equipment to reduce the likelihood of hazards. Concerning occupational diseases, 23 cases have been reported in 2024, representing a decrease of 37 cases as compared to 2023. The main reason is attributed to hearing impairment caused by working environment noise pollution. In response, the Company has prepared hearing protection devices and implemented hearing protection health program to safeguard and monitor our employees' hearing health. As injury incidents for both 2023 and 2024 involved only employees, table below only provides breakdown of employee work hours and calculates the disability injury frequency.

❖ Historical Occupational Safety and Health Performance

Year		2023					2024				
Site		Shijou Mill	Puoshing Mill	Douliou Mill I	Douliou Mill II	Total	Shijou Mill	Puoshing Mill	Douliou Mill I	Douliou Mill II	Total
Total work hours		675,627	559,759	179,714	294,740	1,709,840	636,944	477,400	145,152	336,235	1,595,731
Occupational Injuries	Cases of general occupational reported (Number of lost workdays ≥ 180)	1	3	2	7	13	2	0	1	4	7
	Cases of serious occupational injuries (Number of lost workdays ≤ 180)	-	-	-	-	-	-	-	-	-	-
	Cases of recordable occupational injuries	1	3	2	7	13	2	-	1	4	7
	Number of deaths resulting from occupational injuries	-	-	-	-	-	-	-	-	-	-
	Lost workdays ^{Note 1}	14	35	38	57	144	20	-	187	20	227
	Ratio of serious occupational injuries ^{Note 2}	-	-	-	-	-	-	-	-	-	-
	Ratio of recordable occupational injuries ^{Note 3}	0.30	1.07	2.23	4.75	1.52	0.63	-	1.38	2.38	0.88
	Ratio of occupational injuries that result in deaths ^{Note 4}	-	-	-	-	-	-	-	-	-	-
Occupational Diseases	Number of occupational diseases reported	14	29	8	9	60	8	9	4	2	23
	Number of deaths resulting from occupational diseases	-	-	-	-	-	-	-	-	-	-
	Ratio of occupational diseases that result in deaths ^{Note 5}	-	-	-	-	-	-	-	-	-	-
	Number of recordable occupational diseases	14	29	8	9	60	8	9	4	2	23

Note 1: Total number of lost workdays due to a single occupational injury case is calculated from date of injury or fatality. It includes days when injured party is temporarily (or permanently) unable to return to work, excluding the day of injury and the day of returning to work. It should also include any intervening days, including weekends, holidays, or any days when the business unit is not in operation, as well as any days when individual is unable to work due to effects of disaster after returning to work.

Note 2: Ratio of serious occupational injuries = (number of serious occupational injuries (excluding those that result in deaths) $\times$ 200,000 work hours)/total work hours.

Note 3: Number of recordable occupational injuries = (number of recordable occupational injuries $\times$ 200,000 work hours)/total work hours.

Note 4: Ratio of occupational injuries that result in deaths = (number of occupational injuries that result in deaths $\times$ 200,000 work hours)/total work hours.

Note 5: Ratio of occupational diseases that result in deaths = (number of occupational diseases that result in deaths $\times$ 200,000 work hours)/total work hours.

Raising Occupational Health and Safety Awareness

Occupational Safety and Health Education and Training

To enhance occupational safety and health awareness of workers, occupational safety-and health-related education and trainings are provided not just to our employees but also to our contractors. As of December 31, 2024, a total of 5,242 attendances have received training, accumulating a total of 12,794 training hours. New employees are required to undergo a “New Employee Occupational Safety and Health Education and Training” which is a 6 hours program during onboarding, and trainees shall pass the final assessment to meet course requirements. Specialized occupational safety and health education and training are also arranged for operators of specialized equipment, such as fixed cranes, forklifts, aerial work platforms, high-pressure gas specific equipment, etc. Trainees will receive completion certificates or skill certification licenses upon successful completion of training and passing the assessment.

Case study videos relating to occupational accidents are broadcast in our mills biweekly to stress the importance of occupational safety.



Play videos of occupational accident cases for publicity



❖ Number of Occupational Safety and Health Training Attendances and Training Hours For 2024

Employees		Contractors	
Training Attendances	Total Training Hours	Training Attendances	Total Training Hours
4,686	12,516	556	278

General Training

- General occupational safety and health training
- Disseminate information about hazard identification within our mills. Investigation and handling procedure of in-house occupational accidents
- Behavioral safety observation training
- Emergency response training
- Mechanical protection and prevention of mechanical equipment hazards
- Safety and health retraining due to change in manufacturing process
- General hazard awareness education and training

Specialized Operator Training

- Safety and health education and training for fixed crane operators
- Education and training for forklift operators
- Special safety and health education and training for aerial work platform operators
- Training for high-pressure gas specific equipment operators
- Training for supervisors in high-pressure gas supply and consumption operations
- Safety and health on the job training for hazardous substance operation supervisors
- Safety and health education and training for specific chemical substance operation supervisors
- Training for operators of ionizing radiation equipment
- Safety and health education and training for roof work supervisors
- On the job education and training for acetylene welding operators
- Safety and health education and training for first-aid personnel
- Supervisory safety and health training

General safety and health education training



Safety and health education training for migrant workers operating fixed cranes with a capacity of three metric tons or more



Safety and health education training for first-aid personnel



Emergency response training



On-the-job training for migrant workers operating fixed cranes with a capacity of three metric tons or less



Occupational Health Services

The Company offers a range of occupational health resources to employees. Individual health examination results and records of health service utilization are securely stored and managed by medical personnel with strict access control. These records cannot be disclosed without individual's explicit consent.

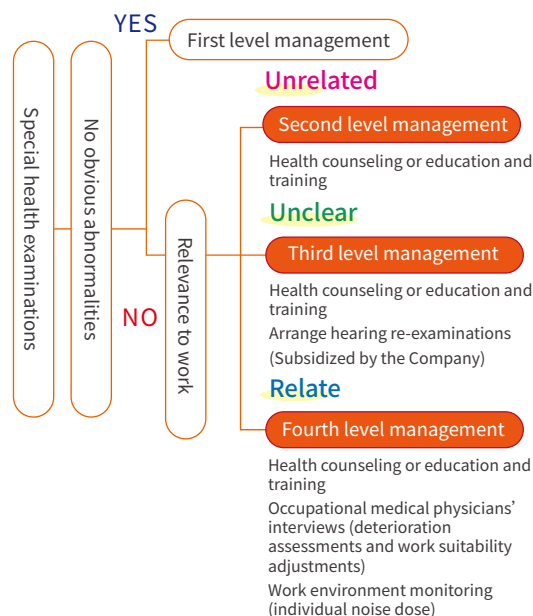
Item	Content
Regular General Health Examinations for Employees	We regularly conduct General Health Examinations for our employees, offering examinations that go beyond legal requirements in terms of scope and frequency. We conduct environmental monitoring depending on nature of occupation as accordance to regulatory requirement. Specialized occupational health examinations are also carried out annually. Employee health examination data is systematized and kept confidential.
On Site Medical Service by Occupational Medical Physicians	- Every month, our occupational medical physicians and nursing staff visit our mills to provide professional and highly accessible medical resources. We maintain medical records to track and manage health services. - The occupational medical physicians conduct regular on-site visits to provide recommendations for working environment improvement, hazard identification, occupational injury and disease prevention as well as reference for work selection and assignment. - We have infirmary in each of our mills, equipped with emergency medical supplies and equipment. To provide more effective medical service for foreign workers, we have acquired translation devices and smart blood pressure monitors. We also designed medical communication forms in foreign workers' native languages for smoother communication.
Provide First Aid Education and Training	We enhance our employees' emergency first aid capabilities by conducting relevant first aid training and drills. AEDs and resuscitation bags are available in all our mills to improve our emergency response capabilities and provide immediate assistance in critical situations.
Devise Annual Health Service Plans	We offer comprehensive healthcare services and support our employees in implementing self-healthcare management effectively.
Disseminate Health Information	Health education, infectious disease prevention, and policy announcements are communicated irregularly via the company ERP system, LINE groups, and bulletin boards in migrant worker dormitories. Additionally, a dedicated LINE group for migrant workers has been established, where information is shared in their native languages to ensure health messages are delivered without language barriers.



