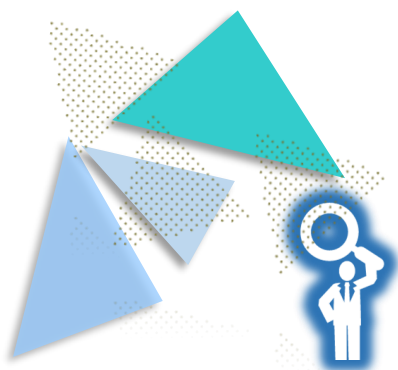




THINTECH MATERIALS TECHNOLOGY CO.,LTD.

# SUSTAINABILITY REPORT 2024





## 1. Overview

- 1.1 About This Report
- 1.2 About TTMC

## 2. Sustainable Business

- 2.1 Message from Management
- 2.2 Sustainability Strategy and Commitments
- 2.3 Stakeholder Engagement
- 2.4 Material Topics



## 3. Business Operation

- 3.1 Company management
- 3.2 Operating with integrity
- 3.3 Risk Management
- 3.4 Operational Financial Performance

## 4. Production, Sales and Supply chain

- 4.1 Products and Sales
- 4.2 Regulation of Hazardous Substances
- 4.3 Supply Chain Management



## 5. Environmental Friendliness

- 5.1 Environmental Philosophy and Management
- 5.2 Green manufacturing process
- 5.3 Climate Change Response
- 5.4 Circular Economy



## 6. Occupational Health and Safety

- 6.1 Promoting a Safety Culture
- 6.2 Employee Health and Well-being

## 7. Employee Care and Social Care

- 7.1 Human Resources and Talent Retention
- 7.2 Employee Rights
- 7.3 Social care



## 8. Appendix

- Appendix 1 · GRI Standards Content Index
- Appendix 2 · TCFD Content Index
- Appendix 3 · SASB Content Index



# 1. Overview

## 1.1 About This Report

This report covers the operational systems and activities of Thintech Materials Technology Co., Ltd. ( "TTMC" ) in Taiwan from January 1, 2024 to December 31, 2024 (Year 113 of the Republic of China calendar). It does not include the performance of the Company' s equity investments. The reporting period for the financial statements is the same as that of this report. All financial data are presented in New Taiwan Dollars (NTD), while environmental protection, occupational safety and health (EHS) performance data are disclosed using internationally recognized or legally required indicators.

**Publication date of this report : August 2025**

**Next scheduled publication date : August 2026**

### Reporting Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021 issued by the Global Sustainability Standards Board (GSSB). It also adopts the Sustainability Accounting Standards Board (SASB) indicators and follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). A detailed cross-reference table of the report' s content with the GRI Standards, SASB metrics, and TCFD recommendations is provided in Chapter 8.

### Reporting Boundary

This report covers TTMC' s operations and activities at its headquarters and production facilities located at No. 1, Luko 8th Road, Lujhu District, Kaohsiung City, from January 1, 2024 to December 31, 2024. The focus is placed on the management approaches and performance of material topics. TTMC first published its Sustainability Report in 2020 (Year 109, ROC), and plans to continue publishing annually, disclosing the Company' s sustainability practices in the ESG dimensions.

### Report Governance and Quality

- **Internal Review**

All data and information disclosed in this report are initially reviewed and approved by the relevant departmental supervisors before being consolidated and compiled by the Sustainability Development Task Force, which includes

representatives from the Production Plant, Quality Assurance, Technology, Finance, Sales, Administration, and Occupational Safety units. The draft report is reviewed and discussed at the Management Review Meeting, revised in accordance with resolutions, and submitted to the Board of Directors for approval. This process is repeated annually.

- **Continuous Improvement and Updates**

The Sustainability Development Task Force regularly evaluates whether the content of the report requires adjustments in response to changes in international standards, government regulations, stakeholder concerns, review findings, or other relevant factors. Recommendations for improvements or updates are presented at the Management Review Meeting, and when updates are deemed necessary, the Chairman assigns the Sustainability Development Task Force to implement the revisions.

- **External Assurance**

This report has been prepared with reference to the requirements of the GRI Standards. As there is no mandatory requirement for external assurance, this edition has not undergone third-party verification. Future reports may consider third-party assurance depending on actual needs. Financial information is derived from financial reports audited by certified public accountants. Certain sections, such as “4.2 Hazardous Substances Management” and “6. Occupational Safety and Health,” refer to international management system standards (ISO 14001, ISO/CNS 45001, etc.) that have undergone external certification.

- **Application of Report Content**

This report presents TTMC’ s philosophies, practices, and performance in three key areas: energy and environmental management, social harmony, and corporate governance. These are disclosed through concise text, charts, and indicators, allowing stakeholders to understand recent key developments and trends, and to compare performance over time.

- **Peer Comparison**

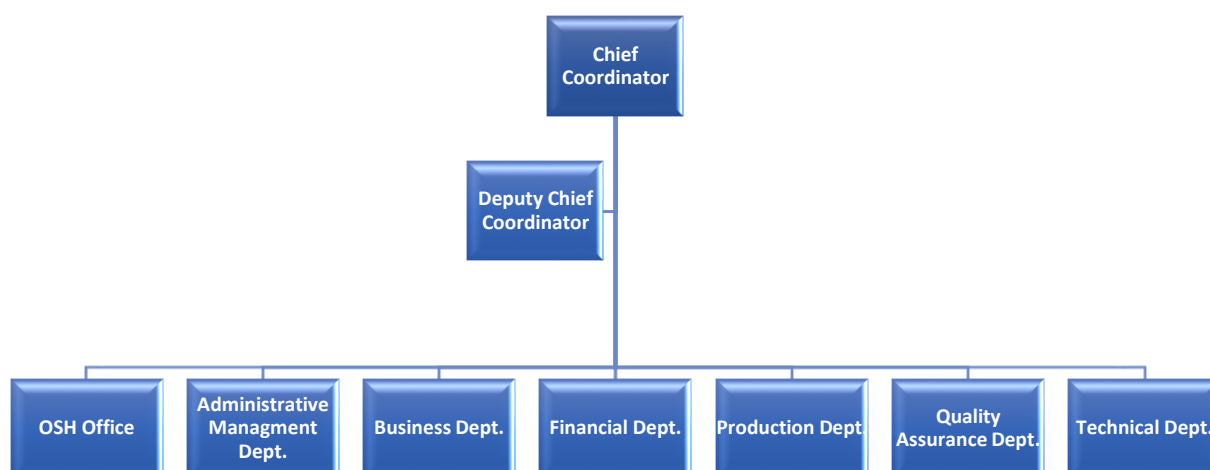
The indicators disclosed in this report can be used for comparison with peers in the metal materials industry. However, differences in sales processes, reporting boundaries, scope, and definitions may affect comparability. In such cases, explanatory notes are provided to avoid misinterpretation.

## Major Changes During the Reporting Period :

- On December 31, 2024, Mr. Chao-Hsiang Lee retired as the representative director of Chung Ying Investment Development Co., Ltd., and Mr. Chien-Hui Lee was appointed as the new representative director. On the same day, Mr. Chien-Hui Lee was elected Chairman of the Board.

## Sustainability Development Task Force Organization

In accordance with the Company' s Sustainability Development Code, TTMC has established the Sustainability Development Task Force, composed of representatives from the Production Plant, Quality Assurance, Technology, Finance, Sales, Administration, and Occupational Safety units. The task force is responsible for promoting and implementing sustainability-related affairs and reports to the Board of Directors.



For inquiries or feedback regarding this report, please contact:  
Thintech Materials Technology Co., Ltd. – Sustainability Development Task Force

Address:	Tel:	Email:	Website:
No. 1, Luko 8th Road, Lujhu District, Kaohsiung City, Taiwan	+886-7-695-5125 ext. 1511	skuo@e-ttmc.com.tw	<a href="http://www.e-ttmc.com.tw">http://www.e-ttmc.com.tw</a>

## 1.2 About TTMC

### Company Profile :

- Company Name: Thintech Materials Technology Co., Ltd.
- Established: March 2000 (Year 89, ROC)
- Capital: NTD 1.08 billion
- Employees: 206 in Taiwan (as of 2024/12/31; excluding part-time employees)

### Business Locations :

- Head Office / Business Address: 8F-4, No. 140, Zhongshan North Road, Gangshan District, Kaohsiung City 820687, Taiwan
- Manufacturing Site: No. 1, Luko 8th Road, Lujhu District, Kaohsiung City 821011, Taiwan
- Main Line: +886-7-695-5125

### Operations and Market :

#### ◆ Core Products and Business Scope :

TTMC primarily produces sputtering targets and precious metal materials used in the display and optoelectronics industry. Sales of display sputtering targets have remained stable in recent years. At the same time, the Company has actively invested in the development of new products, particularly high-purity sputtering targets and evaporation materials for the semiconductor sector. In the past two years, TTMC has progressively aligned its existing panel target products with semiconductor-grade applications.

For new semiconductor products, TTMC's short-term focus is on materials for back-end packaging metallization, mid-term focus is on materials for wafer thinning and metallization, and long-term focus is on materials for front-end wafer fabrication. The Company is accelerating R&D efforts in line with this strategic roadmap.



#### ◆ Sales Distribution :

In 2024, domestic sales accounted for approximately 82.95%, exports to Asia 15.05%, and exports to the United States and Europe about 2.00%.

Product Category	Unit	2022	2023	2024
Thin film sputtering targets & others (domestic)	kg	280,000	285,000	300,000
Thin film sputtering targets & others (export)	kg	40,000	20,000	18,000
Precious metal materials (domestic)	kg	69,500	64,000	68,000
Precious metal materials (export)	kg	2,500	2,000	2,000

#### ◆ Revenue Structure :

Thanks to consistent product quality and stable raw material supply, TTMC has strengthened its market share in sputtering targets. Meanwhile, the Company continues to focus on expanding into new product areas, particularly semiconductor materials, to optimize its sales portfolio and increase revenue contribution.

However, due to global inflation in 2024, market demand remained sluggish,

particularly in silver-related sales, which are closely linked to semiconductors and 3C consumer products. The slowdown that began in 2023 persisted, leading the Company to adopt a more conservative outlook on sales volumes.

Product Category	2022(%)	2023(%)	2024(%)
Sputtering targets & others	34	35	30
Silver materials	66	65	70

### Affiliates :

Company Name	Established	Capital	Employees
Thintech Global Limited	Feb. 2011	USD 6,800,000	1
OmniGains Investment Limited	Mar. 2023	USD 23,168,000	1
Changzhou Zhonggang Precision Forging Co., Ltd.	Sept. 2008	USD 50,880,000	169

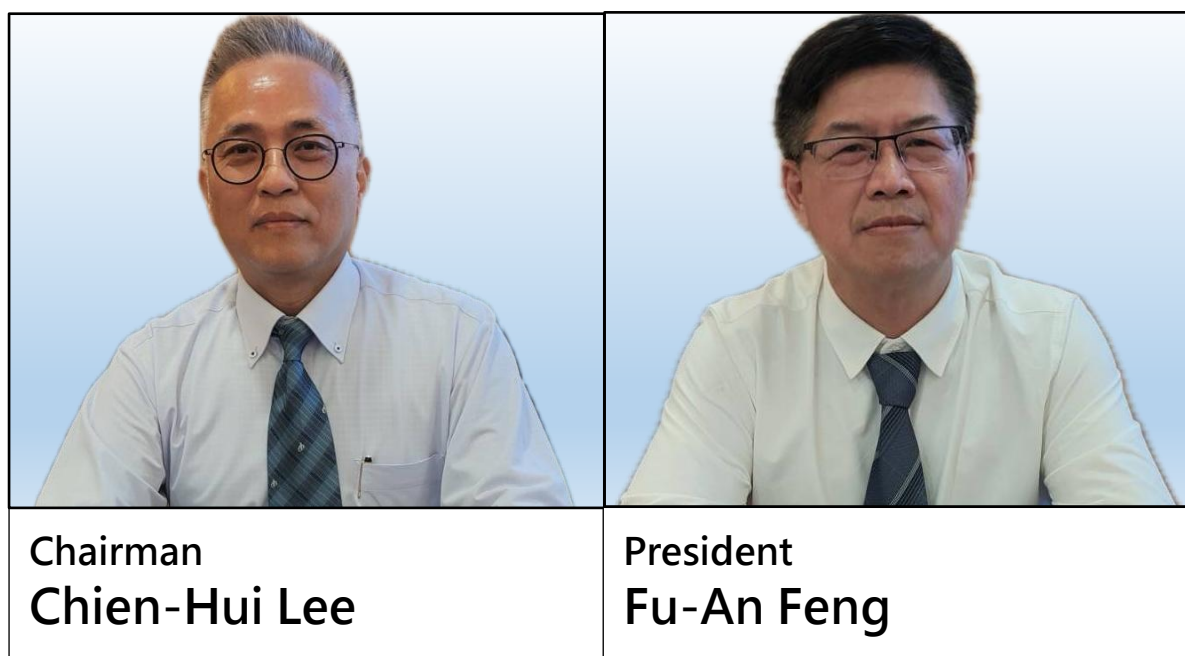
Remarks: Overseas subsidiary (not included in this report)

### Memberships in Associations :

1. Chinese Human Resources Management Association
2. Taiwan Light Metal Association
3. Taiwan Piezoelectric Crystal Industry Association
4. Kaohsiung Industrial Association
5. Taiwan Science Park Industrial Association

## 2. Sustainable Business

### 2.1 Message from Management



Since its establishment in 2000, Thintech Materials Technology Co., Ltd. ( "TTMC" ) has embraced the strategic positioning of being an industrial materials supplier under the China Steel Corporation (CSC) Group. Guided by the vision of becoming a trusted leader in advanced materials for the optoelectronics and biomedical industries, we adhere to the principles of innovation, growth, customer orientation, and value-added services. By leveraging CSC' s expertise in materials science and its integrated resources, TTMC provides high-performance materials essential for the development of the global optoelectronics, semiconductor, and biomedical sectors. At the same time, we are committed to energy conservation, carbon reduction, and promoting circular use of materials to drive sustainable development.

#### **Global and Domestic Economic Landscape in 2024**

In 2024, the global economy presented a complex picture. The United States outperformed expectations with resilient growth, while Europe and China continued to face sluggish momentum. Overall, the world economy entered a "post-high-interest-rate adaptation period," with growth remaining modest yet stable. Market attention focused on the pace of inflation decline, the timing of U.S. interest rate cuts, China' s economic stabilization, and risks posed by geopolitical tensions and supply chain shifts.

In Taiwan, economic performance benefitted from supply chain realignments triggered by U.S.-China competition and the rapid growth of the AI industry, leading to significant export growth that outpaced 2023. Nevertheless, domestic demand remained weak and inflationary pressures persisted.

For TTMC, consolidated revenue in 2024 increased by 21.6% year-over-year. This growth was largely driven by heightened market demand for precious metals amid global geopolitical uncertainty, coupled with monetary easing by the U.S. Federal Reserve and the People's Bank of China, which pushed precious metals prices upward. Silver prices surged nearly 30% over the year, outpacing gold's 17% increase, thereby driving both sales volumes and transaction values in our precious metals business.

In contrast, while demand in Taiwan's display panel industry gradually recovered, excess production capacity in China constrained growth in our sputtering target business. To address this, TTMC proactively expanded into new product applications, including semiconductor materials, biomedical composites, and advanced alloys through the acquisition of CSC Precision Materials. Additionally, we invested in the development of advanced FOPLP (Fan-Out Panel-Level Packaging) substrates, which have received strong recognition from both domestic and international customers. Looking forward, we will continue to optimize our product mix, reduce costs, enhance production and operational efficiency, and ensure sustainable profitability and long-term growth.

## Key Developments in 2024 :

### Advancing High-Value Products and R&D Capabilities

- Strengthened R&D in special alloys and semiconductor sputtering targets, while improving aluminum targets and raw material recycling for the panel industry.
- Enhanced intellectual property management by updating the "Patent Application Management Procedures" in 2024, improving efficiency in patent application, review, and maintenance.
- Completed 3 new products/processes (qualified by customers), 4 strategic product developments, and 5 patent applications.
- Accelerated development of high-purity aluminum alloy and titanium sputtering targets for semiconductor applications, including cost-efficient diffusion bonding technology and fine-grain microstructures.
- Delivered stable quality for low-expansion alloy plates, extending product life cycles

and maintaining our position as the sole supplier for FOPLP substrates.

- Advanced local production of corrosion-resistant alloy products, improved high-temperature resistance of nickel-based materials, and enhanced cost efficiency and competitiveness.

## Commitment to Low-Carbon Manufacturing

- In line with Taiwan's Corporate Governance 4.0 – Sustainable Development Roadmap for TWSE/TPEX Listed Companies, TTMC set short-, mid-, and long-term ESG targets.
- Achieved a 19.37% reduction in electricity consumption compared to the 2017 baseline, and lowered energy intensity per unit product by 10.57%, exceeding the 3% annual reduction target.
- Reduced total GHG emissions to 2,068.292 metric tons CO<sub>2</sub>e, a 29.34% decrease compared to the 2017 baseline, and achieved an 11.45% reduction in emission intensity, surpassing the annual 3% reduction target.



## Creating a Friendly Workplace and Promoting Social Welfare

- Introduced progressive employee welfare policies, including 7 days of fully paid maternity check-up leave, 7 days of paid paternity leave, and family care leave.
- Supported parenting by allowing reduced working hours for employees with children under three years old, and partnered with two local kindergartens to provide childcare convenience.
- Improved workplace ergonomics for middle-aged employees by providing protective equipment and large-screen monitors to reduce occupational strain and vision issues.

- Organized stress-relief and health promotion courses annually, enhancing employee well-being.
- Proactively hired persons with disabilities, surpassing the 1.4% statutory requirement, and collaborated with local sheltered workshops for meal services, creating employment opportunities for disadvantaged groups.
- Launched multiple community engagement initiatives, including food donations, beach cleanups, and volunteer services, reinforcing TTMC's role as a responsible corporate citizen.

## Enhancing Corporate Governance and Recognition

- Earned the Ministry of Labor's recognition for excellence in occupational safety and health disclosure in sustainability reports for two consecutive years.
- Received the "Workplace Equality Promotion Award" from the Southern Taiwan Science Park Administration.
- Ranked within the 6%–20% tier of all TPEX-listed companies in the 2024 Corporate Governance Evaluation (11th Edition), affirming our commitment to governance excellence.

## Outlook

Looking ahead, TTMC will continue to expand into new product applications, integrate CSC Group's internal and external resources, and enhance production efficiency to capture greater opportunities in global markets. We will strengthen our differentiated customer services, localize subsidiary supply chains, and expand market presence in Greater China.

At the same time, we remain dedicated to advancing ESG initiatives in alignment with Taiwan's Corporate Governance 4.0 Roadmap, focusing on carbon reduction, circular economy practices, energy efficiency, and sustainability-driven growth to ensure long-term competitiveness and stakeholder value creation.

## 2.2 Sustainability Strategy and Commitments

TTMC is committed to sustainable development, setting forth strategies and actions that address environmental, social, and governance (ESG) responsibilities. Our sustainability principles include:

- **Advancing low-carbon manufacturing** – Enhance energy efficiency and strengthen environmental protection.
- **Promoting circular economy** – Maximize the use of renewable resources and continue energy-saving and carbon-reduction efforts.
- **Fostering social harmony** – Support public welfare initiatives and care for disadvantaged communities.
- **Fulfilling carbon-reduction commitments** – Optimize the supply chain and improve governance performance.
- **Creating a quality workplace** – Safeguard employee well-being and encourage personal growth.
- **Enhancing competitiveness** – Deliver shareholder value and ensure sustainable business development.