Hearing Healthcare

As some of the processes involve noisy environments, hearing protection for our employees is of paramount importance. Therefore, we provide hearing protection devices to employees working in noisy environments, along with annual special health examinations. We have also formulated hearing protection plan in accordance with "Regulations of the Labor Health Protection" and manage by control banding based on results of special health examinations. In 2024, a total of 358 hearing examinations were conducted.

Hearing Healthcare



Labor-Management Communication

In accordance with Article 10 of the “Occupational Safety and Health Management Regulations” of the Ministry of Labor, Occupational Safety and Health Committees are established in every mill. Plant manager shall be chairman of the Committee. Committee members include unit supervisors and employees, with a total of 19 employee representatives, accounting for 40% of total committee members. Quarterly meetings are held to discuss occupational safety and health issues and keep track of safety performance indicators. Additionally, company-level safety committee has also been established, convening quarterly meetings. This committee is being chaired by representative from the management and head of Production Department, with supervisors and safety personnel from each mill serving as committee members. They discuss the implementation status of occupational safety and health in each mill.

The Company has established internal and external communication, participation, and consultation channels to appropriately provide relevant environmental and occupational safety and health information. This ensures that the needs and expectations of workers and stakeholders are conveyed, as well as communicating the commitment and performance of occupational safety and health management.

The participation of non-management workers is emphasized in the following matters:

- ❖ Deciding the mechanisms for consultation and participation
- ❖ Identifying hazards and assessing risks and opportunities
- ❖ Deciding actions to eliminate hazards and reduce occupational safety and health risks
- ❖ Determining competency requirements, training needs, and training evaluations
- ❖ Deciding the matters to be communicated and the methods of execution
- ❖ Deciding control measures and ensuring their effective implementation and use
- ❖ Investigating incidents and non-conformities and deciding corrective actions

❖ Labor-management communication in 2024

Organization	Occupational Safety and Health Committee		Labor-Management Meeting		Employee Welfare Committee	
Purpose	Review and provide recommendation on occupational safety and health policies and latest circumstances.		Promote and coordinate labor-management relationships		Protect and improve employee welfare	
Members Type	Management	Labor	Management	Labor	Management	Labor
Number of Representative	28	19	20	20	3	6
Ratio	60%	40%	50%	50%	33%	67%
Communication Target	All employees		All employees		All employees	
Communication Frequency	Quarterly		Quarterly		Quarterly	
Communication Effectiveness	4 Occupational Safety and Health Committee meeting sessions held for each mill		4 labor-management meetings sessions held for each mill		4 Employee Welfare Committee meetings held at company-level	

Note: Mill level: Occupational Safety and Health Committee and labor-management meeting Company level: Employee Welfare Committee.

Business Partnership Management

The Company has established the “Supplier Management Measures”, conducts regular evaluations and maintains a list of qualified suppliers. Qualified suppliers are prioritized as long-term partners for procurement and engineering units. Through the “Contractor Management Measures,” we ensure safe management of contractors entering the mills, enhancing the quality and safety standards of contracted work.

The Company has been actively participating in occupational safety and health management activities promoted by the Ministry of Labor. Since 2017, we have served as a cadre of the technical promotion team member of the TOSHMS Central Region Association. During this period, we have published manuals on the case studies of return-to-work procedures after injuries and illnesses, and practical case studies on high (air) temperature hazard prevention. We have also assisted the association in revising multiple case study manuals. By autonomously planning and organizing related TOSHMS workshops, training, experience sharing, and observation activities, we aim to improve the safety and health techniques and management experience of relevant personnel in enterprises.



❖ Honors of Occupational Safety and Health

Awarded "Friendly Breastfeeding Room Certification" by the Changhua County Government



Awarded the 2024 “Healthy and Active Enterprise Award” by the Yunlin County Government.



5.3 Manpower Structure and Employee Benefits

Human Resource

As of December 31, 2024, total number of employees in the Company is 728. The male-to-female ratio is 6:1. The greater male representation is attributed to the characteristics of manufacturing industry, whereby male employees tend to have a higher tolerance towards this working environment. Among our employees, around 6% hold managerial positions, with approximately 21% being female. In terms of educational attainment, for managerial positions, majority holds either a bachelor's degree (37%) or a junior college degree(28%). Among non-managerial positions, majority of our employees have educational attainment of high school and below (57%), followed by bachelor's degree (29%).

Non-employee workers are individuals who provide labor but do not have an employment relationship with us. In 2024, there were a total of 14 non-employee workers with the majority being contractors. The headcount information is calculated based on the average number of non-employee workers entering the Company each day during that year. The ratio of employees to non-employee workers is 52:1, with employees being the primary source of labor

❖ Manpower Structure by Gender and Age for 2024

Site/Age	All Employees						Total
	Male			Female			
	<30	30~49	≥50	<30	30~49	≥50	
Shijou Mill	49	179	27	6	54	18	333
Puoshing Mill	42	100	19	0	6	3	170
Douliou Mill I	6	52	5	0	4	2	69
Douliou Mill II	44	98	8	0	6	0	156
Subtotal	141	429	59	6	70	23	728
Percentage	23%	68%	9%	6%	71%	23%	
Total	629 (86%)			99 (14%)			

Note1: Listed data only represent employees based in Taiwan. The data of Shijou Mill included our employees at headquarters and sales offices.

Note2: All employees, including full-time employees and fixed-term contract migrant workers.

Note3: YC INOX does not employ temporary, zero-hour, or part-time workers.

❖ Manpower Structure by Gender and Job Category For 2024

Gender	Age	Managerial Position		Non-Managerial Position	
		Number	Ratio	Number	Ratio
Female	<30	0	0%	6	1%
	30-49	6	14%	64	9%
	≥50	3	7%	20	3%
	Subtotal	9	21%	90	13%
Male	<30	0	0%	141	21%
	30-49	23	53%	406	59%
	≥50	11	26%	48	7%
	Subtotal	34	79%	595	87%
Total	<30	0	0%	147	21%
	30-49	29	67%	470	69%
	≥50	14	33%	68	10%
	Subtotal	43	100%	685	100%

Note: "Managerial Position" refer to employees who are assistant managers or above.

❖ Manpower Structure by Educational Attainment in 2024

Position Level	Managerial Position		Non-Managerial Position		Total	
Education Level	Number	Ratio	Number	Ratio	Number	Ratio
Ph.D. Degree	0	0%	0	0%	0	0%
Master's Degree	11	26%	17	2%	28	4%
Bachelor's Degree	16	37%	199	29%	215	29%
Other Higher Education	12	28%	81	12%	93	13%
High School and Below	4	9%	388	57%	392	54%
Total	43	100%	685	100%	728	100%

Employee Mobility

As of December 31, 2024, total number of new employees was 48, which translates to new hire rate of 7%. Total number of departed employees was 111, leading to departure rate of 15% (including foreign workers on fixed term contract). Our recruitment channels are diverse, encompassing online job banks, campus recruitment, job fairs organized by local employment service centers and partnerships with headhunters. Additionally, we encourage our employees to introduce suitable candidates by offering referral bonuses.

❖ 2024 Status of New Hires and Employee Resignations

Gender	Age	Total	New Hires						Employee Resignations					
			Shijou Mill	Puoshing Mill	Douliou Mill I	Douliou Mill II	Subtotal	As a percentage of new employees	Shijou Mill	Puoshing Mill	Douliou Mill I	Douliou Mill II	Subtotal	As a percentage of resigned employees
Female	<30	6	3	0	0	0	3	50%	1	0	0	0	1	17%
	30-49	70	0	0	0	0	0	0%	8	0	0	1	9	13%
	≥50	23	0	0	0	0	0	0%	4	0	0	0	4	17%
	Subtotal	99	3	0	0	0	3	3%	13	0	0	1	14	14%
Male	<30	141	5	0	4	20	29	21%	4	4	2	14	24	17%
	30-49	429	4	1	2	8	15	3%	25	18	3	10	56	13%
	≥50	59	0	0	1	0	1	2%	6	5	3	3	17	29%
	Subtotal	629	9	1	7	28	45	7%	35	27	8	27	97	15%
Total	<30	147	8	0	4	20	32	22%	5	4	2	14	25	17%
	30-49	499	4	1	2	8	15	4%	33	18	3	11	65	13%
	≥50	82	0	0	1	0	1	1%	10	5	3	3	21	26%
	Subtotal	728	12	1	7	28	48	7%	48	27	8	28	111	15%

Note: Listed data only represent employees based in Taiwan. The data of Shijou Mill included our employees at headquarters and sales offices.

Remuneration and Welfare

Employees are the driving force behind a company's operations. Therefore, the Company adheres to philosophy of sharing profits with employees through integration with a diverse system of remuneration and rewards. This approach helps us with our recruitment, retention and development of talented individuals. Our HR unit regularly reviews industry salary standards and conducts annual employee performance evaluations, which serve as basis for salary adjustments. We ensure that salary and remuneration decisions are not influenced by factors such as race, religion, skin color, nationality and gender, to uphold fairness in employee remuneration.

❖ Ratio of Annual Remuneration of Highest Paid Employee in Comparison with other Employees in 2023

Annual Remuneration Ratio Notes 1 and 3	8.13:1
Annual Remuneration Growth Ratio Notes 2, 3, and 4	3.16:1

Note 1: Annual remuneration ratio = Annual remuneration of highest-paid employee/Median remuneration for other employees.

Note 2: Annual remuneration growth ratio = Percentage increase in annual remuneration of highest-paid employee/median percentage increase in annual remuneration for other employees.

Note 3: Annual remuneration refers to salary of employee bases on accrual basis, which includes employee's recurring salary (i.e., monthly salary, fixed allowance and bonus), overtime pay (both taxable and non-taxable) and non-recurring salary (e.g., allowance, bonus and remuneration not paid on monthly basis).

Note 4: The 2024 annual percentage increase in the total remuneration of the highest paid employee was positive, and the median increase for other employees (excluding the highest paid employee) was also positive.

❖ The ratio of the total compensation of the highest-paid individual compared to the median total compensation of all other employees in the organization (excluding the highest-paid individual)

Year	Annual Total Compensation Ratio
2024	8.13:1
2023	6.61:1
2022	9.21:1

Note : Annual Total Compensation Ratio = Annual total compensation of the highest-paid individual ÷ Median annual total compensation of all employees (excluding the highest-paid individual)

❖ The ratio of the percentage increase in the annual total compensation of the highest-paid individual to the median percentage increase in the average annual total compensation of all other employees (excluding the highest-paid individual)

Year	Percentage Increase in Annual Total Compensation of the Highest-Paid Individual	Median Percentage Increase in Annual Total Compensation of All Employees (Excluding the Highest-Paid Individual)	Ratio of Change in Annual Total Compensation
2024	37.54%	11.90%	3.16
2023	(27.48%)	0.97%	(28.27)
2022	(24.97%)	(19.32%)	1.29

Note1 : Calculations are based on all employees, excluding the Company's responsible person.

Note2 : The highest-paid individual holds the position of Vice President.

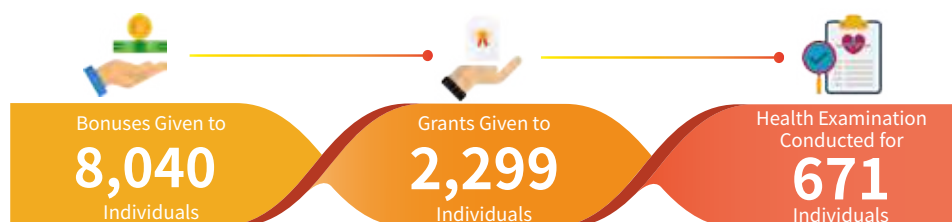
Note3 : Ratio of Change in Annual Total Compensation = Percentage increase in the annual total compensation of the highest-paid individual ÷ Median percentage increase in the annual total compensation of all employees (excluding the highest-paid individual).

Note4 : Disclosure path for compensation information of full-time employees not holding managerial positions: Market Observation Post System (MOPS) > Individual Company > Corporate Governance > Corporate ESG > ESG Company Information > ESG Disclosure (Individual Company Search) > Social Dimension – Human Capital Development Indicators.

Bonus and Incentives

Type	Description
Year-end Bonus	Based on current year profit, bonus is distributed before Chinese Lunar New Year in the following year.
Employees' Profit Sharing Bonus	Based on current year profits, bonus is distributed in the following year.
Monthly Operating Profit Bonus	This bonus is given when the Company meets certain monthly profit target.
Incentive Bonus	This bonus invariable amount is given only when monthly revenue or shipment volume hits record high.
Other Bonuses	Full attendance bonus, full overtime attendance bonus, model employee, bonus for occupational safety proposals, etc.

Welfare Policy



Benefit Type	Description
Insurance Benefits	Group accident insurance, Group accident insurance for business travel, etc.
Leaves	Annual paid leaves, Marital leave, Funeral leave, Official leave, Occupational injury leave, Pregnancy checkup accompaniment and paternity leaves, Maternity leave, Ordinary sickness leave, Menstrual leave, Normal leave, Family care leave, etc. as stipulated by law.
Allowances and token of appreciation	Festive payout, Cohesion meal allowance, Maternity allowance, Birthday gift, Wedding gift, House warming gift, Funeral Condolences, Token of Appreciation for retired employee, etc.
Education Grants	Grants are provided to fund employee's continual education, Scholarship for employees' children.
Health Benefits	Regular health examinations and annual special health examinations are conducted to prevent occupational accidents. Occupational medical physicians conduct monthly on-site visits to conduct health lectures and training as well as analyzes and handles health checkup results, and provides periodic health education to employees. Nurses are responsible for tasks such as evacuation, first aid, rest, or other activities to protect the physical and mental health of workers, prevent diseases triggered by abnormal workloads, and safeguard maternal health.
Complimentary Meals	Complimentary lunch and overtime dinner.
Other Benefits	20-year service anniversary employee commemorative gold medal.

Parental Leave

To support employees' parenting needs, employees can apply for unpaid parental leave for up to two years before their child reaches the age of three. In 2024, a total of 41 employees met the eligibility criteria, of which 9 employees (22%) actually applied and utilized this benefit.

❖ Status of 2024 Parental Leave

Item	Male	Female	Total
Number of employees entitled to parental leave in 2024 (A) ^{Note}	34	7	41
Actual number of employees using parental leave in 2024 (B)	7	2	9
Number of employees expected to return to work after completing parental leave in 2024 (C)	3	1	4
Number of employees returning to work after completing parental leave in 2024 (D)	1	1	2
Number of employees returning to work after completing parental leave in 2023 (E)	2	0	2
Number of employees who continue to work for at least 12 months after returning from parental leave in 2023 (F)	1	0	1
Parental leave application rate (B/A)	21%	29%	22%
Job-returning rate (D/C)	33%	100%	50%
Retention rate (F/E)	50%	0%	50%

Note: The data is calculated based on the number of employees who applied for paternity or maternity leave from January 1, 2021, to December 31, 2024, excluding those who left the Company before December (on) 31, 2023.

Retirement Policy

Retirement pension plan of the Company follows "Labor Pension Act (LPA)" and "Labor Standards Act (LSA)". Under LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Under LSA, Company contributes amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. For more details, please refer to [page 37 to 40 in the Consolidated Financial Statements for the Years Ended December 31, 2024](#).

When employees retire, we organize retirement farewell parties and present them with gift box and trophy to express our gratitude for their contributions to us.



5.4 Employee Training Program

To cultivate and retain professional talents, the Company has established “Regulations for employees’ education and training” We have a series of education and training programs based on needs of various job positions, keeping in mind of regulatory requirements and practical needs. Training methods include classroom training and On-the-Job Training (OJT), where employees learn through hands-on experience under guidance of supervisors or senior staff members. Planned courses are budgeted by the HR unit each year based on the needs of various units and scheduled according to unit’s annual training plan. In 2024, NT\$1.38 million was spent on educational and training. We provide a variety of courses, including professional skills, management, and general courses. Training courses are either conducted by employees serving as instructors or by participating in professional programs offered by external training organizations, ensuring effective training to enhance employees’ job competencies. Our training courses have been standardized and managed through ISO 9001 management system to ensure its quality.



❖ Training Outcomes



❖ Average Education and Training Hours per Employee in 2024

Position Level	Gender	Male			Female			Total Average Hours
		Number	Hours	Average Hours per Employee	Number	Hours	Average Hours per Employee	
Managerial Position		34	397	11.68	9	71	7.89	10.88
Non-Managerial Position		595	17,151	28.83	90	718	7.98	26.09
Total		629	17,548	27.9	99	789	7.97	25.19

Note: “Managerial Position” refers to employees who are assistant managers or above. Reason for difference in education and training hours between male employee and female employee is due to industry’s characteristics. The Company deployed more male employees and workers on-site whose work tend to be riskier. Consequently, more education and training have been arranged for male employees, resulting in a higher average training time per male employee.