Our Company upholds the spirit of sustainability through long-term and strategic approaches to strengthen operational performance, thereby creating shared value for the Group, employees, shareholders, customers, and suppliers. Guided by the highest-level management's commitment to sustainability, we continuously engage with internal and external stakeholders to establish a vision aligned with our business strategies.

At the same time, TTMC embraces innovation, adapts to changing circumstances, and actively pursues growth opportunities. Through collective efforts across all dimensions, we are dedicated to ensuring the Company's long-term growth and maximizing value creation.

## 2.3 Stakeholder Engagement

TTMC has established a Sustainability Development Task Force, authorized by the Board of Directors and composed of senior management representatives, to oversee sustainability-related matters. The Task Force convenes regular meetings each year to review business operations, identify key stakeholders, and evaluate material topics of concern. Through structured communication mechanisms, the Company gathers insights into stakeholders' expectations, assesses the

potential impacts of our operations, and incorporates these findings into sustainability management.

### 2.3.1 Stakeholder Identification

The identification of stakeholders was based on a cross-departmental review process, combined with the CSC Group' s experience in sustainability. Five characteristics were considered:

Characteristic	Description
Dependency	Stakeholders who directly or indirectly depend on TTMC' s products, activities, or services
Responsibility	Stakeholders to whom TTMC has legal, commercial, operational, or ethical obligations
Influence	Stakeholders who can affect TTMC' s strategies or decisions
Diverse perspectives	Stakeholders with varied viewpoints that may bring new insights and opportunities
Tension	Stakeholders who are concerned with TTMC' s financial, economic, social, or environmental impacts

Based on this assessment, TTMC identifies six main stakeholder groups:

1. Employees
2. Customers and traders
3. Suppliers and contractors
4. Shareholders and investors
5. Society (including communities and local organizations)
6. Government

### 2.3.2 Communication Channels and Effectiveness

TTMC places great importance on stakeholders' rights and opinions, establishing open and direct communication channels. These not only provide information on the Company' s sustainability practices but also allow timely feedback and responses to stakeholder concerns. Performance is reviewed and improved annually.

- (1) Employees

- **Significance:** Employees are TTMC's most valuable assets and essential partners. Beyond safeguarding employee rights and workplace safety, TTMC invests in career development and training to strengthen human capital and enhance competitiveness.
- **Key Topics:** Employee rights, occupational safety, integrity, talent recruitment, climate change.
- **Communication Channels:** Regular supervisor-employee meetings, employee hotlines, suggestion boxes, quarterly labor-management meetings, Occupational Safety and Health Committee, employee welfare committee meetings, and employee recognition programs.
- **Highlights:**
  - Four labor-management meetings in 2024, with six representatives from each side.
  - Monthly occupational nurse visits (12 hours), quarterly occupational physician consultations, and quarterly work environment monitoring.
  - Four Occupational Safety and Health Committee meetings and eight Welfare Committee meetings in 2024.
  - AED equipment installed on-site, with annual first-aid training provided.
  - One employee received the Outstanding Worker Award in 2024 and was recognized by the Southern Taiwan Science Park Bureau.

## (2) Customers and Traders

- **Significance:** Customers are the Company's primary source of revenue. Customer orientation and value-added services are our guiding principles, ensuring long-term trust and win-win partnerships.
- **Key Topics:** Product quality, R&D, climate change, circular economy, customer privacy.
- **Communication Channels:** Regular technical exchanges, process improvement support, customer satisfaction surveys, non-disclosure agreements (NDAs), digitalized supply chain and e-sales platforms.
- **Highlights:**
  - Participated in SEMICON Taiwan 2024.

- Renewed NDAs with key clients to enhance cooperation.
- Held regular technology exchanges with CSC technical teams.
- Customer satisfaction survey scored above 135/145 in 2024.

### (3) Suppliers and Contractors

- **Significance:** Suppliers of raw materials, equipment, engineering, and logistics are integral to stable operations. TTMC requires adherence to safety standards, codes of conduct, and sustainability principles.
- **Key Topics:** Circular economy, integrity, information security, hazardous substances, occupational safety.
- **Communication Channels:** Procurement specifications, supplier evaluations, audits, on-site visits, and risk assessments.
- **Highlights:**
  - Continued supplier declarations on sustainability and RoHS compliance.
  - NDA agreements signed with key suppliers.
  - Average supplier quarterly evaluation score: 89.63; annual average: 86.8 (all suppliers rated within acceptable thresholds).

### (4) Shareholders and Investors

- **Significance:** Shareholders provide capital for long-term growth and are concerned with sustainable strategies and returns. TTMC aims to protect shareholder rights through prudent management.
- **Key Topics:** Economic performance, information security, integrity, sustainability strategy, governance performance, R&D.
- **Communication Channels:** Public disclosures on Taiwan's Market Observation Post System (MOPS), shareholder meetings, investor conferences, and corporate website updates.
- **Highlights:**
  - Monthly revenue reports include notes on precious metals sales for transparency.
  - Published English versions of shareholder meeting handbooks, annual reports, and audited financials.

- Held the 2024 Annual Shareholders' Meeting on April 10, with strong shareholder engagement.
- Conducted Board performance self-assessment in December 2024 and disclosed results on the Company website.
- Participated in multiple investor conferences hosted by securities firms in July and November 2024.

## (5) Society and Communities

- **Significance:** TTMC seeks to achieve shared prosperity with local communities and society at large, fulfilling its corporate social responsibility through engagement and contribution.
- **Key Topics:** Hazardous substances, community engagement, public welfare, sustainability strategy, GHG management, waste management.
- **Communication Channels:** Participation in public hearings, forums, community visits, association memberships, press releases, and ESG initiatives.
- **Highlights:**
  - Donated food packages to 20 low-income households in 2024; cumulative support to ~280 families over eight years.
  - Purchased ~3,000 kg of surplus pomelos from farmers over three years to support local agriculture.
  - Partnered with sheltered workshops for employee meals, supporting 73 persons with disabilities over four years.
  - Organized charity drives, raising NT\$18,000 in 2024.
  - Launched the TTMC ESG Volunteer Team, including 36 coastal protection volunteers, conducting beach clean-ups and environmental education.
  - Collaborated with Kaohsiung Blind Rehabilitation Institute to guide visually impaired participants in experiencing professional baseball games.

## (6) Government

- **Significance:** TTMC complies with central and local government policies and regulations, upholding principles of circular economy and environmental responsibility.
- **Key Topics:** Sustainability strategy, energy management, GHG management, water resources, circular economy.
- **Communication Channels:** Regulatory consultations, official meetings, audits, compliance reporting, and participation in government-led initiatives.
- **Highlights:**
  - Four labor-management meetings and four Occupational Safety and Health Committee meetings in 2024.
  - Regular compliance monitoring and inspections.
  - Active participation in government sustainability initiatives and occupational health programs.

## 2.4 Material Topics

TTMC follows the GRI Standards 2021 definition of materiality, taking into account the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), and CSC Group' s sustainability strategy, together with stakeholder concerns. Using an impact-based approach, we evaluated 20 sustainability topics with respect to their significance on TTMC' s internal and external economic, environmental, and social (including human rights) dimensions.



Internal assessments were conducted to evaluate the Company' s direct and indirect impacts. The results helped identify and prioritize material topics based on two dimensions:

1. Degree of impact on the economy, environment, and people (vertical axis).
2. Level of significance to TTMC' s operations (horizontal axis).

Through this analysis, topics were classified into three levels of significance (high, medium, and low), and were visually presented in a materiality matrix.

- High significance (01–08): Topics of high concern and high impact, comprehensively disclosed in this report and on our website.
- Medium to low significance (09–20): Topics with relatively lower concern or impact, disclosed proportionately in this report.

### **High-Materiality Topics (01–08)**

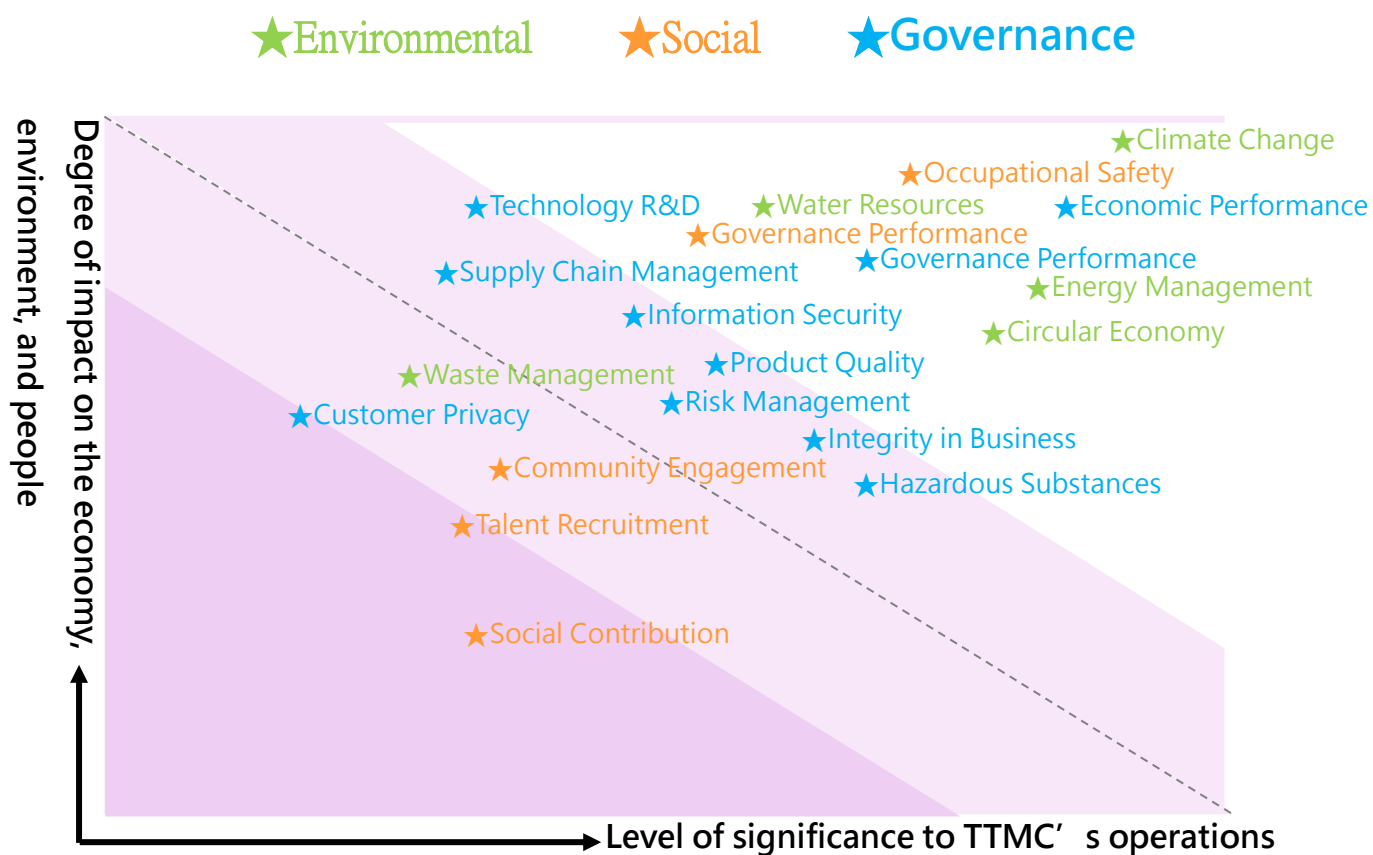
1. **Climate Change**
2. **Economic Performance**
3. **Energy Management**
4. **Occupational Safety**
5. **Circular Economy**
6. **Water Resources**
7. **Governance Performance**
8. **Employee Rights**

### **Medium/Lower-Materiality Topics (09–20)**

9. Information Security
10. Integrity in Business
11. Hazardous Substances
12. Product Quality
13. Risk Management
14. Waste Management
15. Technology R&D
16. Supply Chain Management
17. Talent Recruitment
18. Community Engagement
19. Customer Privacy
20. Social Contribution

## 2.4.1 Materiality Screening and Analysis

The materiality matrix plots stakeholder concerns against TTMC' s operational impacts, distinguishing topics across three zones (high, medium, low) represented by color coding. This process provides a structured assessment to ensure appropriate disclosure and prioritization of resources.



## 2.4.2 Significance of Material Topics Across the Value Chain

In 2024, TTMC identified eight material topics through this process. Management approaches are rooted in TTMC' s corporate philosophy and integrated into sustainability policies and risk management strategies.

- Environmental topics and occupational safety (social topic) are addressed within EHS policies.
- Other social topics are managed through community engagement.
- Economic topics are embedded in the Company' s annual business strategy and objectives.

The table below summarizes the material topics, their boundary of stakeholder concern, management approach, and disclosure reference:

Dimension	Material Topic	Stakeholder Boundary	Management Approach	Disclosure Section
Environment	Energy Management	Internal, Shareholders, Customers, Suppliers, Government	ESG policy, energy efficiency programs	5.2.1 (p.59)
	Climate Change	Internal, Shareholders, Customers, Government	Climate strategy, GHG reduction targets	5.3 (p.69)
	Water Resources	Internal, Government, Community	Water conservation and management	5.2.2 (p.65)
	Circular Economy	Internal, Shareholders, Suppliers, Government, Community	Resource reuse and waste reduction	5.4 (p.80)

Dimension	Material Topic	Stakeholder Boundary	Management Approach	Disclosure Section
Social	Occupational Safety	Internal, Community, Government	EHS systems and OHS management	6 (p.86)
	Employee Rights	Internal, Shareholders, Employees	Human rights, labor rights, benefits	7.2 (p.106)
Governance	Economic Performance	Internal, Shareholders, Customers	Business strategy and financial results	3.4 (p.42)
	Governance Performance	Internal, Shareholders	Corporate governance enhancement	3.1.2 (p.23)

Note : TTMC' s disclosure on the management of material topics has not undergone third-party assurance.

## 3. Business Operation

### 3.1 Company management

#### 3.1.1 Company organization

##### Shareholders' meeting

The TTMC has a separate office, and the East permanent meeting is open every year, and when necessary, the temporary meeting is held . This company has a proportionate shareholding of 10 major companies, including Gains Investment Development Co., Ltd., which has an ownership ratio of 46.9% , followed by United Renewable Energy Co., Ltd. , which has an ownership ratio of 6.45% , and Ever Wealthy International Co., Ltd. , which has an ownership ratio of 5.2% . The meeting adopted the proposal, and after the meeting, the results of the vote were announced at the public capital surveying station and company network , and the sponsoring investor was notified .

##### Board of directors

Corporate Governance is based on the premise that all the directors of TTMC and the entire company are working towards long-term profits. As a general rule, all members of the board shall be constituted by voting system, and each board shall be established under the board of directors, and the board shall be strengthened by the board of directors. Principles of good company governance at the board of directors, key strategic topics for discussions on the company's financial performance and efficiency, inclusion of economic policies, environmental and social meeting discussions, wind and machinery meetings, etc., important resolutions passed by the board of directors , and immediate publication of important information in Chinese and English. At the same time, information such as the company's charter, board meeting rules, board management information, company management and execution information, etc. will be made available to the public for immediate review by domestic and foreign investors. The first board meeting was held every season, and the eighth board meeting was held in 2024. In 2024, 38 major announcements were released in both Chinese and English. The annual financial report and related information are published within two months after the end of 2024.

### ▼ Recently published annual financial report

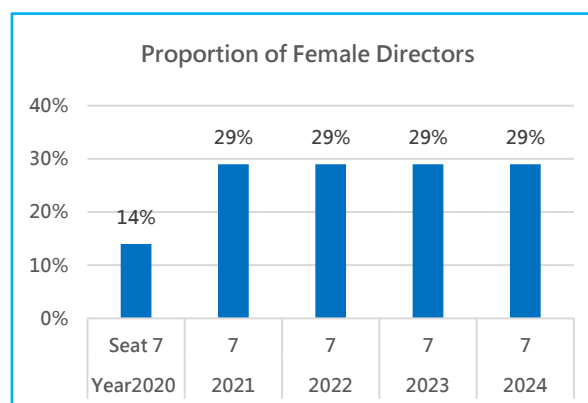
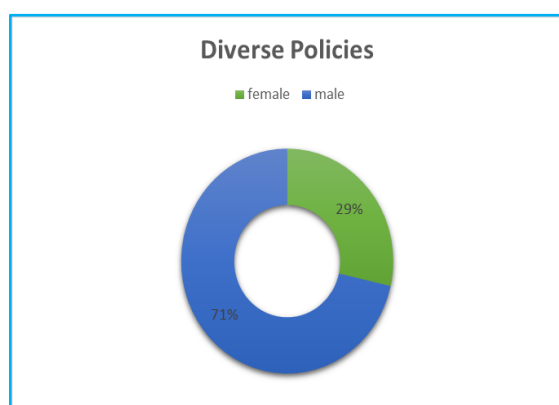
year	Financial reporting date for the year passed by the Board of Directors	Public notice date
2022	2023/02/21	2023/02/22
2023	2024/02/16	2024/02/20
2024	2025/02/26	2025/02/26

According to Article 192-1 of the Company Act and Article 14, Paragraph 1 of TTMC Company's Articles of Incorporation, the Company adopts a candidate nomination system for its directors. Independent directors and general directors are nominated separately, and shareholders elect from the two respective candidate lists. Additionally, liability insurance is purchased for all directors to reduce decision-making risks.

Our company's development focuses on legal compliance, technological innovation, and integrated transformation. Therefore, when selecting directors, we consider their educational and professional backgrounds, age, areas of expertise, and gender balance, seeking candidates from both industry and academia. We also take into account the company's five-year business development strategy and goals. Among the independent directors, there is a certified public accountant, Independent Director Liang, Su-Mei, who oversees and reviews the quality of financial reports, provides early warnings on financial risks, and offers professional advice on compliance with accounting standards. Another independent director is Professor Tsai, Mi-Ching from a national university, who specializes in mechanical engineering management and technological innovation. He has served as Deputy Minister of the Ministry of Science and Technology and Chairman of the Metal Industries Research & Development Centre, providing guidance on product technology and research and development. Other board members include Chairman Lee, Chien-Hui, who is skilled in finance, corporate governance, and business management; Director Wu, Chun-Hui, who focuses on corporate governance and financial management; Director Hsu, Shun-Chi, who specializes in production management and technological innovation; Independent Director Fang, Cheng-Hwa, who is experienced in marketing and contributes to the company's future sales strategies; and Director Pan, Lay-Lay. Additionally, Independent Directors Liang, Su-Mei, Tsai, Mi-Ching, Fang, Cheng-Hwa, and Chairman Lee, Chien-Hui are responsible for identifying operational risks, issuing early warnings, and

formulating response strategies.

The Board of Directors of TTMC Company currently consists of 7 members (including 3 independent directors); there are 5 male directors and 2 female directors, accounting for 28.57%. The 3 independent directors represent 42.86% of the board, all with tenures of less than 5 years, and none have served as independent directors for three consecutive terms. None of the directors are spouses or relatives within the second degree of kinship, and there are no circumstances as specified in Article 30 of the Company Act. Additionally, there are no situations as stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Four directors are aged between 61 and 70, two are between 51 and 60, and one is between 41 and 50. All are nationals of the country and are neither indigenous peoples nor ethnic minorities.