❖ Awarded the Talent Quality-management System (TTQS) certification by the Workforce Development Agency, Ministry of Labor

Performance appraisal

Performance appraisal is conducted annually. Local employees who have been with the Company for less than 3 months and all foreign workers are not subjected to annual performance appraisal. In 2024, all employees who were eligible for the performance appraisal have completed it.



❖ Number of Performance Appraisals in 2024

Position Level	Gender	Male		Female		Total	
		Number	%	Number	%	Number	%
Managerial Position		33	100%	9	100%	42	100%
Non-Managerial Position		378	100%	86	100%	464	100%
Total		411	100%	95	100%	506	100%

Note1: “Managerial Position” refers to employees who are assistant managers or above. Employee performance appraisal period for every year is from January 1 to December 31. Performance appraisal completion rate is calculated based on following formula: total number of performance appraisals completed/total number of employees requiring performance appraisals.

Note2: Among the male managerial staff, one individual has been employed for less than three months and thus is not included in the performance evaluation.

CH6 Social Harmony and Co-Prosperity

6.1 Social Participation
Philosophies 79

6.2 Social Welfare 79

Chapter Highlights

- Continual involvement in community events and caring for vulnerable groups. Organization/participation of community events on 44 occasions. NT\$6.79 million contributed towards charitable activities expenditure and donations, a 148% increase compared to the previous year



6.1 Social Participation Philosophies

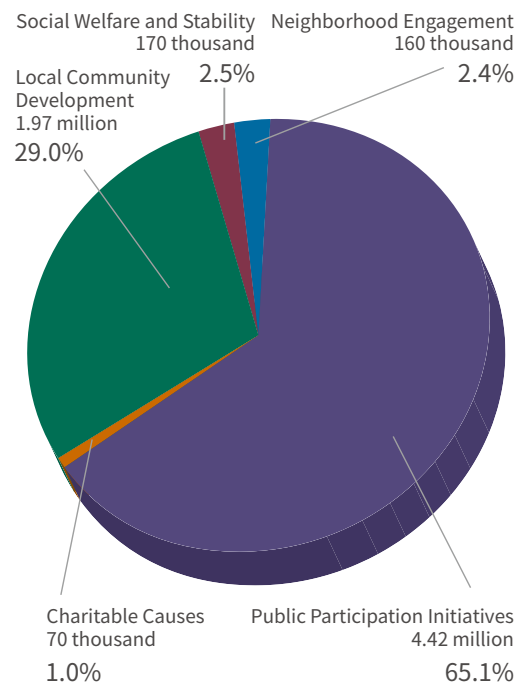
In YC INOX's sustainability blueprint, the Company adheres to our core business philosophy of "giving back to society". While striving to achieve our business performance goals, we remain committed to supporting vulnerable groups and being a good neighbor to local communities. In pursuit of profitability, the Company continues to care for society and upholds our social responsibilities.

6.2 Social Welfare

YC INOX has maintained a long-standing presence in the Changhua-Yunlin region and remained deeply committed to community engagement in 2024. The Company contributed a total of NT\$6.79 million to various social initiatives. Of the total contributions, NT\$4.42 million (65.1%) supported public participation initiatives, NT\$1.97 million (29.0%) was directed toward local community development, NT\$170 thousand (2.5%) supported social welfare and stability, NT\$160 thousand (2.4%) was allocated to neighborhood engagement, and NT\$70 thousand (1.0%) was donated to charitable causes.

❖ Social Welfare Investment

Unit: NT\$ million; %



Spreading Happiness, Caring for the Vulnerable

Spreading Happiness, Caring for the Vulnerable

[YC INOX Continues to Support Taiwan Fund for Children and Families(TFCF), Bringing Warmth to Children and Families Through Concrete Action]
YC INOX has long been deeply involved in the Changhua-Yunlin region, showing concern for children and families under the care of the TFCF in Changhua County for years. On December 8, 2024, at the Baoshan Campus of National Changhua University of Education, the "Infinity Generation ~ Caring for Kids of TFCF in Changhua" Christmas Charity Carnival set up a total of 145 booths and attracted over 7,000 participants. In a show of support for the TFCF, YC INOX organized an internal fundraiser by selling carnival coupons. On the day of the carnival, YC INOX also operated two booths for charity sales. This joint effort conveyed social concern and provided tangible assistance for the children's growth and family well-being.



Engaging with the local community and deepening our local roots

2024 Taiwan National Day Fireworks: YC INOX Lights Up the Yunlin's Night Sky

YC INOX proudly sponsored NT\$1 million to a series of celebration events of 2024 Taiwan National Day fireworks in Yunlin. Through this partnership, YC INOX helped highlight Yunlin's unique charm and strengthen its city brand. In addition to welcoming visitors to experience the spectacular fireworks display, YC INOX also invited employees to join in the "Shining October in Yunlin" festivities—celebrating the season with pride and community spirit.



YC INOX Way, Tianzhong Flavor



In 2024, YC INOX was a supporting sponsor of the Taiwan's Rice Heaven Tianzhong Marathon for the second consecutive year. Besides providing NT\$1 million in sponsorship, the Chairman and 61 colleagues were also participated together, taking part in the full marathon, half marathon, and fun run events. YC INOX demonstrates its determination to promote "sports innovation" and a "sustainable homeland," setting a new milestone for domestic marathon events.

Engaging with the local community and deepening our local roots. "Doing Something That Makes Both Children and Ourselves Happy Together with YC INOX"

The PaperWindmill Theatre staged its production, Adventures in the Sweet Potato Forest, at Shijou Park, with YC INOX sponsoring NT\$800,000 to support the performance. Over 180 YC INOX employees and their families took part in this festive event, bringing a delightful and surprising artistic experience to the families in Shijou. This event was a resounding success in promoting parent-child interaction and strengthening family bonds. Through the course of the performance, it supported children's well-rounded learning and development, and ultimately helped cultivate healthy, thriving children and families.



As corporate citizens, let's work together to create a better future

YC INOX's Happiness Bus – Making Travel in Puoshing Township Accessible and Barrier-Free



YC INOX has been established in Changhua's Puoshing Township for over 51 years. Although there is a bus route with stops running east to west within the Puoshing township, the more remote north-south areas lack any public transportation system. Therefore, the Puoshing Township Office has actively implemented the "Happiness Bus Project" to meet the needs of older adults. By chance, YC INOX had the opportunity to donate a "Happiness Bus," valued at over NT\$1.72 million, as a way to give back to the local community. This not only brings local residents a sense of joy when traveling but also ensures that getting around Puoshing Township is filled with care and free.



YC INOX Demonstrates Warmth in ESG Social Responsibility by Donating a Firefighting Command Vehicle to the Shijou Fire Brigade in Changhua County

YC INOX's headquarters is located in Shijou Township. YC INOX learned that the Shijou Fire Brigade's command vehicle had deteriorated with age. As a gesture of appreciation, YC INOX donated a new command vehicle valued at NT\$1.5 million, enabling firefighters to conduct regular watercraft training, enhancing their rescue capabilities and helps safeguard the lives and property of local residents.



YC INOX Hits the Court: Yunlin's International 3-on-3 Basketball Friendship Game

To support the integration of migrant workers into Taiwan society, YC INOX organized a 20-member team of migrant employees to participate in Yunlin County's 2024 International 3-on-3 Basketball Friendship Tournament. The event provided a platform for basketball-loving migrant workers to showcase their skills, connect with others, and enjoy a moment of joy beyond work. The event also provided informative sessions on local laws and policies to raise awareness and help migrant workers protect their own rights and interests in Taiwan.



Appendices

Appendix 1. Global Reporting Initiatives (GRI) Index	83	Appendix 4. Climate-Related Information Table	91
Appendix 2. Sustainability Accounting Standards Board (SASB) Standards Index	88	Appendix 5. Independent Assurance Report by the Certified Public Accountant	95
Appendix 3. Taiwanese Industry Enhanced Sustainability Index	90		

Appendix 1. Global Reporting Initiatives (GRI) Index

Statement of Use	The Company has mapped 2023 release in accordance with GRI Index
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

General Disclosures

GRI Standard	Disclosure Item		Chapter	Page No.	Note/Reason for Omission
GRI 2: General Disclosures 2021	2-1	Organizational details	About YC INOX	3	
	2-2	Entities included in the organization's sustainability reporting	About this Report	2	
	2-3	Reporting period, frequency, and contact point	About this Report	2	
	2-4	Restatements of information	-	-	Not applicable; no restatements of information
	2-5	External assurance	About this Report	2	
	2-6	Activities, value chain, and other business relationships	About YC INOX 3.2 Product Quality	3 33-36	
	2-7	Employees	5.3 Manpower Structure and Employee Benefits	73-74	
	2-8	Workers who are not employees	5.3 Manpower Structure and Employee Benefits	73-74	
	2-9	Governance structure and composition	2.1 Corporate Governance and Organization	17-20	
	2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance and Organization	17,19-20	
	2-11	Chair of the highest governance body	2.1 Corporate Governance and Organization	17,19-20	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Corporate Governance and Organization	18	
	2-13	Delegation of responsibility for managing impacts	2.3 Risk Management	24	
	2-14	Role of the highest governance body in sustainability reporting	2.1 Corporate Governance and Organization	18	
	2-15	Conflict of interest	2.1 Corporate Governance and Organization	21	
	2-16	Communication of critical concerns	2.1 Corporate Governance and Organization	21	
	2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance and Organization	19-20	
	2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance and Organization	20-21	
	2-19	Remuneration policies	2.1 Corporate Governance and Organization	20-21	
	2-20	Process to determine remuneration	2.1 Corporate Governance and Organization	20-21	
	2-21	Annual total compensation ratio	5.3 Manpower Structure and Employee Benefits	75	
	2-22	Statement on sustainable development strategy	1.2 Sustainable Business Philosophies 1.3 Sustainable Visions and Goals	8 9	

GRI Standard	Disclosure Item		Chapter	Page No.	Note/Reason for Omission
GRI 2: General Disclosures 2021	2-23	Policy commitments	2.2 Ethical Management Results 5.1 Human Rights Protection	22 61-62	
	2-24	Embedding policy commitments	2.2 Ethical Management Results 5.1 Human Rights Protection	22-23 61-62	
	2-25	Processes to remediate negative impacts	2.2 Ethical Management Results 5.2 Safe and Friendly Working Environment	23 72	
	2-26	Mechanisms for seeking advice and raising concerns	2.2 Ethical Management Results 5.2 Safe and Friendly Working Environment	23 72	
	2-27	Compliance with laws and regulations	2.2 Ethical Management Results	23	
	2-28	Membership associations	About YC INOX	3	
	2-29	Approach to stakeholder engagement	1.5 Stakeholder Engagement	15	
	2-30	Collective bargaining agreements	-	-	YC INOX has not entered into a collective bargaining agreement; however, regular labor-management meetings are held quarterly as a communication channel between labor and management

Material Topics

GRI Standard	Disclosure Item		Chapter	Page No.	Note/Reason for Omission
GRI 3: Material Topics 2021	3-1	Process to determine material topics	1.4 Material Topics Identification	10-12	
	3-2	List of material topics	1.4 Material Topics Identification	13-14	
Material Topic: Regulatory Compliance and Ethical Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.2 Ethical Management Results	22	
GRI 2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	2.2 Ethical Management Results 5.2 Safe and Friendly Working Environment	23 72	
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	2.2 Ethical Management Results	23	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	2.2 Ethical Management Results	23	
	205-2	Communication and training about anti-corruption policies and procedures	2.2 Ethical Management Results	23	
	205-3	Confirmed incidents of corruption and actions taken	2.2 Ethical Management Results	23	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.2 Ethical Management Results	23	

GRI Standard	Disclosure Item		Chapter	Page No.	Note/Reason for Omission
Material Topic: Information Security Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.4 Information Security Management	27	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Information Security Management	29	
Material Topic: Operational Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.1 Business Performance	31	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.1 Business Performance	32-34	
	201-3	Defined benefit plan obligations and other retirement plans	5.3 Manpower Structure and Employee Benefits	76	
	201-4	Financial assistance received from government	3.1 Business Performance	32	
Material Topic: Product Quality Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.2 Product Quality	35	
Material Topic: Customer Relationship Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.4 Customer Relationship Management	40	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.4 Customer Relationship Management	41	
Material Topic: Climate Change Adaptation					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.1 Climate Change Management	43	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Management	48-50	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.1 Climate Change Management	46	
	305-2	Energy indirect (Scope 2) GHG emissions	4.1 Climate Change Management	46	
	305-3	Other indirect (Scope 3) GHG emissions	4.1 Climate Change Management	47	
	305-4	GHG emissions intensity	4.1 Climate Change Management	46	
	305-5	Reduction of GHG emissions	4.1 Climate Change Management	45-47	

GRI Standard	Disclosure Item		Chapter	Page No.	Note/Reason for Omission
Material Topic: Energy Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	4.2 Sustainable Production-related Management	58	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2 Sustainable Production-related Management	58-59	
	302-2	Energy consumption outside of the organization	-	-	Not applicable; no restatements of information
	302-3	Energy intensity	4.2 Sustainable Production-related Management	58-59	
	302-4	Reduction of energy consumption	4.2 Sustainable Production-related Management	58-59	
	302-5	Reductions in energy requirements of products and services	4.2 Sustainable Production-related Management	58-59	
Material Topic: Occupational Safety and Health					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.2 Safe and Friendly Working Environment	63	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5.2 Safe and Friendly Working Environment	64	
	403-2	Hazard identification, risk assessment, and incident investigation	5.2 Safe and Friendly Working Environment	65-66	
	403-3	Occupational health services	5.2 Safe and Friendly Working Environment	70-71	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.2 Safe and Friendly Working Environment	72	
	403-5	Worker training on occupational health and safety	5.2 Safe and Friendly Working Environment	70	
	403-6	Promotion of worker health	5.2 Safe and Friendly Working Environment	71	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2 Safe and Friendly Working Environment	64-67	
	403-8	Workers covered by an occupational health and safety management system	5.2 Safe and Friendly Working Environment	64	
	403-9	Work-related injuries	5.2 Safe and Friendly Working Environment	69	
	403-10	Work-related ill health	5.2 Safe and Friendly Working Environment	69	
Material Topic: Human Rights Protection					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.1 Human Rights Protection	62	
GRI 2: General Disclosures 2021	2-23	Policy commitments	2.2 Ethical Management Results 5.1 Human Rights Protection	22 61-62	

Voluntary Disclosure Items

GRI Standard	Disclosure Item		Chapter	Page No.	Note/Reason for Omission
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.2 Ethical Management Results	23	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.2 Sustainable Production-related Management	53-54	
	303-2	Management of water discharge-related impacts	4.2 Sustainable Production-related Management	54	
	303-3	Water withdrawal	4.2 Sustainable Production-related Management	53-54	
	303-4	Water discharge	4.2 Sustainable Production-related Management	53-54	
GRI 305: Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	-	-	Not applicable
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.2 Sustainable Production-related Management	57	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.2 Sustainable Production-related Management	55	
	306-2	Management of significant waste-related impacts	4.2 Sustainable Production-related Management	55	
	306-3	Waste generated	4.2 Sustainable Production-related Management	55	
	306-4	Waste diverted from disposal	4.2 Sustainable Production-related Management	55-56	
	306-5	Waste directed to disposal	4.2 Sustainable Production-related Management	55-56	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5.3 Manpower Structure and Employee Benefits	74	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Manpower Structure and Employee Benefits	75-76	
	401-3	Parental leave	5.3 Manpower Structure and Employee Benefits	76	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5.4 Employee Training Program	77	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Employee Training Program	77	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Employee Training Program	77	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.3 Manpower Structure and Employee Benefits	73	

Appendix 2. Sustainability Accounting Standards Board (SASB) Standards Index: Iron & Steel Producers