The Company's board members are all equipped with financial management and leadership decision-making ability, business knowledge, and four-term business, among which 5th member has financial accounting ability, achieving a ratio of 71.43%; 4th member has equipped with climate management and international business ability, achieving a ratio of 57%; 2nd member has technological innovation, achieving a ratio of 29%. Its composition is multi-faceted, according to Article 20, Section 4 of the "Company Rules and Regulations," Section 4, Physical preparation ability and professional knowledge and skills, as described below.

### ▼ Equipment ability and professional knowledge skills



Board of Directors/ committee meeting	Explanation	number
Business Management and Leadership Decision-Making	The environment is complex, the change is fast, the fierce competition is simulated and the strategy is consistent, the cooperation headquarters is looking at the fortunes, finance and investment.	7
Industry Knowledge	The Company's electrical industry, optoelectronics, semiconductors, biomedical science and technology, etc., industry dynamics, technology development, competition and other important industry knowledge, are the key factors for impact management and decision-making.	7
Financial Accounting	Compliance with laws and regulations, provision of financial report compilation, quality and reliability, and provision of business consultation.	5
International Marketing	The competition in the field has become heated, the weather has changed and irresistible factors (wars, epidemics), the influence has changed, consumption habits have changed, cooperative enterprises have expanded their products, and companies have gained profits.	4
Technological Innovation	Reinforcement industry technology is highly competitive, market demand technology, electrical products, manufacturing process innovation, and the board members are important core functions in the multi-dimensional policy.	2
Risk Management	Compliance with laws and regulations, management of various departments, understanding of important situations, policy planning, and responsibilities of directors and committee members of stakeholders.	4

## ▼ Examination of qualifications and qualifications for independent practice ( March 3 , 2025)

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	con curren tly
Institutional director Representative: Lee, Chien-Hui (Note 3)	<p><b>Expertise:</b> Stock affairs, corporate-governance, business management, and insurance planning related to finance experience</p> <p><b>Main academic qualifications:</b> Master's Degree in Business Administration from National Sun Yat-sen University.</p> <p><b>Main positions:</b> Chairman, TTMC, Director of China Steel Precision Materials Ltd. Chairman, Omni Gains Investment Corp.</p> <p><b>Previous experience:</b> Master's degree from the Institute of Business Administration, National Sun Yat-sen University. Vice President of Administration at Chung Hung Steel Corporation. Vice President of Finance at Chung Long Steel Corporation, Vice President of Management at Vietnam Steel Sumitomo Corporation.</p>	<p>The Company's institutional director representatives all meet the criteria below:</p> <ol style="list-style-type: none"> <li>1. Not a spouse or relative within two degrees of kinship of another director.</li> <li>2. Not a director, spouse, minor child thereof, or other natural person shareholders who hold more than 1% of the total issued shares of the Company by nominee arrangement or with top ten ownership.</li> </ol>	0
Institutional director Representative: Lee, Chao- Hsiang (Note 3)	<p><b>Expertise:</b> Operations management and strategies, blast furnace ironmaking related industry experience</p> <p><b>Main academic qualifications:</b> Department of Metallurgy and Materials Engineering, National Cheng Kung University</p> <p><b>Main positions:</b> Retirement upon reaching the age limit on December 31, 2024.</p> <p><b>Previous experience:</b> Chairman of ThinTech Material Technology Co. Ltd., Director of the China Mining and Metallurgical Engineering Society, President of Dragon Steel Co., Ltd., director of China Steel Structure Co., Ltd., assist general manager of the production department of China Steel Corp., Ltd., director of the ironmaking plant of China Steel Corp., Ltd.</p>	<p>The Company's institutional director representatives all meet the criteria below:</p> <ol style="list-style-type: none"> <li>1. Not a spouse or relative within two degrees of kinship of another director.</li> <li>2. Not a director, spouse, minor child thereof, or other natural person shareholders who hold more than 1% of the total issued shares of the Company by nominee arrangement or with top ten ownership.</li> </ol>	0
Institutional director Representative: Wu, Chun-Hui	<p><b>Specialties:</b> Steel; finance, investment, business management, and corporate governance</p> <p><b>Education:</b> Master of EMBA, National Sun Yat-sen University</p> <p><b>Other major positions:</b> Chairman, Gains Investment Corp., President, Yunhong China Holdings, Director, Betacera Inc., Director, Fukuta Electric &amp; Machinery Co., Ltd., Chairman, Eminence Investment Corporation, Chairman, Mentor Consulting Corporation, Chairman, Pro-Ascentek Investment Corporation, Chairman, Eminent III Venture Capital Corporation, and Director, Omni Gains Investment Corp.</p> <p><b>Experience:</b> Assistant Vice President, Finance Department, Dragon Steel Co., Ltd., and President, Gains Investment Corp.</p>	<p>The Company's institutional director representatives all meet the criteria below:</p> <ol style="list-style-type: none"> <li>1. Not a spouse or relative within two degrees of kinship of another director.</li> <li>2. Not a director, spouse, minor child thereof, or other natural person shareholders who hold more than 1% of the total issued shares of the Company by nominee arrangement or with top ten ownership.</li> </ol>	0
Institutional director Representative: Pan, Lay-Lay	<p><b>Specialties:</b> Marketing, finance, investment, and business management</p> <p><b>Education:</b> Master of Marketing at Saint John's University</p> <p><b>Other major positions:</b> Vice President of Finance and Chief Financial Officer, United Renewable Energy Co., Ltd., Supervisor, DS Energy Technology Co., Ltd., Supervisor, Utech Solar Corporation, Director, Xinjing Optoelectronics Co., Ltd., Director, Hsinjing Solar Co., Ltd., and Supervisor, Ri-Yao Energy Co., Ltd., Supervisor, Yongliang Co., Ltd., Director of Xier (Stock) Company, and Supervisor, United Renewable Energy Engineering Co., Ltd.</p> <p><b>Experience:</b> Manager, Malabs, and Junior Manager, Citibank Taiwan, and Vice President of Finance and Chief Financial Officer, Ascent Solar Technologies, Inc.</p>	<p>The Company's institutional director representatives all meet the criteria below:</p> <ol style="list-style-type: none"> <li>1. Not a spouse or relative within two degrees of kinship of another director.</li> <li>2. Not a director, spouse, minor child thereof, or other natural person shareholders who hold more than 1% of the total issued shares of the Company by nominee arrangement or with top ten ownership.</li> </ol>	0

<p>Institutional director Representative: Hsu, Shun-Chi (Note 3)</p>	<p><b>Specialties:</b> Passed the Accountant Examination of the R.O.C., financial planning, accounting, and risk management <b>Education:</b> Bachelor's degree in Mechanical Engineering from National Sun Yat-sen University. <b>Other major positions:</b> Plant Manager of Carbon Material Production at China Steel Carbon Chemical Co., Ltd. <b>Experience:</b> Deputy Plant Manager at China Steel Carbon Chemical Co., Ltd. Coal Chemical Production Plant, President, Changzhou Carbon New Material Technology Co., Ltd.</p>		0
<p>Institutional director Representative: Fang, Ming-Dar (Note 3)</p>	<p><b>Specialties:</b> Passed the Accountant Examination of the R.O.C., financial planning, accounting, and risk management <b>Education:</b> Doctoral degree, Department of Chemical and Materials Engineering, National Kaohsiung University of Applied Sciences <b>Other major positions:</b> President, China Steel Chemical Corporation, Chairman, Ever Wealthy International Corporation, Changzhou Carbon New Material Technology Co., Ltd., Supervisor, Eminent Venture Capital Corporation <b>Experience:</b> Yongjia International Co., Ltd.</p>		0
<p>Independent Director Liang, Su-Mei  Audit Committee Convener</p>	<p><b>Specialties:</b> Passed the Accountant Examination of the R.O.C., financial planning, accounting, and risk management <b>Education:</b> Master of Finance, National Sun Yat-sen University <b>Other major positions:</b> Partner, Zhongjia CPAs &amp; Co., Independent Director, Bin Chuan Enterprise Co., Ltd., and the convener of the Company's Audit Committee, Remuneration Committee, and Risk Management Committee (since June 2020) <b>Experience:</b> Assistant Manager, Deloitte &amp; Touche, independent director and member of the Audit Committee, Bin Chuan Enterprise Co., Ltd. (from May 2004 to June 2022)</p>	<p>The three independent directors have met the criteria below during the two years before being elected and during the term of office:</p> <ol style="list-style-type: none"> <li>1. Is not elected as a government agency, juridical person, or its representative as defined in Article 27 of the Company Act.</li> <li>2. Is not and spouse and relatives within the second degree of kinship thereof are not serving as directors, supervisors, or employees of the Company or its affiliates.</li> <li>3. Is not serving as a director, supervisor, or employee of a company with specific relations with the Company.</li> <li>4. Is not a director, supervisor, or manager at a specific company or institution with financial relations or business dealings with the Company, or shareholder</li> </ol>	0
<p>Independent Director Tsai, Mi-Ching  Remuneration Committee Convener</p>	<p><b>Specialties:</b> Engineering science R&amp;D, technological innovation, and risk management <b>Education:</b> Doctoral degree, Engineering Science, University of Oxford, UK <b>Other major positions:</b> Chair Professor, Department of Mechanical Engineering, National Cheng Kung University, Director, Electric Motor Technology Research Center, National Cheng Kung University, independent director, Jufan Industrial Co., Ltd. (since September 2021), and member of the Company's Audit Committee, Remuneration Committee, and Risk Management Committee (since June 2020) <b>Experience:</b> Deputy Minister of Ministry of Science and Technology, Executive Yuan, Chairman, Metal Industries Research &amp; Development Center, Secretary General, Academia-Industry Consortium for Southern Taiwan Science Park, National Cheng Kung University, Director, Research NCKU, National Cheng Kung University, and head of the Engineering Technology Development Department, National Science Council, Awarded the 2022 Fifth Presidential Innovation Award and the Lifetime Achievement Award of the Automatic Control Society of the Republic of China the 28th National Lecture by the Ministry of Education.</p>	<p>The three independent directors have met the criteria below during the two years before being elected and during the term of office:</p> <ol style="list-style-type: none"> <li>1. Is not elected as a government agency, juridical person, or its representative as defined in Article 27 of the Company Act.</li> <li>2. Is not and spouse and relatives within the second degree of kinship thereof are not serving as directors, supervisors, or employees of the Company or its affiliates.</li> <li>3. Is not serving as a director, supervisor, or employee of a company with specific relations with the Company.</li> <li>4. Is not a director, supervisor, or manager at a specific company or institution with financial relations or business dealings with the Company, or shareholder</li> </ol>	1

Independent Director Fang, Cheng-Hwa	<p><b>Specialties:</b> Finance, marketing, corporate governance, and risk management</p> <p><b>Education:</b> MBA, University of Central Missouri</p> <p>Other major positions: Member of the Company' s Audit Committee, Remuneration Committee, and Risk Management (since June 2020)</p> <p><b>Experience:</b> Senior Consultant, Cowealth Medical Holding Co., Ltd., Taiwan Branch (Cayman), Director, Operating Department, Cowealth (China) Medical Technology Co., Ltd., Shanghai Branch, President, Medtecs (Taiwan) Corp., President, Chow Sang Sang Jewellery (Taiwan) Limited, Taiwan Branch (BVI), and President, Megaful Co., Ltd.</p>	holding 5% or more of the Company' s total shares. 5. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliates in the last two years.	0
Risk Management Committee Convener			

Note 1: All board members meet the criteria for professional qualifications, have five years or more of work experience, and are not under any of the circumstances under each subparagraph of Article 30 of the Company Act.

Note 2: The directors and independent directors are aligned with the criteria for independence based on the review results

Note 3: The original director representative of Gains Investment Corporation Mr. Lee Chao-Hsiang, retired due to age on December 31, 2024, the director representative was reassigned. Mr. Lee Chao-Hsiang was elected as the new director by the board of directors on the same day. The representative director of Ever Wealthy International Corporation Mr. Fang Ming-dar, was replaced by Mr. Hsu, Shun-Chi on March 10, 2025, and the change is effective immediately.

#### ▼ Director membership and pluralism ( March 3 , 2025)

Job title	Representative	sex	Multidimensional core item						
			Bussiness management	leadership resolution	business knowledge	finance Account	international rowing horse	technology innovation	Windscape management
Chairman (Note )	Lee, Chien-Hui	Male	●	●	●	●			●
	Lee, Chao-Hsiang	Male	●	●	●		●		●
Director	Wu, Chun-Hui	Male	●	●	●	●	●		
Director (Note )	Hsu, Shun-Chi	Male	●	●	●			●	
	Fang, Ming-Dar	Male	●	●	●		●	●	
Director	Pan, Lay-Lay	Female	●	●	●	●	●		
Independent Director	Tsai, Mi-Ching	Male	●	●	●		●	●	●
Independent Director	Liang, Su-Mei	Female	●	●	●	●			●
Independent Director	Fang, Cheng-Hwa	Male	●	●	●	●	●		●

Note : The original director representative of Gains Investment Corporation., Mr. Lee Chao-Hsiang, retired due to age on December 31, 2024, the director representative was reassigned. Mr. Lee Chao-Hsiang was elected as the new director by the board of directors on the same day. The representative director of Ever Wealthy International Corporation Mr. Fang Ming-dar, was replaced by Mr. Hsu, Shun-Chi on March 10, 2025, and the change is effective immediately.

### ▼ Directorship promotion course and number of hours

( 1 ) The Board of Directors of TTMC follows the "Guidelines for Continuing Education of Directors and Supervisors of Listed and OTC Companies," arranging for directors to receive external training. All seven directors of the 9th term completed the required 52 hours of training in 2024 in accordance with regulations. The courses included corporate governance, risk management, ESG, laws, and taxation. The continuing education hours for both new and reappointed directors comply with the Corporate Governance Best Practice Principles.

Course	Company governance	Risk Management	ESG	Legal and Tax Compliance
Number of people	1	4	6	2
Number of hours	3	12	30	7

( 2 ) Course list below:

Job title	Name	Date of taking office	Date of initial appointment	Date of training 2024		Organizer	Course	Training hours	Total number of hours of study in the year	Note
				From	Through					
Representative of the director,	Lee, Chien-Hui	2024/12/31	2024/12/31	07/03	07/03	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	3	12	ESG
				05/16	05/16	Taiwan Securities Over-the-Counter Trading Center	Sustainability Disclosure Practical Workshop	9		ESG
Representative of the director,	Wu, Chun-Hui	2023/06/16	2019/06/11	11/05	11/05	Taiwan Investor Relations Institute	Carbon and Carbon Connections - Talking about Carbon Fee, Carbon Tax, Carbon Rights and Carbon Trading	3	6	ESG
				08/20	08/20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3		Risk Management
Representative of the director, Portal International IPRs Service Co., Ltd.	Pan, Lay-Lay	2023/06/16	2021/09/30	11/05	11/05	Taiwan Investor Relations Institute	Carbon and Carbon Connections - Talking about Carbon Fee, Carbon Tax, Carbon Rights and Carbon Trading	3	6	ESG
				08/20	08/20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3		Risk Management
Representative of the director, Portal International	Fang, Ming-Dar	2023/10/01	2002/10/01	09/30	09/30	Taiwan Stock Exchange	Strengthening Taiwan Capital Markets Summit	3	9	Act Taxation
				09/06	09/06	Securities & Futures Institute	2024 Annual Insider Trading Prevention Seminar	3		corporate governance

Job title	Name	Date of taking office	Date of initial appointment	Date of training 2024		Organizer	Course	Training hours	Total number of hours of study in the year	Note
				From	Through					
onal IPRs Service Co., Ltd.				05/17	05/17	Securities & Futures Institute	Sustainable Development Seminar	3		ESG
Independent Director	Liang, Su-Mei	2023/06/16	2004/05/20	11/08	11/08	Taiwan Project Management Association (TPMA)	Mergers and Acquisitions Strategies - Exploring the Laws and Practices of Mergers and Acquisitions on NOV.11 in Kaohsiung	4	7	Act Taxation
				08/20	08/20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3		Risk Management
Independent Director	Tsai, Mi-Ching	2023/06/16	2020/06/11	06/19	06/19	Taiwan Investor Relations Institute	Carbon Exchange & Data-based Carbon Reduction, Operation Management Upgrade	3	6	ESG
				06/19	06/19	Taiwan Investor Relations Institute	Practice Sharing for Sustainability Reporting	3		ESG
Independent Director	Fang, Cheng-Hwa	2023/06/16	2020/06/11	11/05	11/05	Taiwan Investor Relations Institute	Carbon and Carbon Connections - Talking about Carbon Fee, Carbon Tax, Carbon Rights and Carbon Trading	3	6	ESG
				08/20	08/20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3		Risk Management

Note : The original director representative of Gains Investment Corporation, Mr. Lee Chao-Hsiang, retired due to age on December 31, 2024, the director representative was reassigned. Mr. Lee Chao-Hsiang was elected as the new director by the board of directors on the same day.

## Functional Committee

To strengthen the operation of the Board of Directors and enhance the company's risk management mechanisms, the Board has established functional committees including the "Audit Committee," "Compensation Committee," and "Risk Management Committee" (approved by the Board and established separately in July 2014 for the Audit Committee, December 2011 for the Compensation Committee, and July 2021 for the Risk Management Committee). These committees are composed of independent directors. The company's website publicly provides information on the operations of the Audit Committee and Compensation Committee, as well as the independence declarations of the certified public accountants, allowing domestic and international investors to access this information in real time.

	Audit committee meeting	Remuneration Committee	Risk Management Committee
people number	Composed of three independent directors, two of whom possess accounting and financial expertise (1 is a practicing accountant, and 1 has expertise in materials and academia).	Appointed by the board of directors and composed of three independent directors.	Appointed by the board of directors and composed of three independent directors.
Growth member	Liang, Su-Mei Tsai, Mi-Ching Fang, Cheng-Hwa	Liang, Su-Mei Tsai, Mi-Ching Fang, Cheng-Hwa	Liang, Su-Mei Tsai, Mi-Ching Fang, Cheng-Hwa
Main responsibilities	Responsible for overseeing the proper presentation of the company's financial statements, the selection (appointment and dismissal), independence, and performance of the certified public accountants, the effective implementation of internal controls, compliance with laws and regulations, and the management of existing and potential risks.e company .	Responsible for researching and discussing the performance evaluation system for appointed managers, the evaluation results, and related salary and compensation systems.	Integrate and manage all potential risks related to strategy, operations, finance, information security, environment, and hazards that may impact business operations and profitability.
execution status	In 2024, a total of 6 meetings were held, with an average attendance rate of 88.89%. The resolutions made during the meetings were documented in minutes and submitted to the Board of Directors.	In 2024, a total of 3 meetings were held, with an average attendance rate of 100%. The resolutions made during the meetings were documented in minutes and submitted to the Board of Directors.	In 2024, a total of 2 meetings were held, with an average attendance rate of 83.33%. The resolutions made during the meetings were documented in minutes and submitted to the Board of Directors.

## 3.1.2 Governance Performance



Benefits of 2024

### Highlights

2

### Second tier 6~20%

The results of the 11th (Year 2024) Corporate Governance Evaluation ranked in the second tier for six consecutive years, with scores higher than the average of all listed companies in the second tier.