Industry-Specific Indices				
Dimension	Topics	Code	Metrics	YC INOX's Response
Environmental Capital	Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions	Parent Company: 1,820.33 metric tons of CO ₂ e Consolidated Subsidiaries (Reported): 551.88 metric tons of CO ₂ e Total Emissions: 2,372.21 metric tons of CO ₂ e
			Percentage covered under emissions-limiting regulations (%)	Currently, there are no such regulatory requirement
	Greenhouse Gas Emissions	EM-IS-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	YC INOX has obtained ISO 50001 Energy Management System third-party certification in 2021. In 2022, the Company completed ISO 14064-1 Greenhouse Gas inventory and third-party verification of Scope 1 to Scope 3. YC INOX continued to promote energy-saving and carbon reduction projects to counter climate-related risk on our future operations. The Company's greenhouse gas emission reduction targets are as follows: Short-term targets ➢ Electricity usage savings by >1% annually. ➢ The installed capacity of solar power generation systems equivalent to 37.5% of total contracted capacity for all mills in Taiwan ➢ Introducing new welding technologies to increase speed of production and reducing energy consumption by 2% Mid-to-long-term targets ➢ Electricity usage savings by >1% annually ➢ The installed capacity of solar power generation systems equivalent to 75% of total contracted capacity for all mills in Taiwan ➢ Introducing new heat treatment technologies to reduce energy consumption for subsequent processes 1. Management reviews are conducted annually in accordance with ISO 14001 and ISO 50001 requirements, along with proposals for appropriate countermeasures, to ensure the effective operation of the environmental and energy management system 2. Electricity consumption data from production line equipment is collected to analyze energy usage trends within the facilities, with priority given to improving the efficiency of high energy-consuming equipment >> For more information, please refer to 4.2 Sustainable Production-related Management
	Air Emissions	EM-IS-120a.1	Air emissions of the following pollutants: (1) CO (2) Nox (excluding N ₂ O) (3) SOx (4) Particulate matter (PM10) (5) Manganese (MnO) (6) Lead (Pb) (7) Volatile organic compounds (VOCs) (8) Polycyclic aromatic hydrocarbons (PAHs)	(1) Not applicable (2) 1.021 metric tons of NOx (3) 0 metric tons of SOx (4) 0.034 metric tons of particulate matter (PM10) (5) Not applicable (6) Not applicable (7) 0 metric tons of VOCs (8) Not applicable Data for (1), (5), (6), and (8) are not available as they are not subject to mandatory regulatory testing and reporting, hence there is no relevant data available

Industry-Specific Indices				
Dimension	Topics	Code	Metrics	YC INOX's Response
Environmental capital	Energy Management	EM-IS-130a.1	Total energy consumed	160,326.54 GJ
			Percentage grid electricity (%)	83.08%
			Percentage renewable (%)	0%
		EM-IS-130a.2	Total fuel consumed	27,133.23 GJ
			Percentage coal (%)	0%
			Percentage natural gas (%)	84.86%
	Water Management	EM-IS-140a.1	Percentage renewable (%)	0%
			Total water withdrawn	110.62 thousand cubic meters
			Percentage recycled water (%)	99%
	Waste Management	EM-IS-150a.1	Percentage of each in regions with High or Extremely High Baseline Water Stress	Not applicable in Taiwan
			Amount of waste generated	1,1043.59 metric tons
			Percentage hazardous waste (%)	29.84%
Human capital	Employee Health and Safety	EM-IS-320a.1	Percentage recycled (%)	4.12%
			Non-fixed term employee total recordable incident rate (TRIR)	0.88 cases per 200,000 working hours
			Fixed term employee total recordable incident rate (TRIR)	0
			Non-fixed term employee fatality rate	0
			Fixed term employee fatality rate	0
			Non-fixed term employee near miss frequency rate (NMFR)	1.13
Business model and innovation	Supply Chain Management	EM-IS-430a.1	Fixed term employee near miss frequency rate (NMFR)	0
			Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	Not applicable; Our primary raw materials are cold-rolled and hot-rolled stainless steel plate/coil

Normalized event indices		
Code	Accounting/activity indices	YC INOX's response
EM-IS-000.A	Raw steel production	Not applicable; Our primary raw materials are cold-rolled and hot-rolled stainless steel plate/coil, hence there is no relevant data available.
	Percentage from basic oxygen furnace processes	
	Percentage from electric arc furnace processes	
EM-IS-000.B	Total iron ore production	
EM-IS-000.C	Total coking coal production	

Appendix 3. Taiwanese Industry Enhanced Sustainability Index: Iron and Steel

Item	Sustainability Index Disclosed	YC INOX's response
1	Total energy consumption	160,326.54GJ
	Percentage purchased electricity (%)	83.08%
	Percentage renewable (%)	0%
	Total self-generated and self-consumed energy (Note 1)	0 GJ
2	Total fuel consumed	27,133.23 GJ
	Percentage coal	0%
	Percentage natural gas	84.86%
	Percentage renewable fuel	0%
3	Total water withdrawn	110.62 thousand cubic meters
	Total water consumed	80.92 thousand cubic meters
4	Total weight of waste generated	1,043.59 metric tons
	Percentage hazardous waste	29.84%
	Percentage recycled	4.12%
5	Number and percentage of employees involved in occupational accidents	7 People
		0.88 cases per 200,000 working hours
6	Main products produced, listed by product category	Stainless steel pipe/tube: 73,391 metric tons Stainless steel sheet/coil: 58,429 metric tons Other stainless steel products: 2,048 metric tons

Note : The total self-generated and self-consumed energy was calculated pursuant to the "Renewable Energy Development Act", "Implementation Regulations Governing Renewable Energy Certificates", and other relevant regulations.

Appendix 4. Climate-Related Information Table

1.Implementation Status of Climate-Related Information

Item	Implementation Status
1. Description on the board and management's oversight and governance on climate-related risks and opportunities	YC INOX places significant importance on environmental impact and climate change issues relevant to value chain. The Company actively develops measures to address global climate change and transition trends, aiming to mitigate industry's impact on climate and reduce operational disruptions caused by current trends. In order to identify risks and opportunities associated with climate change for each department and effectively mitigate and reduce extensive impacts arising from climate change, YC INOX adopted 2017 "Climate-Related Financial Disclosures Framework" issued by Financial Stability Board (FSB). This framework covers four core elements: governance, strategy, risk management, and metrics and targets. The Board of Directors and the Audit Committee are highest governing bodies responsible for reviewing and guiding YC INOX's overall climate change strategy, action plans and annual objectives. The Sustainability Committee reports to them annually on implementation plans and achievements in this regard. In order to effectively manage climate-related risks and opportunities, YC INOX established a Sustainability Committee and formed Environmental Sustainability Execution Team. Environmental Sustainability Execution Team is led by managers from Health & Safety Office. In accordance with YC INOX's risk management policies, this execution team is responsible for analyzing and monitoring climate-related risks and opportunities. It holds regular meetings to discuss related topics. After compiling its work, the Environmental Sustainability Execution Team shall periodically report to Sustainability Committee.
2. Description on how the identified climate risks and opportunities impact the Company's business, strategy, and finances (short-term, mid-term, long-term)	YC INOX manages climate-related issues based on TCFD recommendation framework. The Company collects climate data beforehand and conducts cross-departmental discussions to identify significant climate change risks and opportunities. We assess short, medium, and long-term financial impacts of these risks and opportunities and formulates adjustment policies and response measures for the Company's operating models and strategies. Management timeframe is defined as short-term with impact of less than three years and medium to long-term with impact of more than three years. YC INOX identified climate-related risks and opportunities based on different time spans and topics by evaluating impact on the Company's operations before formulates response strategies. In total, 5 climate change risks and 3 climate change opportunities have been identified. Please refer to the Major climate risks and opportunities identified in the 2024 Sustainability Report and the Company's website.
3. Description on the impact on finance from extreme climate events and transitional actions	For the explanation of the financial impacts of extreme weather events and transition actions, please refer to the Major climate risks and opportunities identified in the 2024 Sustainability Report and the Company's website.
4. Description on how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system	The process for managing climate change-related risks is executed by the Administration Department of the Company in accordance with the "Risk Management Policies and Procedures". We periodically collect information on domestic and international climate change trends and regulatory changes, identify climate-related risks and opportunities in the industry, and compile a list of climate-related risks and opportunities. We also conduct educational training on climate risks and opportunities, and hold group meetings to annually identify and screen risks. The process concludes with a summary of significant climate-related risks and opportunities for YC INOX, as well as existing management measures and response plans. For the overall risk management system at YC INOX, please refer to the risk management in the 2024 Sustainability Report and the Company's website.
5. If scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypotheses, analysis factors and major financial impacts should be provided	Due to the increasing trend of carbon credit mechanism, carbon taxes or carbon fee implemented by countries worldwide, may result in additional costs for businesses, leading to overall increase in operating costs. YC INOX will assess the primary financial impacts of the aforementioned transition risks under different scenarios. For complete information, please refer to the Carbon Fee/Tax Scenario Analysis in the 2024 Sustainability Report and the Company's website.
6. If there are transition programs in response to managing climate-related risks, provide details of the programs, as well as the metrics and targets used to identify and manage physical risks and transitional risks	For the transition programs in response to managing climate-related risks and the corresponding risk management measures, please refer to the Major Climate Risks and Opportunities Identified in the 2024 Sustainability Report and the Company's website.
7. If the internal carbon pricing is used as a planning tool, the pricing mechanism should be explained	As of the publication date of the Sustainability Report, YC INOX has not yet used internal carbon pricing as a planning tool.
8. If climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and annual progress should be explained; for targets achieved through carbon offset and Renewable Energy Certificates (RECs), the source of offset amount and number of RECs should be specified	Facing the challenges of global climate change, YC INOX actively responds to Taiwan's 2050 net-zero emission policy. Through a series of strategic implementations and innovative technology applications, the Company is gradually consolidating its position as a sustainable leadership enterprise. Since 2021, YC INOX has simultaneously launched the ISO 14064-1 Greenhouse Gas Inventory and the ISO 50001 Energy Management System across all its mills in Taiwan, committed to reducing the carbon footprint of its operations. The YC INOX carbon footprint initiative is a comprehensive, multi-year strategy that encompasses every aspect from raw material procurement to the production process. By 2024, the Company have completed the ISO 14067 product carbon footprint assessment and verification for three major product categories, including stainless steel coil from Douliou Mill I, stainless steel tube from Shijou Mill, and stainless steel pipe from Puoshing Mill and Douliou Mill II. Data from the carbon assessments in 2023 and 2024 indicate that carbon emissions during the raw material acquisition phase account for as much as 91% to 99%. In response, the Company is focusing on low-carbon raw material procurement while simultaneously planning to implement advanced environmental technologies to gradually reduce energy consumption and carbon emissions during the manufacturing phase.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans (to be detailed in sections 1-1 and 1-2)	As specified in 1-1 and 1-2.