### Score 4.83 ~4.98

The self-assessment results of the Board of Directors and functional committees show average scores ranging from 4.83 to 4.98, indicating good performance and compliance with corporate governance

## Significance to TTMC

To fulfill the responsibilities of corporate management and promote sustainable development, TTMC safeguards shareholders' rights while also considering the interests of other stakeholders. Through corporate governance mechanisms, the company's management can effectively supervise operations and encourage the efficient use of resources, enhancing both efficiency and competitiveness. Additionally, this supports the board of directors and management in fully functioning to align with the best interests of the company and all shareholders, as well as achieving operational goals. At least once a year, the company reports to the board on the planning and implementation of ESG short-, medium-, and long-term sustainability goals, communication with stakeholders, the practice and enforcement of corporate integrity, and participates in corporate governance evaluations.

## Goals

- Maintain the corporate governance evaluation ranking within the second tier (6%–20%) among all publicly listed companies nationwide.
- Enhance the operational efficiency of the board of directors, reduce various potential operational risks of TTMC, and promote sustainable development.

## Management policy

### 1. Strengthening the Structure and Operation of the Board of Directors

- TTMC has established functional committees including the "Audit Committee" and the "Compensation Committee." Considering various potential operational risks and the impact of climate change, in 2021, the company set up a third functional committee, the "Risk Management Committee," to formulate risk management policies and procedures, disclose the scope of risk management, organizational structure, and its operational status, and report the implementation status to the Board of Directors in the fourth quarter.
- To implement the Board's diversity policy, the goal is to have at least one female director (14.29%), ensure that members with expertise in finance, accounting, and risk management make up more than half of the Board, and have members with technical innovation expertise account for over 40%.
- To enhance the efficiency of Board operations, an internal performance evaluation is conducted once a year for the Board, individual directors, and each functional committee. The evaluation is carried out through self-assessment questionnaires and the results are reported to the Board before the end of the first quarter of the following year, serving as a basis for review and improvement.

### 2. Transparency of information

Release major announcements in both Chinese and English, and prepare bilingual shareholder meeting manuals, annual reports, meeting minutes, as well as individual and consolidated quarterly financial statements.

- Implement the disclosure of the annual financial report within two months after the end of the fiscal year..
- Held two investor conferences and uploaded the video files to the Market Observation Post System and the company website.

### 3. Strengthen sustainable development

- TTMC's capital is 1.085 billion NTD. Although it does not meet the 5 billion NTD threshold for mandatory reporting, in order to achieve sustainable development, the company voluntarily prepares sustainability reports and discloses ESG-related information regarding corporate governance, business

performance and results, environmental protection, and social participation. This serves as an important channel for communicating non-financial information, enabling a comprehensive review and improvement of sustainability performance.

## Execution Effectiveness

- TTMC actively implements its management policies. Therefore, in the 11th Corporate Governance Evaluation (Year 2024), our company ranked within the second tier (6%~20%) among all listed companies, demonstrating our unwavering commitment to promoting sustainable operations.
- Appointed a dedicated information security officer and personnel in advance in November 2022.
- The 9th Board of Directors consists of 7 members, including 2 female directors, accounting for 28.57%, which exceeds the target. To further promote gender equality, it is planned that in the full board election in the 115th year, the board will be advised to ensure that at least one-third of the directors are of a different gender.
- In 2024, the Audit Committee and Board of Directors reviewed and approved the Sustainability Report and the revisions to the ESG short-, medium-, and long-term goals.
- On October 30, 2024, reported to the board on the implementation results of ESG, risk management, information security management, stakeholder communication, and the promotion of integrity management.

### ▼ Review results for the past three years

Term /year	9th in 2022	10th in 2023	11th in 2024
Ranked among the top OTC companies nationwide	2	2	2
Grade level	6~20 %	6~20%	6~20%

## Board Performance Evaluation Mechanism

To implement corporate governance and enhance the functionality of the Board of Directors, ThimTech Company established performance targets to improve the operational efficiency of the Board. In accordance with Article 18 of the "Guidelines for the Establishment and Exercise of Powers by the Boards of Directors of OTC Companies" and Article 37 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the 7th Board of Directors, at its 16th meeting on March 6, 2020, approved the "Board Performance Evaluation Measures."

An internal performance evaluation is conducted once a year for the Board of Directors, individual board members, and each functional committee through a self-assessment questionnaire. The Finance Department collects and compiles the evaluation results, which are then submitted to the Board before the end of the first quarter of the following year as a basis for review and improvement.

For the 2022 fiscal year, the company commissioned the "Taiwan Corporate Governance Association" to conduct a Board effectiveness evaluation covering the period from July 1, 2021, to June 30, 2022. The evaluation scope included the overall Board and functional committees. The association appointed four evaluation experts (Executive Committee Member and Convener Lin Chun-Cheng, Executive Committee Member Chiu Cheng-Jen, Evaluation Team Leader Lu Shu-Man, and Evaluation Specialist Chen Yi-En) to assess the Board's effectiveness through on-site visits. They evaluated 20 indicators across eight major dimensions: Board composition, guidance, authorization, supervision, communication, internal control and risk management, and self-discipline. The association and the experts have no business dealings with the company, ensuring their independence.

On February 16, 2025, the results of the 2024 Board and functional committees' self-assessment performance were reported to the Remuneration Committee and the Board of Directors.

## ▼ 2024 Board Performance Evaluation Results

Item	Entire Board of Directors	Board member	Audit committee meeting	Remuneration Committee	Risk Management Committee
Evaluation Aspect	(1) Level of participation in company operations (2) Enhancing the quality of board decision-making (3) Composition and structure of the board of directors (4) Appointment and ongoing training of directors (5) Internal controls	(1) Understanding of Company Goals and Missions (2) Awareness of Board Directors' Responsibilities (3) Level of Participation in Company Operations (4) Management of Internal Relationships and Communication (5) Board Directors' Professional Expertise and Continuing Education (6) Internal Controls	(1) Level of Participation in Company Operations (2) Understanding of Functional Committee Responsibilities (3) Enhancing the Decision-Making Quality of Functional Committees (4) Composition and Member Selection of Functional Committees (5) Internal Controls	Also facing the Audit Committee	Also facing the Audit Committee
Evaluation item	(1) 26 self-evaluation indicators (2) Each self-assessment criterion is scored out of 5 points.	(1) 20 self-evaluation indicators (2) Each self-assessment criterion is scored out of 5 points.	(1) 21 self-evaluation indicators (2) Each self-assessment criterion is scored out of 5 points.	(1) 19 self-evaluation indicators (2) Each self-assessment criterion is scored out of 5 points.	(1) 18 self-evaluation indicators (2) Each self-assessment criterion is scored out of 5 points.
review points	<b>4.94</b>	<b>4.83</b>	<b>4.94</b>	<b>4.98</b>	<b>4.94</b>

- Board and Director Performance Evaluation: All indicators scored between 5 (Very Satisfied) and 4 (Satisfied), indicating that the board operates effectively, meeting corporate governance requirements and directors' expectations. In the first quarter of 2025, arrangements were made for board members to engage in

two-way communication and exchange with the certified public accountants. Additionally, the Risk Management Committee conducted scans of industry and company potential risks to reduce decision-making risks for board members and the management team.

- Evaluation of the performance of each functional committee: The average time for each item was 5 minutes (very happy) to 4 minutes (good). The performance committee has good performance, and the company management is required.

#### ▼ Board meeting performance external review work results for 2022

In 2022, our company commissioned the "Chinese Corporate Governance Association" to conduct a board effectiveness evaluation. The evaluation report was submitted on August 17, 2022. Our company reported the results to the Board of Directors and the Compensation Committee on October 26, 2022, and February 21, 2023, respectively. The Chinese Corporate Governance Association issued a "Board Performance Evaluation Certificate." The overall evaluation, recommendations, and our company's improvement actions are as follows:

Recommendation	Improvement execution
<p>1. The company provides a comprehensive job performance manual to new directors prior to their assumption of office. Following their appointment, the corporate governance officer arranges for relevant departments to conduct business briefings based on the directors' needs, enabling them to fully understand the company's operational status. It is recommended that your company systematize the aforementioned procedures and establish guidelines for new director orientation to strengthen corporate governance frameworks.</p>	<p>The Company's current practices include providing directors with relevant laws and regulations, key considerations, and briefings on the Company's operational overview prior to their appointment, along with on-site tours of production lines. We also assist directors in participating in corporate governance-related training courses. However, these procedures were not explicitly stipulated in the management regulations. In accordance with the recommendation, amendments to certain provisions of the "Corporate Governance Practice Code" were submitted to the Board of Directors for review and approval in the first quarter of 2023 to facilitate compliance.</p>
<p>2. The company has established the "Whistleblower System Management Measures," whereby the audit department receives reports of incidents. Following</p>	<p>The Company completed the setup of a whistleblowing mailbox on August 24, 2022, as recommended, enabling simultaneous receipt by the independent directors (Audit Committee</p>

<p>internal investigations, cases are escalated to the General Manager, Chairman, or independent directors based on their severity. However, the whistleblower mechanism prioritizes board awareness, particularly the involvement of independent directors. It is recommended that your company establish a reporting channel accessible to independent directors (or the audit committee) in parallel, thereby further strengthening the whistleblower mechanism.</p>	<p>members) and the internal audit department. The Company also submitted a proposal to the Board of Directors in the fourth quarter of 2022 to revise certain provisions of the “Internal Procedures for Handling Material Information.”</p>
<p>3. It is recommended that the company establish a mechanism and procedures for reporting significant ad hoc information, specifying major events requiring immediate notification, reporting procedures, and reporting deadlines. The reporting procedures should encompass all board members to ensure that outside directors can fully access critical company information even outside of formal meetings, thereby enabling directors to better fulfill their oversight responsibilities.</p>	<p>Following the disclosure of material information regarding the Company's current significant contingent events as required by law, the Finance Department simultaneously notifies all board members. However, this practice was not explicitly stipulated in the operational procedures. During the fourth quarter of 2022, a proposal to amend Article 5 of the “Internal Material Information Handling Procedures” was submitted to the board for review. The amendment explicitly designates all board members as notification recipients.</p>

### ▼ ESG Short- and Medium-Term Sustainable Development Plan Targets and Implementation Outcomes for 2024

- In accordance with the Company's short-, medium-, and long-term ESG planning blueprint, the Board of Directors authorized senior management to convene and establish the CSR Core Team in May 2021. This team comprises representatives from the Production Plant, Quality Assurance Department, Technical Department, Finance Department, Sales Department, Administration Department, and Occupational Safety Office) to drive and execute sustainability initiatives. In response to regulatory amendments, the “CSR Core Team” was renamed the “Sustainability Task Force” in March 2022. This group integrates cross-departmental strategies and outcomes related to environmental impact, occupational safety, employee welfare, social responsibility, corporate governance, and stakeholder engagement arising from company operations. It reports to the Board of Directors at least annually.

- Convened by the Vice President of Technology with the Chairman attending for guidance, four meetings were held in 2024. Agenda items included: (1) Continued identification of sustainability-related issues and formulation of action plans, such as addressing climate change risks and opportunities (TCFD) and enhancing sector-specific indicator disclosure (SASB); (2) Revision of sustainability-related targets and policies, such as greenhouse gas inventory and verification, carbon neutrality pathways and energy sources, and carbon emission baseline years; (3) Revision of short-, medium-, and long-term ESG targets and implementation status, with verification expected to be completed by 2028.
  - On July 1, 2022, the Company's Board of Directors approved the greenhouse gas inventory and verification schedule. Progress reports are submitted to the Board quarterly, with annual ESG sustainability implementation reports provided at least once per year. The most recent report was submitted on October 30, 2024. Targets are established or revised based on Board recommendations, with strategies adjusted according to implementation outcomes
- ▼ The specific benefits of investments made in fiscal year 2024 in energy-saving or green energy-related environmental sustainability machinery and equipment, as well as investments in Taiwan's green energy peripheral industries, are outlined below:

investment equipment	Investment amount	investment effect
Central Air Conditioning Chilled Water Unit Energy Monitoring Management System One 5-ton, six-phase diesel truck	NT\$2,255,990	(1)In 2024, NT\$140,990 was invested in an energy monitoring and management system for the central air conditioning chiller unit. By monitoring water temperature, flow rate, and energy consumption of each motor/pump, manual adjustment of operating schedules and allocation of power consumption zones can be achieved, resulting in energy savings. Projected electricity reduction is 10%, saving approximately 40 kWh per day. At NT\$5 per kWh, this translates to daily savings of NT\$200. Annual savings (based on approximately 190 operating days) amount to approximately NT\$38,000.  (2)In 2024, a new 8.5-ton Stage VI diesel truck was purchased for NT\$2,115,000. In addition to stricter

		emission limits (approximately 80% stricter for NOx and 50% stricter for PM) and extended durability warranty mileage, new regulations now include controls for ammonia (NH3) and particulate number (PN). Due to the stricter emission standards, more efficient pollution control equipment is required to reduce greenhouse gas emissions and improve air quality.
--	--	---

- ▼ The objectives and implement achievements of ESG's short-term and medium-term sustainable development plan this year are briefly summarized in the following table:

E environment	Objective	Implementation results Data boundary: Information on the parent company's Taiwan plant area
Energy intensity	Decrease by 1%	Decreased by 10.57% in 2024 from base year
GHG emissions intensity	Decrease by 3%	Decrease by 11.45% in 2024 from base year
Achieving carbon reduction through low-carbon manufacturing (Total electricity consumption decreased over the same period)	Decrease by 1%	Increase 2,151,500 kWh or 6.05% in 2024 from last year (mainly due to 16.24% increase in shipments from the same period last year)
Recycle the water system and reduce the usage amount of tap water	Decrease by 5%	Down 29.40% in 2024 from base year
Planned shipment in bulk to reduce vehicle dispatching and fuel for transportation	Train number: 3	up to 3 times per week compared to base period (2021) Gasoline and diesel down 44.24% and 16.01% respectively
Intelligent energy-saving planning through phased installation of smart meters		In 2024, an energy consumption monitoring system was installed for the central air-conditioning (chilled water mainframe system) in the office area, which serves as the basis for intelligent control and energy saving.
Conduct ISO-14064 greenhouse gas inventory		◆ In the second quarter of fiscal year 2024, the total number of internal audits and total number of non-conformities was 41, and 0 non-conformities were found. Through internal audits, we found

	<p>opportunities for improvement and implemented the necessary measures to improve the ISO14064-1 greenhouse gas inventory system</p> <ul style="list-style-type: none"> <li>◆ It is expected that third party external forensic operations will be implemented in 2025.</li> <li>◆ Expected in the second quarter of 2025: Execute the first third-party external verification.</li> </ul>
Environmental and ecological protection	<p>Since 2022 , the company has accumulated tree planting activities, and under the leadership of the chairman and general manager, the company has completed the planting of several hundred plants, such as Buddhist pines and fuchsias, and has planted about 200 trees and 1,500 shrubs in total</p> <p>The total area of greening reached 1,440 square meters, and the greening rate of the plant area was about 4.8%, which could reduce carbon dioxide by about 2,160 kilograms per year.</p>

S social objectives	Implementation results
Caring for the underprivileged and our neighbors, while making donations to help the nearby village children every year.	In 2024, approximately 20 households received some form of charity, and in the past eight years, a total of 280 marginalized families have received donations, in order to continuously improve society.
Industry-university cooperation	On October 26, 2023, the company signed a letter of intent with the School of Design of National Cheng Kung University to develop 15 digital models of titanium and civil product designs, and to promote a platform for industry-academia collaboration and talent development. TTMC and National Cheng Kung University's School of Planning and Design co-organized the "Innovation, Happiness, and Sustainability - Titanium Achievement Exhibition" presentation was successfully completed on May 30, 2024.
Social welfare activities	1. The Rescue Excess Buntan campaign purchased a total of 800 kilograms from the Tainan Buntan Park to minimize the impact on farmers, and from 2022 to 2024, purchased a total of 3,000 kilograms from the Tainan Buntan Park.

Developed materials for advanced medical equipment	Construction of materials for medical equipment was localized and domesticated, and the company was completed. Development of materials for BNCT core capture and treatment equipment was completed, and the Chinese Medical University was attached. The Hsinchu Branch of Hospital Hsinchu Branch was equipped with Taiwan's AB-BNCT accelerator-type core capture treatment (AB-BNCT) equipment, and two completed products were shipped.
Human resource development and occupational safety and health	<ol style="list-style-type: none"> <li>1. The company's annual annual market firewood exchange rate, depending on the market firewood resource level, economic trends and individual results, the firewood exchange rate is maintained. The average fuelwood stock adjustment width in 112 was 3.45%, and the average proposed firewood adjustment width in 113 was 3.85%.</li> <li>2. 26.92 % of female managers .</li> <li>3. Number of occupational accidents: 0 people; ratio of occupational accidents: 0%</li> <li>4. Every year, the regulations are progressing to improve the health of the entire workforce, as well as the monthly health review for the monthly investigation of human-caused hazards, overload hazards, and the continuous improvement of the health promotion of the entire workforce.</li> <li>5. 113 years of abnormal work overload harm prevention (including health abnormality management) total of 1 15 people.</li> <li>6. In the 113th human-caused process hazard survey, there are pseudo-hazard statistics, the number of pseudo-hazardous persons exceeds 3 minutes in one part, compared to last year's decrease of 4 people, the first step analysis, the same department is the same, the pseudo-hazardous parts are all different, and the first step judgment and the possibility of being involved in the work are not possible.</li> </ol>

G governance objectives	Implementation results
Rolling-type sound corporate governance and maintaining a second level gap in corporate governance evaluation	In 2024, the 10th Corporate Governance Assessment, the Company was ranked in the second tier of all listed companies, and has been ranked in the second tier for five consecutive years, with a total score of 93.61. The Company has also been ranked in the second tier of the Corporate Governance Assessment for six consecutive years.

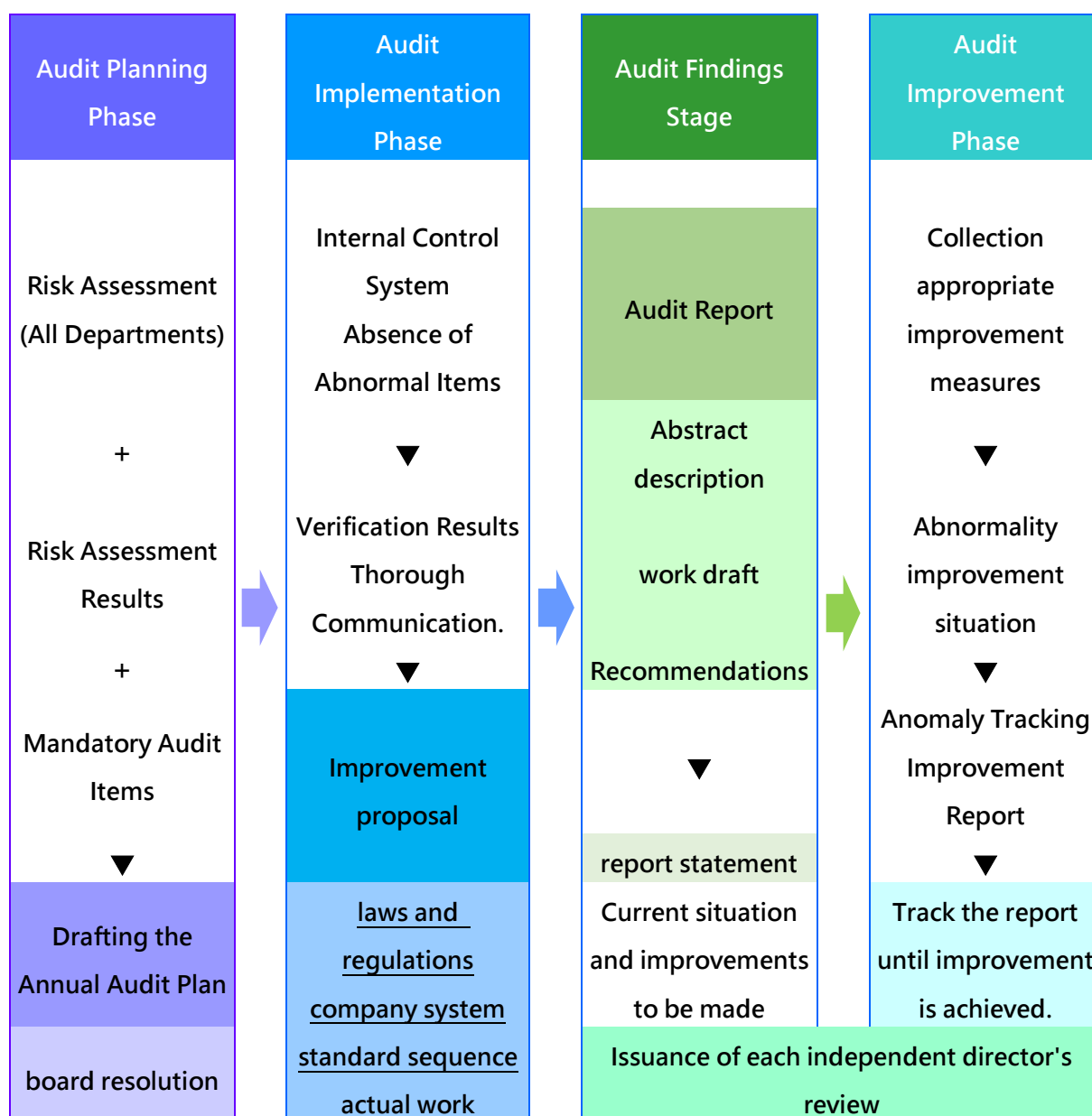
<p>Preparation of the English version of the annual report, shareholders' meeting manual and final financial report.</p>	<p>On March 2024, we completed the disclosure of the English version of the shareholders' meeting handbook, the annual report and the annual financial report of 2023, the issuance of the FY2022 to FY2023 financial report in English and Chinese, and the internal rules and regulations of the company, which are 17 pieces, in addition to complying with the regulations of the FSC, and enriching the English webpage to enhance the understanding of the company's information by overseas shareholders and investors.</p>
<p>Establishment of Risk Management Committee (The third functional committee was established in 2021)</p>	<p>The second Risk Management Committee (RMC) resolved to scan six risk proposals in 2023: risk assessment of internal and external information security management, HS CODE checking risk, financial risk assessment of precious metal futures operation, risk assessment of international and cross-strait situation on raw material supply, risk assessment of semiconductor product development, and risk assessment of electricity tariff increase, etc., with two proposals on information security and HS CODE classified as medium risk. Among them, the information security and HS CODE are classified as medium risk, and the implementation status for 2024:</p> <p>(1) Information security was completed in August with the introduction of EDR (Endpoint Threat Detection and Response Service) and MDR (Managed Detection and Response), which can help to identify the abnormal risk of the system, and it is extremely helpful to the company's information security enhancement.</p> <p>(2) Due to the misuse of HS-CODE in the declaration of finished products, TCMC was recognized by the Customs as not complying with the requirements for export tax rebate after the customs audit, and has paid back the tax, which has not yet resulted in any significant loss of tax risk to the Company.</p>
<p>Volunteer to prepare a "Sustainability Report" and receive awards</p>	<p>Continuing to voluntarily prepare the 2023 Annual Sustainability Report of TTMC, upholding the belief in sustainable development, referring to the SASB and TCFD standards and disclosing ESG-related information, which was approved by the Board of Directors and the Audit Committee on May 7, 2024 and October 30, 2024, respectively, and is expected to be completed by the FY2028 to check for the third-party certification.</p>

<p>The completion rate of information security awareness education and training is 100%</p>	<p>1. The total number of internal and external training and counseling on information security education for FY2024 was 142 person-times and 474 hours (100%), and there were no major information security incidents in the Company and CSC Precision Materials (an important subsidiary).</p> <p>2. The penetration measurement test series has been continued for four years, the efficiency of the high-level personnel is out of consideration, and the successful penetration rate is as follows:</p> <table border="1" data-bbox="644 602 1394 806"> <thead> <tr> <th>year</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>number of people</td> <td>8</td> <td>9</td> <td>2</td> <td>5</td> </tr> <tr> <td>Transparent success ratio</td> <td>3.6%</td> <td>4.1%</td> <td>1.8%</td> <td>3.8 %</td> </tr> </tbody> </table>	year	2021	2022	2023	2024	number of people	8	9	2	5	Transparent success ratio	3.6%	4.1%	1.8%	3.8 %
year	2021	2022	2023	2024												
number of people	8	9	2	5												
Transparent success ratio	3.6%	4.1%	1.8%	3.8 %												
<p>Formulate a smart property patent management plan</p>	<p>1.The Company provides training and education on the management of trade secrets to our staff, and revise the “Intellectual Property Management Regulations” and “Patent Management Practices” to improve the management methods.</p> <p>2. The total number of patent applications filed worldwide is 24, the total number of granted applications is 15, and the total number of maintenance applications is 10.</p> <p>3. 16 confidential documents are listed in the company's technology research and development.</p> <p>4. 16 trademarks (11 in Taiwan, 3 in China, and 2 in Japan).</p>															
<p>Board of Directors</p>	<p>1. 7 directors, of which 3 are independent directors.</p> <p>2. The number of female directors was 2 (28.57%).</p> <p>3. Attendance rate of directors at board meetings was 98.21%.</p> <p>4. 100% of Directors and Supervisors' training hours meet the training requirements.</p> <p>5. Investor communication: The Company held 2 legal meetings in a year.</p> <p>(On July 19, 2024, the Company was invited to participate in a corporate presentation organized by SinoPac Securities and on November 21, 2024, the Company was invited to participate in a group corporate presentation organized by Fubon Securities.)</p>															

## Internal Audit and Correction

TTMC has established and integrated an efficient management system and internal control framework in accordance with the Financial Supervisory Commission's "Regulations Governing the Implementation of Internal Control Systems by Publicly Traded Companies." The Internal Audit Department reports directly to the Board of Directors. Appointments and dismissals of internal auditors are approved by the Chairman, subject to the consent of the Audit Committee, and subsequently submitted to the Board for final approval. Performance evaluations and compensation for internal auditors are administered in accordance with relevant internal company regulations. The Audit Manager not only reports regularly to the Audit Committee on audit activities but also attends Board meetings to provide updates. The audit function assists the Board and management in examining and reviewing deficiencies in the internal control system, measuring operational effectiveness and efficiency, and providing timely improvement recommendations. This ensures the continuous and effective implementation of internal controls and serves as the basis for reviewing and revising the internal control system.

Internal Control System Self-Assessment Report	Operational Procedures for the Nine Major Business Cycles
<p>The Audit Department of TTMC reviewed the audit reports and self-assessment reports on internal control systems for the company and its subsidiaries in fiscal year 2024, along with the results of operational cycle audits conducted during the same period. These materials, including the self-assessment reports that had been submitted for approval, were compiled into the "2024 Internal Control Self-Assessment Report." This report serves to evaluate the overall effectiveness of the internal control system and forms the primary basis for issuing the "Statement on Internal Control Systems."</p>	<p>TTMC 's 2024 audit focus encompassed operational procedures across nine major business cycles, system cross-verification functions, items mandated for review by the Financial Supervisory Commission, and internal control systems of subsidiaries. During the 2024 fiscal year, 53 audit reports were issued, proposing 17 improvement recommendations. All units and subsidiaries subject to review were promptly notified to implement appropriate corrective measures, with ongoing progress tracking. Upon completion of each audit project, reports were submitted to independent directors for review in accordance with regulations.</p>



### Transparency of Information

TTMC Corporation regards full disclosure of information as an indispensable element of corporate governance. To ensure full transparency, TTMC has established an online disclosure system for material information in compliance with the "Guidelines for Online Disclosure of Public Information by Publicly Traded Companies" issued by the Securities and Futures Commission under the Ministry of Finance. Relevant information is disseminated through the company website, shareholder service hotline, spokesperson, and media liaison office for reference by all stakeholders.

Note: Full information: <https://www.e-ttmc.com.tw/chinese/index.html>

## 3.2 Operating with integrity

### 3.2.1 Integrity in Operations

To achieve the objectives of “integrity, ethical business practices, and anti-corruption,” TTMC adheres to the Company Law and relevant national regulations as its highest principles. The Company has established the following internal policies: the Corporate Governance Practice Code, the Integrity Management Code, the Code of Ethical Conduct, the Supervision and Management Procedures for Subsidiaries, the Related Party Transaction Management Procedures, the Insider Trading Prevention Management Procedures, Internal Material Information Handling Procedures, Supplier Management Procedures, and Contractor Management Procedures. These initiatives strive to elevate the ethical standards and values of directors, managers, and all employees, thereby building trust in the company among shareholders and investors.

#### Goals

- Conduct annual internal and external training for directors, managers, and all employees (including courses on regulations and integrity), ensuring 100% completion of required training in compliance with legal provisions.
- Conduct at least one annual session for directors, insiders, managers, and employees to promote relevant regulations such as the Code of Integrity, Code of Ethical Conduct, and procedures for preventing insider trading.
- Prior to submitting financial reports to the board for review, prohibit directors, insiders, and employees from trading company stock during the closed periods: 30 days before the announcement of annual financial reports and 15 days before the announcement of quarterly financial reports.
- Establish a whistleblowing channel accessible to independent directors (or the Audit Committee) to further strengthen the whistleblower mechanism.
- No incidents of violating integrity, ethical business practices, or anti-corruption policies.

#### Management policy

- TTMC 's objectives for integrity, ethical business practices, and anti-corruption are achieved through a cyclical management approach. This approach provides directors, managers, and all employees with internal and external training

programs covering: all employees with internal and external training programs (covering laws and regulations, insider/short-term trading and equity transfer-related statutes, corporate integrity management, ethical conduct guidelines, work rules, production management, production operation training, occupational safety and health education, and internal controls). This strengthens staff awareness of integrity-based operations and establishes high ethical standards.

- Formulated the Code of Ethical Conduct, Board Meeting Procedures, Insider Trading Prevention Management Procedures, Internal Material Information Handling Procedures, and Corporate Governance Practice Guidelines. Directors, managers, and all employees strictly adhere to conflict-of-interest avoidance and anti-corruption principles.
- Incorporate anti-corruption guidelines into the "Work Rules," "Reward and Punishment Measures," and related promotional documents. Establish reporting channels including a dedicated hotline and a specialized email address for complaints.
- "The Supplier Corporate Social Responsibility Declaration" requires suppliers/contractors to comply with environmental, health, and safety policies. They must sign a "Declaration of Non-Use of Hazardous Substances" to fulfill social responsibility commitments and must never directly or indirectly offer rebates, commissions, improper gifts, etc., to TTMC employees.
- To safeguard customer privacy and data, sign NDAs or NRE development agreements with specific clients to strengthen collaborative relationships.

#### ▼ Integrity in Business Practices

thrusting method	explanation
Educational training and promotion	<ul style="list-style-type: none"> <li>▪ Managements at all levels maintain and transmit internal meetings, promote the company's sincere principles and emphasize the importance of operation and management, and allow for impunity and personal misdeeds.</li> <li>▪ After the arrival of new staff in the owned business, all employees in the hospitality business will receive ethical standards and anti-greed education and training.</li> <li>▪ Each year, the first board member's meeting reports and execution information.</li> <li>▪ For new directors, initial appointments or re-elections, we will provide relevant laws and regulations, operational notes, and report on the company's operating status before taking office .</li> </ul>
Established norms	<ul style="list-style-type: none"> <li>▪ In order to establish the main company, sincerity, economics, culture and health development, to provide good commercial operation, to promote the development of the company, to promote the use of metal pipes and pipes, to promote the market The revised version of the company's "Sincerely and Friendly Rules" and the revised version of the</li> </ul>

thrusting method	explanation
	<p>“Company's Rules and Regulations .”</p> <ul style="list-style-type: none"> <li>▪ Revised industry personnel “Work Regulations” and “Disciplinary Law” standards member, personnel violation related regulations, visual perception related regulations council.</li> <li>▪ In order to guide the company personnel's standards of conduct, the company's interests and personnel should understand the company's standards of conduct .</li> <li>▪ Revised laws and regulations such as “Internal Important Materials Interrogation Procedures” and “Internal Trade Control Procedures”.</li> </ul>
Standards of moral conduct and principles of profit avoidance	<ul style="list-style-type: none"> <li>▪ The Company's “Standards of Decent Conduct”; This Company's Personnel Exercising Duties: Ensure Compliance with Related Laws and Regulations; Comprehensive and Proactive Approach; Recognize and Commit to Responsibility; Disclaimer-Based Principles; Comply with the Group's Cooperation; Comply with the Principles of Compliance with Honesty and Trustworthiness.</li> <li>▪ Compiled by this company : Rules for ethical conduct , compliance with standards, avoidance of profit, anti-corruption principles , enactment of the “ Law for conducting board meetings of public companies ” 《 Standards for board meetings 》 In the revised chapter of the Opening Regulations, the directors are required to refrain from acting on their own behalf, or the company may have a stake in it, and the directors are required to refrain from acting on their own , as well as the discussion and voting of unprofitable members , as well as the resolution of directors' exercise of action on behalf of others.</li> <li>▪ The company's business personnel "work rules" clearly define the rules for avoiding profits and penalties.</li> </ul>
Offering and acceptance commercial management	<ul style="list-style-type: none"> <li>▪ To ensure sustainable business development and fulfill corporate social responsibility, our company has established the “Supplier Management Procedure” and “Contractor Management Procedure.” We have formulated four core supply-chain management policies and implemented a comprehensive, cyclical evaluation and management system for our partner suppliers. This system provides timely guidance for improvement, fostering a mutually sustainable partnership. We select qualified suppliers in accordance with regulations to meet our requirements for incoming material quality, absence of hazardous substances, and environmental safety policies. Based on evaluation results, we sign a “Supplier Sustainability Declaration” and maintain a “Qualified Supplier Roster.”</li> <li>▪ Beyond complying with environmental, safety, and health policies, our “Supplier Sustainability Declaration” explicitly requires suppliers/contractors to fulfill social responsibility commitments. This includes cooperating with TTMC in conducting corporate social responsibility inspections, regular checks, and audits; and absolutely refraining from directly or indirectly offering TTMC employees kickbacks, commissions, improper gifts, gratuities, rewards, or other.</li> <li>▪ To comply with the new RoHS requirements, sign the “Declaration of Non-Use of Hazardous Substances.”</li> </ul>
Private management of customer service	<ul style="list-style-type: none"> <li>▪ Confidentiality consultation regarding general business, customer and commercial information.</li> <li>▪ In order to protect customers' personal information or customer materials , and to specify specific customers' " NDA confidentiality agreements " , strengthen cooperation related matters .</li> </ul>

thrusting method	explanation
Defense line trade	<ul style="list-style-type: none"> <li>▪ Each year, the number of new and current directors is the director's promotion of "Internal Important Information Inquiry and Defense Standard Internal Trade Management Work Procedure Law" related laws and regulations, prohibiting internal line trade during the process, directors are not allowed to do so. 30 days before the annual financial report publication, 15 days before the quarterly financial report publication .</li> <li>▪ A new director, a director or a new director, a director's requirements and requirements, and a written statement of sincerity, a written statement of the principles of good faith, a confidentiality agreement , etc.</li> </ul>
Violation report system	<ul style="list-style-type: none"> <li>▪ This company has revised the "work regulations" for employees, the "discipline law" standards for work conduct, personnel violation related regulations, and the visual relations related regulations council.</li> <li>▪ This company is not authorized to permit greed and to appoint any form of malicious conduct, revised "Law for System Management", establishment of a comprehensive complaint line, complaint department electronic mailbox, etc .; Establishment, security, independent reporting system, internal reporting of cases of business misconduct by employees and business owners, protection of the company's core business integrity and management of the company . In order to secure the effectiveness of the sentry mechanism , on August 2022, the whistleblower@e-ttmc.com.tw was set up as a separate board member (member of the Audit Committee) and the core was jointly received , as well as the following: Complaint phone: 07-6955125 Employee complaint box: raymondlin@e-ttmc.com.tw Customer complaint box: demilin@e-ttmc.com.tw Complaint box: nicole@e-ttmc.com.tw Shareholder box: wylin@e-ttmc.com.tw</li> </ul>

### ▼ 2024 Directors, managers, and business personnel participated in faith education training course and promotion results



▼ 2024 Materiality Awareness and Commitment Signing by Directors, Management, Employees, Suppliers, and Customers

Internal/external training	Course classification	Hitoji	Completion rate
Internal promotion	During the FY2024, 8 board meetings were convened. Written notices were issued on January 15, April 15, July 8, and October 11 to newly appointed and incumbent directors, managers, employees, key departments, and subsidiaries, instructing them not to trade company stock during the closed periods: thirty days prior to the announcement of annual financial reports and fifteen days prior to the announcement of quarterly financial reports.	166	100%
Internal promotion	On January, April, July, August, October, and December of 2024, written communications were distributed to newly appointed and incumbent directors, managers, employees, key departments, and subsidiaries to promote awareness of relevant laws and regulations concerning: Changes in shareholdings by insiders and their related parties, Insider trading and short-term trading reporting obligations- Stock price manipulation- Large-scale share acquisitions and treasury stock operations.	177	100%
Internal promotion	In 2024, the company conducted company-wide awareness campaigns on relevant regulations including the "Code of Integrity," "Confidentiality Guidelines," "Code of Ethical Conduct," "Procedures for Preventing Insider Trading," "Procedures for Handling Material Non-Public Information," and "Whistleblower Program Management Measures."	150	150
Major Shareholder Outreach	The new law "Securities Exchange Law Article 43 Article 1 Paragraph 1" has been implemented, and more than 5% of the companies have more than 5 % share.	6	100 %
New Director /Manager's Training	On August and October 2024, relevant laws and regulations along with key operational considerations were provided to the newly appointed Deputy General Manager of Administration and Consultant prior to their assumption of duties. Arrangements were made	3	100 %

Internal/external training	Course classification	Hitoji	Completion rate
	for them to receive a company operations briefing and tour production lines to gain an understanding of the company's operational status.		
Signed sincerity certificate	1. Confidentiality agreement for new employees	1	100 %
	2. Newly appointed administrative official's sincere trust policy statement (in violation of sincerity principle statement, confidentiality agreement, etc.) .	3	100 %
	3. Employees signed 41 confidentiality agreements for client business information or entered into 23 "NDA confidentiality agreements" with specific clients.	64	100%
Approval of supply	New suppliers sign the "Sustainability Declaration" and "Non-Use of Hazardous Substances Guarantee"	6	100 %

### 3.2.2 Compliance with the law

TTMC collects regulations required by the domestic government through its respective departments with authority and responsibility. After each unit verifies regulatory compliance, the relevant units establish operational standard documents for implementation in accordance with regulations. Concurrently, annual regulatory compliance assessments are conducted with corresponding measures implemented to ensure the company's ongoing adherence to relevant legal requirements. The aforementioned regulatory collection and verification encompass internal controls, management regulations, personnel, occupational safety, environmental, security, health, energy-related laws, and client-specific requirements. Every operational activity of the company complies with domestic and international laws and regulations, forming the foundation for sustainable operations. In 2024, the Company incurred no significant monetary penalties or other non-monetary sanctions for non-compliance across economic, environmental, and social categories. It also adhered to regulations such as the Fair Trade Act, with no legal proceedings involving anti-competitive, antitrust, or monopolistic practices.