1-1 Status of The Company's Greenhouse Gas Inventory and Assurance for The Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Description of greenhouse gas emissions for the most recent two years (in metric tons of CO₂e), intensity (In metric tons of CO₂e per production in tons), and data coverage.

The Company has established a greenhouse gas inventory mechanism in accordance with the ISO 14064-1:2018 standard set by the International Organization for Standardization (ISO). Since 2020, we have conducted annual greenhouse gas emissions assessments for our individual operations, and starting in 2024, this will extend to our consolidated financial reporting subsidiaries. This process allows us to thoroughly understand our greenhouse gas usage and emissions, as well as to verify the effectiveness of our reduction initiatives. Furthermore, the greenhouse gas inventory data for the past two years has been compiled based on the operational control approach, encompassing all greenhouse gas emissions and emissions intensity from both the Company and its consolidated subsidiaries, as detailed below:

Year		2023		2024	
Item		Greenhouse Gas Emissions (Metric tons of CO ₂ e)	Intensity (Metric tons of CO ₂ e per production in tons)	Greenhouse Gas Emissions (Metric tons of CO ₂ e)	Intensity (Metric tons of CO ₂ e per production in tons)
The Company	Scope 1	1,885.42		1,820.33	
	Scope 2	7,355.54		18,277.08	
	Scope 3	8,526.30		8,401.68	
	Sub total	27,767.26		28,499.09	
Consolidated Subsidiary	Scope 1			551.88	
	Scope 2			2,137.24	
	Scope 3			138,144.22	
	Sub total			140,833.34	
Total		27,767.26	0.21	169,332.43	0.98

Note1 : Direct emissions (Scope 1): From use of natural gas, gasoline and diesel, welding, refrigerant fugitive, and other direct emissions created during manufacturing processes

Note2 : Other emissions (Scope 2): From purchased electricity

Note3 : Other indirect emissions (Scope 3): From raw material, mining, manufacturing, and processing process (e.g., purchased electricity, tap water, and pharmaceutical), transportation, wastewater discharge, waste treatment emissions, and other indirect emissions

Note4 : The Company's greenhouse gas inventory is conducted in accordance with ISO 14064-1 procedures and has been verified by a third party. The greenhouse gas emission factors are based on the management table version 6.0.4 published by the Environmental Protection Agency

Note5 : The source of the Global Warming Potential (GWP) in this table is the IPCC Sixth Assessment Report (2021)

Note6 : The indirect emissions from consolidated subsidiaries (Scope 3) differ due to the significance assessment criteria being set differently from those of the Company

1-1-2 Greenhouse Gas Assurance Information

Description on the assurance status, including the assurance scope, assurance institution, assurance standards, and assurance opinion for the most recent two years.

In paragraph 1-1-1, the Company discloses its total greenhouse gas emissions, indicating that for the year 2020, the assurance scope pertains solely to the Company itself, accounting for 100% of its total emissions for that year. For the year 2024, the assurance scope will include the subsidiaries covered by the consolidated financial report, representing 100% of the total emissions of those subsidiaries for that year. This assurance has been conducted by TÜV Rheinland Taiwan Ltd. (the Company itself) and UnityCert (the Consolidated Subsidiary) in accordance with the ISO 14064-3:2019 standard issued by the International Organization for Standardization (ISO), with the assurance opinion being classified as reasonable assurance.

The following outlines the assurance status of the greenhouse gas inventory for the Company and its Consolidated Subsidiary over the past two years:

Assurance Scope		2023	2024	Assurance Institution	Assurance Standard	Assurance Opinion
The Company	Scope 1	1,885.42	1,820.33	TÜV Rheinland Taiwan Ltd.	ISO 14064-3:2019 Reasonable Assurance	Unqualified Conclusion/ Opinion
	Scope 2	17,355.54	18,277.08			
	Scope3	8,526.30	8,401.68			
	Total	27,767.26	28,499.09			
	Percentage of the data disclosed in paragraph 1-1-1	100%	100%			
Consolidated Subsidiary	Scope 1		551.88	UnityCert	ISO 14064-3:2019 Reasonable Assurance	Unqualified Conclusion/ Opinion
	Scope 2		2,137.24			
	Scope3		138,144.22			
	Total		140,833.34			
	Percentage of the data disclosed in paragraph 1-1-1		100%			

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

Description on the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the progress toward achieving the reduction targets.

Item	The Company	Consolidated Subsidiary
1. The baseline year for greenhouse gas reduction and its data.	➢ Baseline Year: 2020 ➢ Scope 1, Scope 2, and Scope 3 GHG emissions by all mills totaled 1,530.73, 21,050.71, and 10,179.98 metric tons CO₂e, respectively. Scope 3 inventory types mainly included indirect emissions from raw material mining, manufacturing, and processing processes (purchased electricity, tap water, pharmaceutical use, and transportation) and other indirect emissions	➢ Baseline Year: 2024 ➢ Scope 1, Scope 2, and Scope 3 GHG emissions by all mills totaled 551.88, 2,137.24, and 138,144.22 metric tons CO₂e, respectively. Scope 3 inventory types mainly included indirect emissions from raw material mining, manufacturing, and processing processes (purchased electricity, tap water, pharmaceutical use, and transportation) and other indirect emissions