Furthermore, the Company conducted corruption-related risk assessments for

both its headquarters and branch offices, achieving a 100% assessment rate. TTMC also reviewed and disclosed the following three regulatory compliance indicators as required by the GRI Standards:

### ▼ 2024 Compliance and Performance in Social, Environmental, and Product Sales Regulations

#### Legal compliance by society type

- Regarding social issues such as financial reporting, workplace discrimination, or corruption, Xinke Materials did not experience the following incidents in 2024:
- No incidents of violating ethical business practices, ethical standards, or corruption occurred.
- No instances of regulatory violations resulting in significant fines or sanctions beyond monetary penalties were recorded.
- No human rights complaints were formally filed, processed, or resolved through established grievance mechanisms.

#### Environmental classification Legal compliance

- Regarding environmental regulations, TTMC did not experience the following incidents in 2024:
- No violations of environmental laws and regulations resulting in substantial fines or sanctions beyond monetary penalties.
- No formal environmental impact complaints filed, processed, or resolved through established grievance mechanisms.

#### Legal compliance by business category

- During the product sales process in 2024, TTMC did not experience the following incidents:
- No product sales disputes or complaints related to customer privacy infringement or customer data.
- No significant fines or compensation payments resulting from violations of laws and regulations concerning the provision or use of products and services.
- No violations of regulations or voluntary guidelines regarding health and safety impacts associated with products and services throughout their lifecycle.

## 3.3 Risk Management

### 3.3.1 Risk Management Operational Mechanism

TTMC 's risk management is structured across three tiers with distinct mechanisms, implementing comprehensive risk control across all personnel rather than relying on a single department. This approach involves layered prevention during routine operations, representing the most effective risk management practice.

#### ▼ Faze pipe backflow

layer class	sleeping position	mechanism
1	Each primary unit	<ul style="list-style-type: none"> <li>● Each business unit is the primary entity responsible for the initial identification, assessment, and control of risks.</li> <li>● Business unit managers bear responsibility for risk management, overseeing and controlling risks within their respective units to ensure the company's risk management system comprehensively and effectively manages relevant risks.</li> </ul>
2	Risk Management Staff Task Force, Project Meetings, Audit Office	<ul style="list-style-type: none"> <li>● A Risk Management Staff Task Force shall be established under the Risk Management Committee to assist in the execution of its risk management responsibilities.</li> <li>● Project meetings are chaired by the Deputy General Manager or General Manager and include not only feasibility assessments but also various risk assessments.</li> <li>● The Audit Office periodically or irregularly conducts spot checks and assessments of various risks and submits reports.</li> </ul>
3	Audit Committee, Risk Management Committee, Board of Directors	<ul style="list-style-type: none"> <li>● The Audit Committee and Risk Management Committee assist the Board of Directors in fulfilling its risk management responsibilities and are responsible for reviewing various risk management issues.</li> <li>● The Board of Directors serves as the Company's highest decision-making body for risk management and bears ultimate responsibility for the Company's overall risks.</li> </ul>

### 3.3.2 Operational Impact Identification

TTMC complies with government regulations and the requirements of its parent company, China Steel Group. Therefore, overall, the operational risks arising from social factors are not high. However, certain impacts must still be considered for their potential operational consequences.

## ▼ Operational Risk Assessment Across the Three Dimensions of ESG

### Environmental aspects

- International trends, government regulations, and parent company (CSC Group) requirements for energy conservation and carbon reduction are becoming increasingly stringent.
- Domestic environmental regulations are becoming increasingly stringent in their requirements for environmental protection and pollution prevention, necessitating compliance by enterprises.
- The planning management system establishes control operation standards for all environmental control items generated during the manufacturing process and for energy performance improvement, in accordance with government regulations and practical requirements. It conducts regular monitoring and



### Social aspects

- Domestic occupational safety and health regulations are becoming increasingly stringent in their requirements. Enterprises must invest significant resources to ensure that facilities and occupational safety and health control operations comply with occupational safety and health laws and regulations.
- Strengthening employee competency planning and career development management, epidemic prevention, and employee health management.
- Strengthened requirements for managing contractors/transporters/suppliers, driving them to enhance consideration for employee welfare.




### Governance aspects

- Market demand is shifting toward the development of low-energy, low-carbon, and low-pollution products.
- To support clients' process improvements or pollution prevention, we must develop new products that reduce or control pollution in their manufacturing processes while enhancing the quality of existing products.
- Planned replacement of equipment, facilities, and pipelines to reduce production risks and cost losses.

### 3.3.3 Operational Risk Management Practices


Based on the identified operational impacts, TTMC assesses potential risks. Taking into account government regulations relevant to company operations, parent company management requirements, and senior management's vision and business strategies, it formulates risk response measures and establishes risk prevention and control mechanisms. It is expected that through the effective operation of management and internal control systems, potential risks will be minimized. Continuous improvement and refinement will be pursued to achieve the ultimate goal of sustainable corporate development. In accordance with the materiality principle of sustainable development, the Company conducts risk assessments on significant issues. Based on the assessed risks, relevant risk management strategies and approaches are established as follows.

#### ▼ Environmental aspects



Type of Risks	Potential Risks	Management Practices
 <b>Climate Change Risks</b>	Extreme Weather Risks	<ul style="list-style-type: none"> <li>● Establish emergency response guidelines for natural disasters such as typhoons, floods, and droughts. When natural disasters occur, implement appropriate response measures to prevent or mitigate the impact on the company's operational losses.</li> <li>● Set an annual target of achieving 3% savings in electricity, water, and carbon emissions before FY 2022</li> </ul>
	Power Supply Risks	<ul style="list-style-type: none"> <li>● Install solar power generation equipment.</li> <li>● Install emergency power generation equipment for production processes.</li> <li>● Establish an electricity monitoring mechanism to reduce non-essential power consumption and promote energy conservation awareness among employees.</li> <li>● Replace energy-consuming equipment with energy-efficient electrical appliances.</li> </ul>
	Water Resource Risk	<ul style="list-style-type: none"> <li>● Increase the capacity of water storage tanks to mitigate the impact of water shortages.</li> <li>● Developed reclaimed water, established perfect water situation monitoring system.</li> <li>● Recycle recovered rainwater.</li> <li>● Improved cold water quality , reduced rainfall water discharge .</li> <li>● Appropriately controlled planting , scenic pond water volume .</li> </ul>
	Corporate	<ul style="list-style-type: none"> <li>● Invest in energy-efficient product development to</li> </ul>

	Reputation Risk	<p>promote low-carbon green production and a circular economy.</p> <ul style="list-style-type: none"> <li>● Increase green building and landscaping areas within factory premises.</li> <li>● Implement ISO 14064 greenhouse gas inventory.</li> <li>● Establish ISO 50001 energy management system.</li> </ul>
	Carbon Reduction Risk	<ul style="list-style-type: none"> <li>● Procure renewable energy early to prepare for future capacity expansion, negotiating purchases of renewable energy, certificates, and carbon credits.</li> <li>● Align with government subsidy policies to apply for relevant energy-saving grants when replacing equipment.</li> </ul>
	Financial Risk	<ul style="list-style-type: none"> <li>● Future corporate transformation due to climate change, adhering to relevant carbon (emissions) rights accounting policies and regulations.</li> <li>● Assess future market opportunities and enhance company competitiveness through effective resource reuse, mitigating financial impacts.</li> </ul>
 <b>Environmental Pollution Risks</b>	Risk of Equipment Malfunction	<ul style="list-style-type: none"> <li>● Establish procedures for waste gas emission management and wastewater management, implement inspection and maintenance mechanisms for pollution control equipment, and improve operational reliability of air pollution and wastewater treatment facilities.</li> </ul>
	Waste Risk	<ul style="list-style-type: none"> <li>● Properly manage waste storage, removal, and disposal while promoting resource recycling to reduce waste generation.</li> <li>● Continuously improve manufacturing processes to enhance product environmental performance, reduce usage and disposal of toxic chemicals, and ensure toxic chemical operations comply with regulatory requirements.</li> </ul>



### ▼ Social aspects

Type of Risks	Potential Risks	Management Practices
 <b>Pandemic Control</b>	Risk of Epidemic Spread	<ul style="list-style-type: none"> <li>● Establish a dedicated epidemic prevention task force.</li> <li>● Unify the company's internal epidemic prevention platform and disseminate real-time updates.</li> <li>● Implement health monitoring mechanisms—attendance control and access restrictions to factory premises.</li> <li>● Plan workforce and production line segregation based on the CDC's epidemic prevention tier system.</li> <li>● Manage epidemic prevention supplies, floor access, and dining arrangements.</li> </ul>

<p>Risk</p>	<p>Office Gathering Risks</p>	<ul style="list-style-type: none"> <li>● Establish “Remote Work Guidelines” specifying eligible personnel. Remote work may be conducted upon approval by the responsible supervisor and following an assessment of work equipment feasibility.</li> <li>● Define attendance tracking, working hours, and documentation requirements for remote work.</li> <li>● Employees must strictly protect company confidential information during remote work to prevent leakage or misuse.</li> </ul>
 <p>Occupational Safety Health Risks</p>	<p>Employment security hazards</p>	<ul style="list-style-type: none"> <li>● Foster a robust occupational safety and health management system through full participation, eliminating hazards to create a safe and healthy work environment.</li> <li>● Enhance hazard identification and risk assessment, implementing immediate appropriate measures for significant hazards while establishing SOPs or emergency response protocols to elevate safety awareness and culture</li> </ul>
	<p>Contractor Operational Risk</p>	<ul style="list-style-type: none"> <li>● Projects must include assessments of benefits, compliance, and feasibility. Establish contractor evaluation criteria and conduct thorough assessments to confirm contractors meet requirements.</li> <li>● Supervise and control contractors throughout all phases: pre-construction (project kickoff meetings, hazard notifications, work permits, training, and pre-construction inspections); during construction (on-site accompaniment and supervision checks); and post-construction.(quality/safety/environmental/energy completion inspections, project warranties, etc.).</li> </ul>
	<p>Legal rationalization</p>	<ul style="list-style-type: none"> <li>● Closely monitor all environmental regulations and the introduction of various environmental taxes, fees, and energy taxes, ensuring they are fair, reasonable, and justice.</li> </ul>
 <p>Reporting control Risks</p>	<p>Emergency Response</p>	<ul style="list-style-type: none"> <li>● Establish the “Emergency Response Procedures” to implement appropriate countermeasures and enhance disaster relief efficiency during unexpected incidents or emergencies, thereby preventing or mitigating harm to personnel, property damage, or environmental impacts.</li> </ul>
	<p>Accident</p>	<ul style="list-style-type: none"> <li>● Establish the “Accident Handling Procedures” to ensure prompt and effective notification of relevant departments and follow-up actions when company employees or contractors experience accidents or major incidents, thereby minimizing losses.</li> </ul>

 <p><b>Talent Management Risks</b></p>	Talent retention	<ul style="list-style-type: none"> <li>● Employee competency planning and career development management; refinement of personnel systems and welfare measures.</li> <li>● Education and training systems alongside competency management. Management of working hours and attendance, including handling of irregularities.</li> <li>● Establishment and implementation of compliance systems in response to labor law adjustments.</li> <li>● Promotion of workplace equality and creation of a gender-equal, inclusive environment.</li> </ul>
 <p><b>Product safety</b></p>	Hazardous substances	<ul style="list-style-type: none"> <li>● All our products comply with government regulations and meet the requirements of the EU RoHS Restriction Directive.</li> <li>● Our company obtained QC080000 certification in 2010.</li> <li>● We integrate product safety elements into the design and development process, ensuring customer safety through design quality</li> </ul>

### ▼ Governance aspects


Type of Risks	Potential Risks	Management Practices
 <p><b>Market Risk</b></p>	Supply-demand imbalance	<ul style="list-style-type: none"> <li>● Continuously monitor shifts in market demand and implement strategic inventory management to maintain optimal stock levels.</li> <li>● Sustain the competitive edge of our products in the marketplace.</li> </ul>
	Price fluctuations/ Economic downturn	<ul style="list-style-type: none"> <li>● Develop high-growth, high-profit, and high-value-added products through the Technology Division.</li> <li>● Plan various production and sales simulations based on sales department order forecasts.</li> </ul>
 <p><b>Financial Management Risk</b></p>	Exchange rate risk	<ul style="list-style-type: none"> <li>● For foreign currency components arising from import and export operations, we employ natural hedging through offsetting receipts and payments. Additionally, we monitor international exchange rate trends to conduct timely and appropriately scaled hedging transactions involving the advance purchase or sale of foreign currencies.</li> </ul>
	Interest rate risk	<ul style="list-style-type: none"> <li>● For short-term financing in New Taiwan Dollars, the company continues to utilize low-interest commercial paper and short-term bank loans.</li> <li>● For medium-to-long-term financing in New Taiwan Dollars, the company raises funds through issuing 3-year convertible corporate bonds and commercial paper, thereby reducing the long-term financing cost in</li> </ul>

		New Taiwan Dollars.
	Inflation risk	<ul style="list-style-type: none"> <li>● Regularly monitor the impact of inflation on the company. Recent increases in international raw material prices will affect our profitability. We will continue to seek alternative material sources and coordinate the return of scrap materials to suppliers to reduce procurement costs.</li> </ul>
	Collection risk	<ul style="list-style-type: none"> <li>● Prepayment is required for precious metal sales. For long-term clients, credit terms are limited to 30 days.</li> </ul>
	Major shifts in the insurance market industry structure	<ul style="list-style-type: none"> <li>● Address potential challenges to the reasonableness of insurance claims by reinsurers through early consultation with legal counsel and experts to consolidate opinions.</li> <li>● Proactively investigate domestic property insurance coverage limits and premium rates to prepare contingency plans for addressing significant increases in international reinsurance premiums.</li> </ul>
	Control of group financial risks	<ul style="list-style-type: none"> <li>● Conduct regular analysis of the financial structure and key financial indicators of group companies, establishing early warning mechanisms.</li> <li>● Strengthen relationships between group companies and financial institutions to enhance the efficiency of intercompany fund allocation and utilization.</li> </ul>
 <p><b>Procurement and Transportation Risks</b></p>	Transportation Risk	<ul style="list-style-type: none"> <li>● Carefully evaluate and establish qualification standards for contracted transport companies, personnel, and vehicles.</li> <li>● Implement regular maintenance controls for self-operated transport equipment.</li> <li>● Conduct export shipping transactions under appropriate trade terms, clearly defining rights and obligations regarding freight and insurance during transit to ensure safe and timely delivery of goods to destination.</li> </ul>
	Raw Material Risk	<ul style="list-style-type: none"> <li>● Timely and regular updates to supplier evaluation criteria to ensure ongoing compliance.</li> <li>● Proactive development of suitable material sources and suppliers to mitigate risks of material shortages and quality anomalies.</li> <li>● Establishment of inventory management mechanisms for raw materials, semi-finished goods, and finished products.</li> </ul>
	Information Security Risk	<ul style="list-style-type: none"> <li>● Regularly assess the impact of man-made and natural disasters on the Company's information assets and establish recovery plans to ensure the continuity of business operations.</li> </ul>



### Information System Risk

- Enhance cybersecurity awareness campaigns and implementation mechanisms to ensure employee compliance with security protocols and prevent confidential information leaks.
  - Ensure software and hardware licensing compliance and legitimacy to eliminate illegal activities, while strengthening testing and maintenance of online security.
  - Maintain the effectiveness and protective capabilities of firewalls, controlling external users and files accessing the company network.
  - Establish multi-level access permissions, requiring users to input credentials verified by the information system before use.
  - Implement access control for computer rooms and automated environmental monitoring within them to ensure continuous operation of equipment under normal conditions, along with logging of room entries.
  - Enhance information security and prevent leakage of trade secrets by managing permissions for employee accounts, VPN firewall connection rules, USB storage devices, and visitor domain access.
  - Implement regular backup and protection measures for the information system architecture, including off-site host redundancy, cloud and on-site data backup, and power backup mechanisms. Conduct monthly backup data restoration tests, backup power system tests, operational system inspections, and real-time operating system updates to ensure reliable information system operation and data integrity.
- |                       |  |
|-----------------------|--|
| Hacker intrusion risk | <ul style="list-style-type: none"> <li>● Strengthen cloud defense and response mechanisms through regular reviews and updates, enhancing equipment to prevent attacks.</li> <li>● Back up data in the cloud while deploying applications locally.</li> <li>● Enhance employee cybersecurity awareness by conducting simulated tests using hacker techniques and promoting training on the latest methods.</li> <li>● Regularly conduct internal information security and IT system training courses. IT personnel should actively participate in cybersecurity conferences to enhance professional capabilities.</li> <li>● In the event of major external cybersecurity incidents, announce relevant information via email and the company website homepage. Alert colleagues to</li> </ul> |
|-----------------------|--|

		various types of cybersecurity threats and emerging tactics to elevate their security awareness.
 <p><b>Operate with Integrity</b></p>	Ethical Conduct Standards	<ul style="list-style-type: none"> <li>● In accordance with the “Code of Integrity,” “Code of Ethical Conduct,” Employee “Work Rules,” and “Reward and Punishment Measures,” personnel shall strictly adhere to these guidelines when performing their duties, upholding the principles of honesty and good faith.</li> </ul>
	Conflict of Interest Policy	<ul style="list-style-type: none"> <li>● Strictly adhere to conflict of interest and anti-corruption principles. In accordance with the “Board Meeting Procedures,” directors must recuse themselves and refrain from exercising voting rights on any agenda item involving their personal interests or benefits.</li> <li>● Establish clear conflict of interest guidelines for employees, including penalties for violations.</li> <li>● Require suppliers to comply with the Company’s Corporate Social Responsibility (CSR) policies and commitments, Environmental, Health, and Safety (EHS) policies, and cooperate with the Company in conducting CSR-related inspections, periodic checks, and audits, as well as adhere to the Company’s Code of Ethical Business Conduct.</li> </ul>
	Client Privacy Management	<ul style="list-style-type: none"> <li>● Promote confidentiality agreements for business information among all sales personnel.</li> <li>● Strengthen partnerships by signing “NRE Development Plans” or “NDA Confidentiality Agreements” with specific clients to protect customer privacy or data.</li> </ul>
	Prevention of Insider Trading	<ul style="list-style-type: none"> <li>● Educate newly appointed and incumbent directors and managers on relevant laws and regulations pertaining to the “Internal Major Information Handling and Insider Trading Prevention Management Procedures.”</li> </ul>



## 3.4 Operational Financial Performance



Benefits of 2024

### Highlights



The cost reduction and profit enhancement initiative for 2024 targeted savings of NT\$23.52 million, with actual cost reductions reaching approximately NT\$33.01 million—achieving 140% of the goal.

### Significance of TTMC

The financial performance is the development of the company's economic growth, the development of efficiency, the solid maintenance of the company, the improvement of financial structure, the reduction of actual development, and the long-term goal of continuous development.

### Target

Short-term goals ( 1-2 years )	Mid-term goal ( 3-5 years )	Long-term goals ( more than 5 years )
<ul style="list-style-type: none"> <li>● Cost Reduction Activity Performance in 2024 <math>\geq</math>NT \$2,352million</li> <li>● Operating revenue in 2024 <math>\geq</math> NT\$2.6 billion</li> </ul>	<ul style="list-style-type: none"> <li>● Providing multi-faceted profit analysis , supply management layer decision-making</li> <li>● Provide financial advice and fundraising assistance to the group company, and establish risk control mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>● Integrated collective resource allocation, continuous vision investment business, development collective planning and efficiency</li> <li>● Flexible financial resource allocation to reduce group-wide financial costs</li> </ul>

## Management policy

TTMC implements its management philosophy of “executing key performance indicators,” continuously generating profits through activities such as increasing operating revenue and reducing costs. For the surplus earned in the current fiscal year, while maintaining a sound financial structure, the annual surplus will be returned to shareholders through dividend distributions, thereby establishing the long-term investment value of the Company.

The company sets short-, medium-, and long-term goals for financially sound growth, implements action plans, proposes financing solutions for key overseas subsidiaries, and assists them in negotiations with financial institutions. It refines cost structures and provides detailed profitability information by product and customer segment to optimize order portfolios.

## Implementation Effectiveness

Depending on the company's financial situation, appropriate regulation of capital sources and cross-interest policy, moderately adjusted cross-interest distribution ratio, combined with the investment period of the joint venture and investors, as well as the appropriate reserve of funds due to the demand for capital expenditures. Transparent collective credit reputation and other good results, short-term, medium- and long-term funding measures and loan volume declined.

### 3.4.1 Complete book restraint

The side of target material market supply has deteriorated due to China's red supply chain engaging in price-cutting competition to secure orders, narrowing pricing flexibility. Our company's key strategies to address the current market environment include “volume-based pricing,” “cost reduction initiatives,” expanding into “new application fields,” and prioritizing localized services. We have implemented various improvement programs and achieved significant progress across all fronts. TTMC actively pursues systematic, continuous cost reduction through raw material optimization, process improvements, technological development, quality enhancement, and management refinement. Monthly reviews across departments analyze execution results, identify root causes, and implement timely corrective actions.

Item/Year	2022	2023	2024
Final activity goals	1,727 million yuan	3,227 million yuan	2,352 million yuan
Achievements of actual activities	2,128 million yuan	4,547 million yuan	3,301 million yuan
New area research activity goals	6 items	3 items	3 items
New area research activity results	6 items	3 items	3 items

### 3.4.2 Operational Performance

#### ▼ Operating Revenue and Net Profit

Item/Year	2023	2024	Main cause of increase (decrease)
Thin Film Sputtering Targets and Others	693,850	693,744	Sales volumes remained stable over the two periods
Precious metal materials	1,527,240	2,007,567	Primarily due to the impact of rising silver prices
Total Business income	2,221,090	2,701,311	

Note : Detailed financial information inquiry [nvestor.e-ttmc.com.tw](http://nvestor.e-ttmc.com.tw) ; Number of characters based on international financial reporting standards .

#### ▼ Operating Expenses

Unit: Thousand Dollars /Year	2023	2024	Increase (decrease) amount	Decrease rate (%)
Cost of Goods Sold	2,045,459	2,531,379	485,920	23.76
Operating Expenses	124,941	137,787	12,846	10.28

### ▼ Salary Expenditures and Benefits

Unit: Thousand Dollars /Year	2022	2023	2024
Salary Expenditures	176,056	161,817	161,799
Employee Benefits Fund	4,206	3,728	5,808

### ▼ Net profit

Unit: Thousand Dollars/Year	2022	2023	2024
Net profit before tax	103,487	99,490	85,189
Income Tax Expense (Benefit)	21,484	11,514	15,930
Net profit after tax	82,003	87,976	69,259

### Profit Distribution

In the past five years, TTMC Corporation has achieved a cash interest distribution rate of 96%. In the future, the company's long-term stable growth goals and the desired growth rate of interest are achieved by the company's long-term growth goals and the equilibrium between the investors and the customers.

### ▼ The dividend distribution status for the past five years is as follows:

Unit: Dollar	2020	2021	2022	2023	2024
Earnings per share after tax	0.64	0.96	1.12	0.54	0.66
Cash dividend	0.8	0.9	1	0.6	0.4
Stock dividend	0	0	0	0	0
Total dividend payout ratio (%)	125.00%	93.75%	89.29%	111.11%	60.61%
Return on equity (%)	4.03%	6.02%	6.87%	3.31%	4.64%

▼ The shareholders' return on investment for the past five years is as follows :

Unit: Dollar	2020	2021	2022	2023	2024
Price-to-Earnings Ratio	29.73	31.66	25.72	61.44	79.24
Price-to-Book Ratio	23.79	33.77	28.81	55.30	130.75
Cash Dividend Yield Ratio	4.20	2.96	3.47	1.81	0.76

Note 1: The dividend distribution proposal for the FY2024 remains subject to approval at the shareholders' meeting in the FY2025 before taking effect.

Note 2: Price-to-Earnings Ratio = average sales per year for the current year ÷ sales per year.

Price-to-Book Ratio = Average sales price per unit for the current year ÷ Cash interest rate per unit.

Cash Dividend Yield Ratio = Cash interest rate per share ÷ Average interest rate per share for the current year.

## 4. Production, Sales and Supply chain

### 4.1 Products and Sales

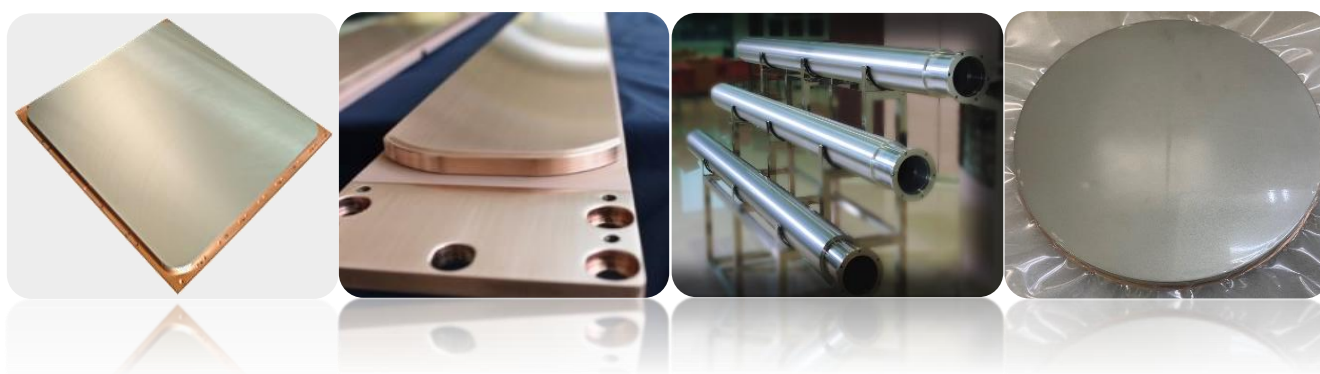
TTMC Corporation is a subsidiary of China Steel Corporation, a major supplier of industrial materials. Its primary development project is optoelectronic target materials. Established in 1990, TTMC leverages the R&D resources and innovation of its parent company, China Steel Corporation, to develop and produce a wide range of target materials and vapor deposition materials for optical recording media, magnetic recording media, passive components, decorative coatings, flat-panel displays, quartz crystal oscillators, and semiconductors. TTMC holds a significant position in the domestic supply of industrial materials for thin-film manufacturing . TTMC continues to create competitive advantages, enhance product competitiveness, and deepen its commitment to localizing its industrial materials supply, laying the foundation for sustainable business operations. In recent years, TTMC has actively collaborated with customers to develop cost-effective equipment accessories and special nickel- based alloys. These not only extend product lifespan and reduce inventory, effectively reducing customer production costs, but also tailor product design and processing to customer usage habits, providing localized services that make TTMC 's development in the materials field more complete and robust.

#### Thin film sputtering targets

##### Panel and optical disc industry

- TTMC can supply large quantities of related target materials required by the TFT-LCD and low-temperature polycrystalline silicon (LTPS) display/panel industries , such as high-purity aluminum targets, molybdenum targets, copper targets, titanium targets , etc.
- target materials related to the optical disc industry and cooperate with customers to continuously develop customized ceramic targets . In 2013, we completed the development of a total of 7 new target materials , including quaternary alloys, alloy recording targets, and new dielectric targets , and they have gradually passed verification and mass production.
- the aluminum target manufacturing process for TFT-LCDs . In addition to improving product quality and increasing product yield , we are also evaluating new material sources .

- We have become a leading manufacturer of metal targets in China, providing customers with the most cost-effective target materials. We have successfully replaced imported key target materials used in thin film sputtering processes. We occupy a pivotal position in the supply of industrial materials for thin film processes in China, helping to enhance the competitiveness of the domestic 3C industry.

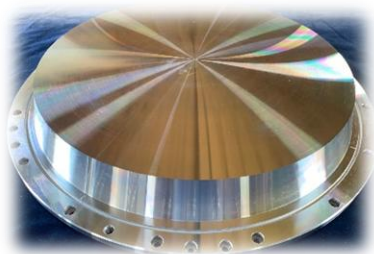


- ✧ TTMC can supply G3~G10.5 generations of optoelectronic flat and tube targets and targets for optical discs.

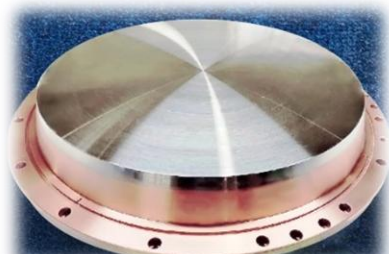
## semiconductor industry

- global market value of high-purity semiconductor targets is approximately NT\$20 billion. Taiwan's IC industry accounts for 20% of the global scale, and its target demand is approximately NT\$4 billion; however, it presents an oligopolistic structure, with nearly 80% of the market controlled by large American and Japanese companies.
- The current R&D strategy focuses on the development of semiconductor targets, and continues to advance from targets used in semiconductor back-end packaging and mid-stage wafer thinning processes to targets used in front-end IC manufacturing. Furthermore, the company uses evaporation materials to drive target verification and expand its customer base.
- In 2013, we completed the development of new process technology for high-purity aluminum alloy high-rim integrated target materials and started small-batch trial production.

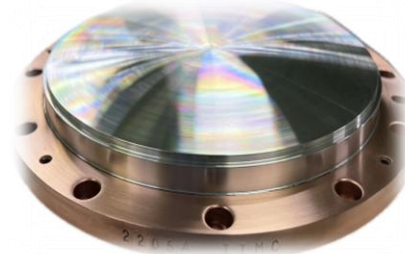
- Continuously develop semiconductor target material fine grain and diffusion bonding technologies, and its fine grain microstructure and bonding strength can reach industry standards.



✧ Aluminum alloy targets for semiconductors



✧ Silver target for semiconductors



✧ Aluminum-copper targets for semiconductors

## Precious metal vapor deposition materials

In the semiconductor manufacturing process, the backside metallization system for thinned wafers requires excellent electrical conductivity, thermal conductivity, and reliability. Material selection requires low contact resistance, low thermal resistance, minimal thermal stress, and high reliability. The backside metallization system primarily consists of a contact layer, a diffusion barrier layer, and a conductive layer. To expand product diversity, in addition to gold and silver precious metal ingots, copper metal is also being developed. TTMC Corporation leverages its proprietary precious metal recycling technology to promote a circular economy model for precious metal materials. In collaboration with component cleaning plants, the company plans to integrate and develop the recycling of precious metal vapor deposition materials in 2014.



✧ Gold evaporation material



✧ Silver evaporation material



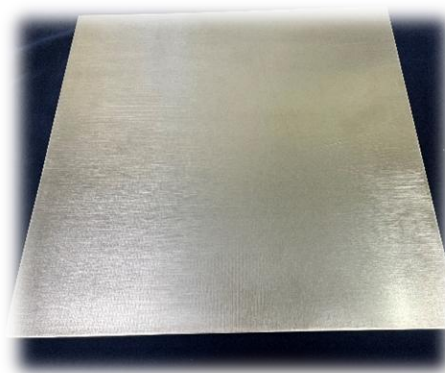
✧ Copper evaporation material

## Acid corrosion resistant special alloy

Nickel-based specialty alloys possess exceptional high-temperature mechanical strength and corrosion resistance, making them the most widely used and highest-strength alloys among high-temperature materials. They are widely used in industries such as aerospace, energy, petrochemicals, electronics, and optoelectronics. Leveraging the resources of China Steel Corporation, we have been continuously developing specialty alloy products for 112 years, providing cost-effective radiant tubes and pickling-resistant hooks, expanding our localized integrated supply. We have also developed large-scale thin sheets of low-expansion alloys that maintain their dimensions from low to high temperatures (-80°C to 100°C), maintaining a more stable thermal expansion coefficient within a specific temperature range, making us the sole supplier of substrates for panel-level fan-out packaging.



✧ Nickel-based 276 alloy  
pickled hook



✧ Nickel-based low  
expansion alloy

## Pure titanium daily necessities



✧ Various titanium consumer products

The era of non-toxic tableware has arrived. TTMC has customized titanium household items specifically for the Chinese market, offering non-toxic, durable, lightweight, and uniquely personalized tastes. We hope to ensure safe and sustainable use while also balancing health and environmental considerations. The color-coated finish is achieved without the addition of any paint. Through a special process, the surface is coated with an extremely thin, naturally occurring oxide film at varying temperatures. This absorbs light of varying wavelengths, creating a variety of colors that highlight individual tastes. Our product line has gradually expanded, encompassing not only soup, forks, and chopsticks, but also bowls and cups. We are also expanding into target plates and pots for cooking, continuously providing a wonderful lifestyle experience for consumers who pursue both taste and health.

## 4.2 Regulation of Hazardous Substances

Our company's products comply with government regulations and meet international regulations such as the EU RoHS (Restriction of Hazardous Substances), REACH (Registration, Evaluation, and Authorization of Chemicals), and other regulations, as well as customer requirements. To ensure that the products provided meet the standard of no hazardous substances, we passed the QC080000 certification in 2010. At the same time, through a rigorous ISO9001 quality management system, we integrate product safety elements into the design and development process, providing high-quality products that meet international standards and customer needs. Additionally, we conduct customer satisfaction surveys on a regular basis, fostering a mutually beneficial relationship with customers, which serves as the cornerstone for the sustainable development of the enterprise.

Since the products, raw materials, consumables, packaging materials, and process materials produced within the company are all free of hazardous substances, there have been no customer complaints or compensation claims due to excessive hazardous substance content in the past years. Therefore, our products have met the regulatory standards for hazardous substance content for 14 consecutive years, with a qualification rate reaching the set target of 100%.

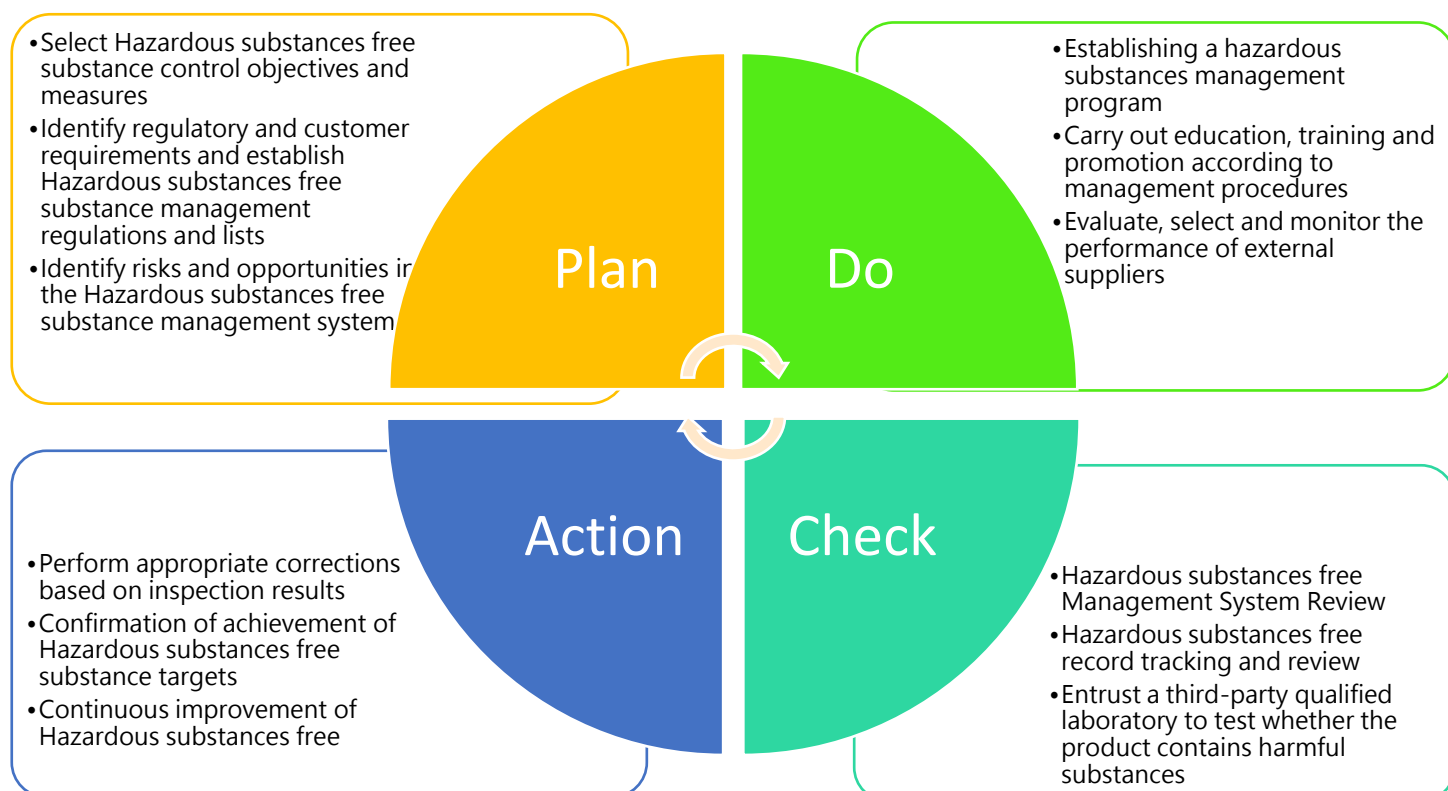
### Implementation Status

TTMC passed the IECQ QC080000 hazardous substance process management system certification in September 2010 and obtained the new version certification IECQ QC080000:2017 in July 2018. We monitor the entire process from raw materials, production, finished product production, and delivery, and ensure product quality that meets customer demands by sampling and testing for hazardous substance content through a third-party external laboratory certified by TAF. All products of the company meet the regulatory requirements for hazardous substance content with a qualification rate of 100%.

Our quality policy is "customer-oriented, pursuing excellence, sustainable operation, and continuous development of environmentally friendly and energy-saving products free of hazardous substances." Relevant departments conduct reviews of their responsible processes based on business attributes, conduct risk assessments of materials used, and establish control lists. From the procurement of raw materials, we require suppliers to provide certificates of hazardous

substance assurance or analytical reports on hazardous substances based on the level of risk assessment. We control hazardous substances from the source, including raw materials, processes, quality, and packaging, to reduce or eliminate hazardous substances in products, ensuring that all products (including outsourced manufacturing products) comply with the regulations on the restriction of hazardous substances, enhance customer satisfaction, and maintain a zero-complaint record in hazardous substance management. There were no events in violation of health and safety regulations for products and services in 2024.