Item	The Company		Consolidated Subsidiary	
2. Enterprise Strategies for Climate Change Adaptation or Greenhouse Gas Management.	The Company's all mills in Taiwan began conducting ISO 14064-1 Greenhouse Gas Emission Inventory and ISO 50001 Energy Management System implementation in 2021, with ISO 50001 third-party verification completed in that same year and ISO 14064-1 Scopes 1 to Scope 3 inventories and third-party verification completed in 2022. The Company continues to promote energy-saving and carbon-reduction projects to address risks posed by future climate change to its operations. In 2024, the Company formulated relevant risk management policies and strategies based on risk assessments as follows: ➢ The Company has established "Pre-Environmental Review Management Procedures" and "Energy Review Operating Procedures" in accordance with ISO 14001 and ISO 50001 requirements. These procedures shall be subjected to annual management reviews and appropriate measures are proposed to ensure effective operation of environmental and energy management system ➢ Various management measures have been established to implement and control waste reduction, emissions reduction, pollution prevention, and other projects, actively avoiding the risk of environmental pollution ➢ Effective waste sorting is conducted to minimize waste generation and enhance waste resource recovery rates as much as possible		Starting in 2024, the Consolidated Subsidiary initiated ISO 14064-1 Greenhouse Gas Emission Inventory and third-party verification, continuing efforts to promote energy-saving and carbon reduction projects in response to the risks posed by future climate change on company operations. The related measures implemented are as follows: ➢ Various management measures have been established to implement and control waste reduction, emissions reduction, pollution prevention, and other projects, actively avoiding the risk of environmental pollution ➢ Effective waste sorting is conducted to minimize waste generation and enhance waste resource recovery rates as much as possible ➢ The Consolidated Subsidiary has obtained the I-REC certificate from the Organized Industrial Zone (OIZ), which verifies that the electricity it uses or produces comes from renewable sources, further demonstrating its commitment to sustainable environmental development	
3. Enterprise greenhouse gas emission reduction targets.	Short Term (2025) ➢ Electricity usage savings by >1% annually ➢ Solar energy installation capacity equivalent to 37.5% of total contracted capacity for all mills in Taiwan ➢ Obtain ISO 14067 Carbon Footprint of Products certification for type 1 products. ➢ Establishing intelligent monitoring system that can capture 75% of Company's electricity consumption information ➢ Compliance with regulations relating to climate action and greenhouse gas emissions disclosure	Medium-to-Long Term (2030) ➢ Electricity usage savings by >1% annually ➢ Solar energy installation capacity equivalent to 75% of total contracted capacity for all mills in Taiwan ➢ Optimize the intelligent monitoring system to capture 90% of the Company's electricity consumption data. ➢ Regularly conduct assessments of climate risks and opportunities, and develop corresponding strategies and action plans	Short Term (2025) ➢ Enhancing supply chain management by requiring suppliers to provide emissions data for raw materials and opting for materials with lower emissions ➢ Gradually phasing out traditional vehicles in favor of electric or hybrid models to reduce reliance on fossil fuels ➢ Improving energy efficiency in lighting systems by replacing fixtures with LED lights and installing automatic sensors ➢ Implementing advanced pickling production systems to optimize the pickling process and recover waste acid, thereby increasing production efficiency and reducing energy consumption	Medium-to-Long Term (2030) ➢ Optimize the intelligent monitoring system to capture the Consolidated Subsidiary's electricity consumption data ➢ Continuously enhance production efficiency by adopting energy-efficient technologies and redesigning processes ➢ Fully promote the transformation of welding techniques from traditional TIG welding to fiber laser welding to improve production efficiency and reduce energy consumption
4. Specific Budget and Plan for Greenhouse Gas Emission Reduction.	The Company is actively promoting the installation of solar power generation systems as follows: ➢ The first phase, with a solar energy installation capacity equivalent of 5,511.72 kWp, was completed in May 2022 ➢ The second phase, with an additional capacity of approximately 6,127 kWp, is expected to generate approximately 8.2 million kWh in electricity ➢ Promote waste resource recovery initiatives to continuously increase the recycling rate, thereby reducing greenhouse gas emissions from waste management ➢ Enhance the accuracy of carbon assessments and implement ISO 14067 for product carbon footprints		➢ Purchase of Renewable Energy Certificates (I-REC): During the period from 2023 to 2024, the Consolidated Subsidiary's electricity consumption has significantly increased, primarily due to the expansion of production capacity. Despite the rise in energy usage, the Company is actively seeking sustainable solutions to minimize its impact on climate change while scaling up production. Since 2023, we have consistently purchased Renewable Energy Certificates (I-REC) to further leverage green energy and reduce our environmental footprint ➢ Transformation of Welding Technology: The Consolidated Subsidiary has successfully transitioned the welding technology of 17 machines from traditional TIG welding to fiber laser welding, resulting in nearly a 50% reduction in energy consumption and a significant decrease in greenhouse gas emissions associated with electricity use	
5. Achievement of Emission Reduction Targets.	➢ The Company achieved an energy saving rate of 1.97% across all mills. In 2024, the total energy savings for the Company amounted to 727,584.7 kWh, resulting in a reduction of 359.43 metric tons of carbon emissions annually ➢ The installed capacity of solar power generation systems account for 76.51% of the total contracted capacity for all mills in Taiwan. In 2024, the total solar power generation reached 12,817 thousand kWh, resulting in a reduction of approximately 6,331 metric tons of carbon emissions ➢ In 2023 and 2024, a carbon footprint assessment and third-party verification were conducted for three major product categories across four mills to enhance the accuracy of carbon tracking ➢ Over the past three years (2022-2024), the total amount of recycled plastic waste reached 118.97 metric tons, which is estimated to have reduced carbon emissions by approximately 40.5 metric tons ➢ In 2024, the total waste disposal volume was decreased by 7.59% compared to 2023		The year 2024 serves as the baseline for the Consolidated Subsidiary. The total greenhouse gas emissions for Scope 1 across all mills amount to 551.88 metric tons of CO₂e, while Scope 2 emissions total 2,137.24 metric tons of CO₂e, and Scope 3 emissions reach 138,144.22 metric tons of CO₂e. We will continue to monitor the progress towards our annual reduction targets	

Appendix 5. Independent Assurance Report by the Certified Public Accountant



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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

YC INOX CO., LTD.

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of YC INOX CO., LTD. ("the Company") for the year ended December 31, 2024.

Subject Matter Information and Applicable Criteria

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

Management's Responsibilities

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, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), the 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 is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and perform a limited assurance engagement in accordance with Assurance Standard No. 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" 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:

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

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, assumption and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Management

We and the affiliated accounting firm have complied with the provisions regarding independence and other ethical standards as stipulated in the Code of Ethics for Professional Accountants and other applicable ethical standards. The fundamental principles of this code include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the Quality Management Standards No. 1, "Quality Management for Firms that Perform Audits and Reviews of Financial Statements or Other Assurance and Related Services Engagements." This standard require the firm to design, implement, and operate a system of quality management, including policies and procedures related to

compliance with ethical requirements, professional standards, and applicable laws and regulations.

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 assurance resulting in this independent limited assurance report is Shao, Chao Pin.

Crowe (TW) CPAs

Taichung, Taiwan (Republic of China)

June 23, 2025

Notice to Readers

For the convenience of readers and for information purpose only, the independent auditors' limited assurance report has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report shall prevail.

APPENDIX 1 SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information	Corresponding Section	Applicable Criteria	Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies- Industry-specific Disclosures of the Sustainability Metrics
1	(1) Total energy consumption: 160,326.54 GJ. (2) Percentage of purchased electricity: 83.08%. (3) Utilization rate: 0%. (4) Total self-generated and self-use energy: 0 GJ.	Appendix III	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated and self-use energy	Appendix 1-6, No. 1
2	(1) Total fuel consumption: 27,133.23 GJ. (2) Percentage of coal: 0%. (3) Percentage of natural gas: 84.86%. (4) Percentage of renewable fuels: 0%.	Appendix III	Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels	Appendix 1-6, No. 2
3	(1) Total water withdrawn: 110.62 '000 m³. (2) Total water consumption: 80.92 '000 m³.	Appendix III	Total water withdrawn and total water consumption	Appendix 1-6, No. 3

#	Subject Matter Information	Corresponding Section	Applicable Criteria	Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies- Industry-specific Disclosures of the Sustainability Metrics
4	(1) Total waste generated: 1,043.59 metric tons. (2) Percentage of hazardous waste: 29.84%. (3) Percentage recycled: 4.12%.	Appendix III	Total waste generated, percentage of hazardous waste and percentage recycled	Appendix 1-6, No. 4
5	(1) Number of employees in occupational accidents: 7. (2) Rate of occupational accidents: 0.88 cases per 200,000 working hours.	Appendix III	Number of employees in and rate of occupational accidents	Appendix 1-6, No. 5
6	Production by product category: (1) Stainless Steel Pipes and Tubes: 73,391 metric tons. (2) Stainless Steel Sheets/ Coils: 58,429 metric tons. Other Stainless Steel Products: 2,048 metric tons.	Appendix III	Production by product category	Appendix 1-6, No. 6