For the management system of green product quality assurance to operate in the P-D-C-A model, the relevant requirements for the management and operation of green product quality assurance are incorporated into the company's long-standing maturely executed ISO 9001 and ISO 14001 systems. The planning of the green product quality assurance management system includes the P and A parts, which are product policies, laws and regulations, customer identification, and management reviews, while the execution aspect of the system is the D and C parts, including related product process management, change management, non-conformity correction and prevention, and audit control operations, and at the same time, integrate the green product management procedures into the company's existing ISO 9001 and ISO 14001 documents.



## Guarantee of Hazardous Substances in Products

For international regulations such as the EU RoHS, REACH restriction directives, and customer concerns about banned or restricted hazardous substances, Xinkexiang Materials has established a "Hazardous Substance Management Procedure." All products in the research and development, manufacturing, production, storage, and delivery processes include ensuring the control of hazardous substances by raw material suppliers, such as international regulations such as RoHS, REACH, halogen-free, packaging regulations, and customer requirements. These are closely monitored and actually included in the control scope to meet the requirements of the EU and customers. Since the introduction of the hazardous substance process management, including the establishment of HSF (Hazardous Substances Free) policy and objectives, identifying customer needs, regional regulations, product and process potential restricted substances risks, managing the required processes and objectives, providing necessary resources, understanding the product and management capabilities, and ensuring that products meet international regulations and customer requirements each year, the company also sends products for sampling testing of hazardous substance content through a third-party external laboratory certified by TAF each year to ensure that products that meet the requirements of the EU RoHS directive can be provided. The test results fully comply with the EU RoHS regulations, and relevant test reports are provided to customers.

## Education and Training

Our company regularly offers relevant courses to ensure compliance with IECQ QC 080000 requirements. These courses help employees understand the changes in international green product regulations, the basic concepts of the control of harmful substances in products and environmental protection requirements, and equip them with the necessary capabilities for the management of harmful substances processes.

## 4.3 Supply Chain Management

### 4.3.1 Procurement Management and Transportation

TTMC categorizes its procurement scope into four major segments: raw materials, equipment, engineering and outsourcing services. Among these, raw materials constitute the largest proportion, primarily including precious metals such as silver, gold, and palladium, as well as high-purity metals like aluminum, molybdenum, copper, titanium, tantalum, niobium, and silicon, along with various ceramics, corrosion-resistant special alloys, and titanium consumer products.

In addition, general materials encompass packaging supplies, IT-related items, chemicals, hardware, and other consumables required across operations.

Each procurement project is initiated by the requesting department based on assessed needs, and proceeds through a transparent process of requesting, comparing, and negotiating quotations. All procurement activities are executed in alignment with required specifications, delivery schedules, and quality standards, ensuring fairness, cost-effectiveness, and adherence to corporate procurement policies.

In 2024, TTMC continued to face challenges arising from global and domestic instability. Heightened geopolitical and military risks, a slowdown in global trade coupled with increasing trade barriers, persistent inflationary pressures, and the growing demands of climate strategies and green development have all posed significant challenges to the company's operational decisions and international competitiveness. Overall, the distribution of procurement categories in 2024 showed no significant deviation from 2023. Raw materials accounted for 61% of total annual procurement demand, while equipment, engineering, and outsourcing services collectively represented 39%. The total procurement value of precious metal raw materials remained consistent with the previous year, comprising 81% of total raw material purchases. In terms of logistics, sea freight continued to be the primary mode of transportation, accounting for 97%, while air freight represented 3%.

The pace of global economic recovery in 2024 continued to be constrained by persistent inflation, high interest rates, U.S.–China technological tensions, and heightened geopolitical risks. Meanwhile, the global manufacturing landscape remained polarized, and the structure of supply chain globalization has undergone a fundamental transformation, shifting toward regionalization and a

trend of “slowbalization” . The accumulation and interplay of these major disruptive events have significantly influenced the direction and proportion of global imports and exports. Accordingly, TTMC’ s procurement supply chain strategy in 2024 was adjusted from the 2023 configuration, reallocating sourcing to achieve 64% from various Asian regions (including Taiwan) and 36% from Europe.

#### ▼ Ratio and Number of Raw Material, Equipment, Engineering, Outsourcing Suppliers over the Past Three Years

Annual status of various suppliers	2022	2023	2024
Raw material supplier ratio	59%	62%	61%
Number of raw material suppliers	185	172	167
Equipment, engineering, and outsourcing supplier ratios	41%	38%	39%
Number of equipment, engineering, and outsourcing suppliers	126	105	106

#### ▼ Ratio of Precious Metal and Non-Precious Metal Raw Materials over the Past Three Years

Annual raw material purchase amount	2022	2023	2024
Raw materials-precious metals ratio	76%	81%	81%
Raw materials-non-precious metals ratio	24%	19%	19%

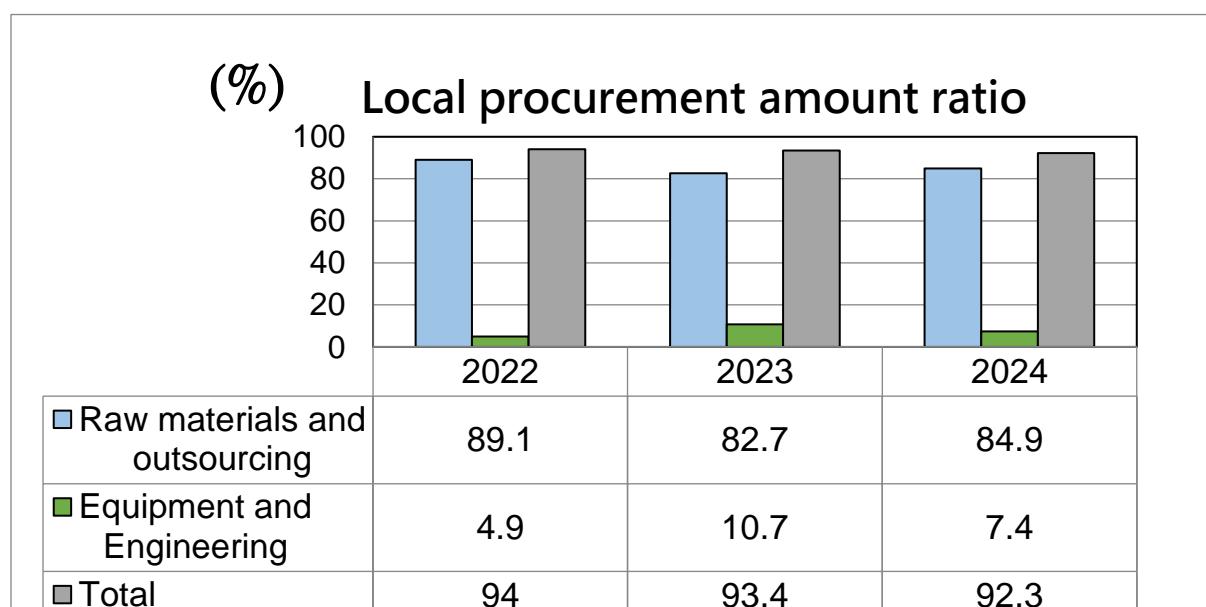
#### ▼ Ratio of Sea and Air Transportation over the Past Three Years

Annual sea and air transport cost ratio	2022	2023	2024
Sea ratio	94%	97%	97%
Air freight ratio	6%	3%	3%

TTMC upholds the principle of enhancing local industrial sustainability as part of its corporate social responsibility. Since the establishment of its manufacturing operations in Taiwan, the Company has consistently prioritized collaboration with local suppliers across all procurement categories. TTMC actively supports and guides key domestic raw material suppliers in improving their technical capabilities and product quality, thereby increasing the proportion of locally sourced materials. By advancing supply chain localization, TTMC enhances supplier responsiveness, shortens delivery times, and reduces both transportation distances and carbon emissions associated with raw material logistics.

To strengthen supply chain resilience, TTMC emphasizes the localization of raw material production and continues to support domestic enterprises through the implementation of localized procurement policies. The Company fosters a robust local supply chain, with approximately 90% of its annual raw material procurement value sourced locally, and 13% of total key raw material volumes procured from domestic suppliers in 2024. As no new production line construction was planned in 2024, the proportion of locally procured equipment and engineering expenditures decreased to 7.4%, representing a 3.3% decline from 2023.

Recognizing that suppliers are critical partners in sustainable business development, TTMC is committed to expanding local procurement and building a mutually beneficial supply chain ecosystem. Through these efforts, TTMC fulfills its social and environmental responsibilities across the supply chain, creating a positive and lasting impact on society.



### ▼ Ratio and Number of Local Procurement Suppliers over the Past Three Years

Taiwan's local procurement situation	2022	2023	2024
Ratio of local procurement suppliers	92%	91%	89%
Number of local procurement suppliers	286	251	243

#### 4.3.2 Supplier Evaluation and Management

Suppliers are vital partners in TTMC' s business growth and operational resilience. Effective supply chain management helps reduce operational risks, stabilize product quality, enhance customer service, and create added value that strengthens long-term client relationships—thereby advancing sustainable development.

In line with its four core sustainable supply chain management policies, TTMC follows established procedures for supplier sourcing, selection, onboarding evaluation, and periodic performance reviews. These assessments are jointly managed by responsible departments to ensure that suppliers meet the Company' s procurement policies and environmental requirements in terms of product quality, delivery reliability, production capacity, service responsiveness, cooperation, reputation, and pricing. TTMC conducts annual reviews of its existing supplier performance and actively explores potential new partners in the market to ensure competitiveness through continuous evaluation and supplier development.

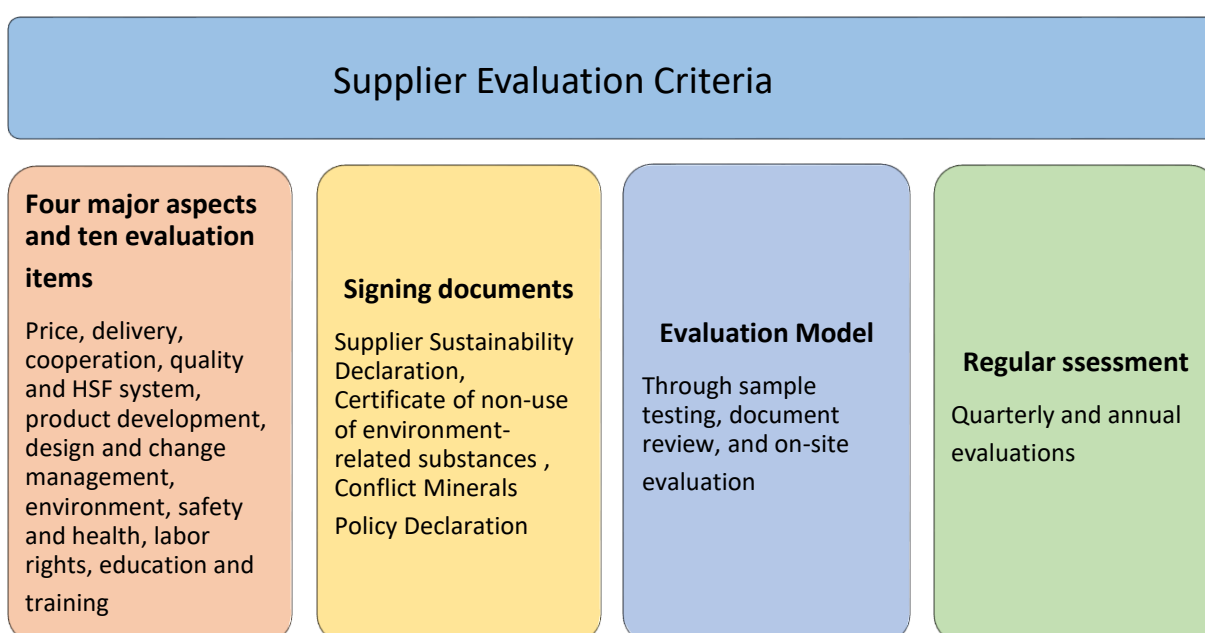
For key and high-risk suppliers that are critical to operations, TTMC has established a Supplier Sustainability Audit Mechanism to address evolving global political and economic uncertainties. Regular quarterly and annual sustainability assessments are conducted to enhance supply chain performance. When deficiencies are identified during audits, suppliers are required to propose corrective action plans and implement improvements within specified deadlines. TTMC monitors the progress and verifies the effectiveness of corrective actions to

ensure continuous improvement. Through systematic management, evaluation, and guidance, TTMC drives ongoing enhancement across the supply chain and fosters a stable and resilient supplier ecosystem.

In 2024, the global political and economic environment continued to face significant downward risks and challenges. Geopolitical tensions and recurring supply chain disruptions underscored the need for companies to move beyond reactive measures and adopt proactive strategies using innovative technologies and systems to ensure operational continuity.

To strengthen supplier governance, TTMC developed an in-house supplier evaluation system to monitor and track supplier performance in real time. The 2024 quarterly evaluations achieved an average score of 89.63 with a 100% pass rate, while the annual evaluation averaged 86.8 points, meeting the Company's procurement standards.

Additionally, TTMC has established a comprehensive supply chain audit and review framework to ensure the security and stability of key raw material value chains from the source. By advancing supply chain de-risking, localization, and decentralization initiatives, TTMC effectively manages costs while enhancing flexibility and the efficiency of supply chain transitions. Furthermore, the Company integrates circular economy principles into its operations to reinforce supply chain resilience and inclusiveness—benefits that are becoming increasingly evident across all levels of the organization.



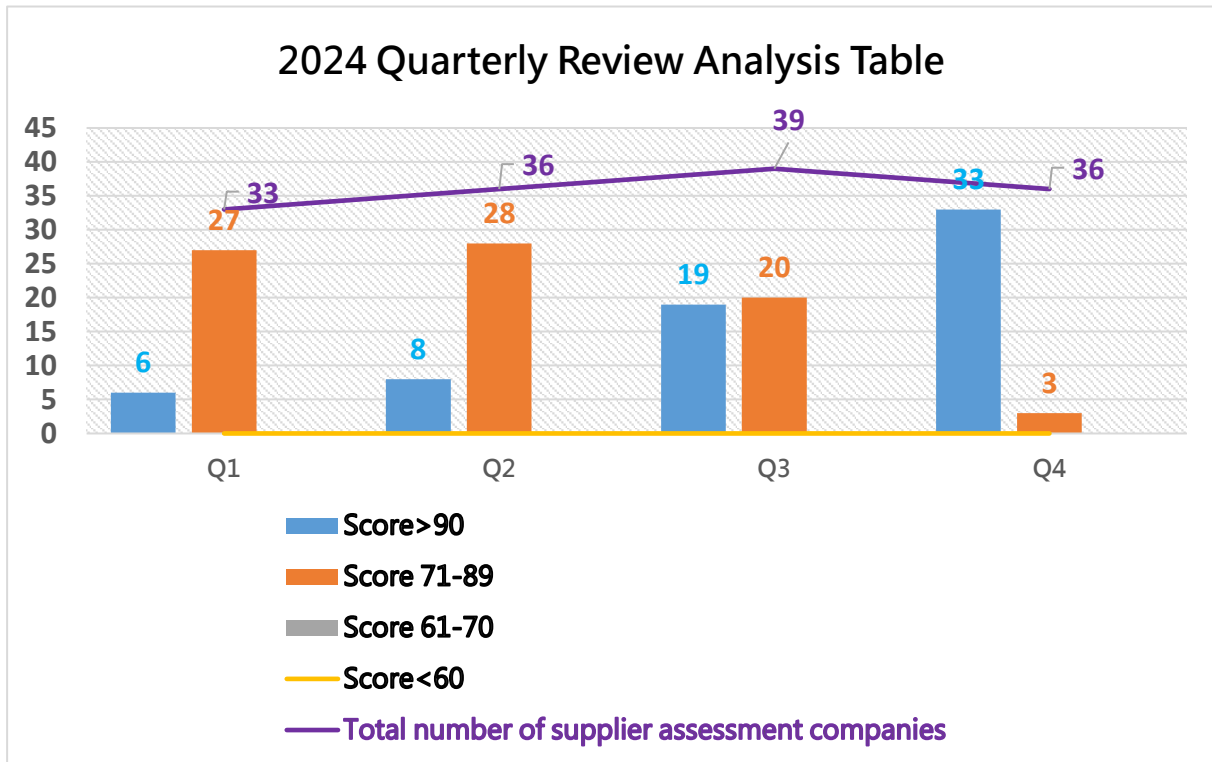
### ▼ Supplier Evaluation

	Nature of the evaluation	Evaluation results and countermeasures
Supplier Evaluation Audits, factory visits, and coaching	New Supplier	Complete relevant assessments to confirm whether you are a qualified supplier
	Import Assessment	
	Routine factory visit	Continuous audit control mechanism
	Score > 71	
	Counseling factory visits	Provide technical guidance and suggestions for improvement during factory visits, and continue to track and manage
	Score 61-70	
	Quarterly Assessment	Scores < 70 points will be arranged for factory visit and counseling in the next quarter
	Annual assessment	Scores < 70 points will be arranged for factory visit counseling the following year

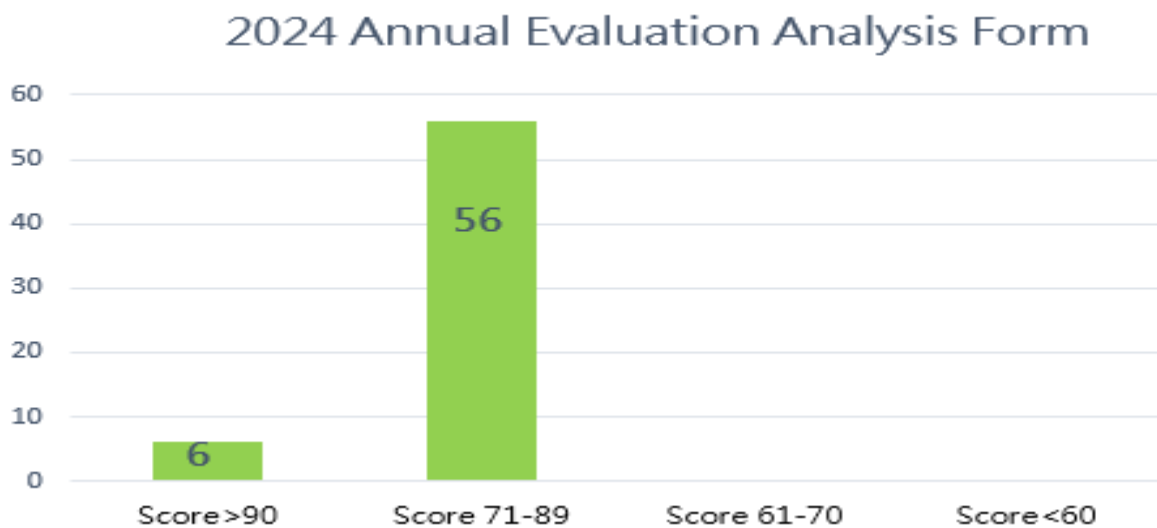
### ▼ Supplier tier management

Evaluation Level	Procurement Forms	Response measures
Score > 90	Priority procurement	Increase purchasing ratio
Score 71-89	Normal procurement	Maintain normal procurement ratios and continue the current internal control audit mechanism
Score 61-70	Counseling manufacturers	Visit factories to provide guidance on improvement and reduce purchasing ratios
Score < 60	Unqualified manufacturers	Termination of inquiry purchase

### ▼ 2024 Quarterly Review Analysis Table



### ▼ 2024 Annual Evaluation Analysis Form



## Contractor Environmental, Safety, and Health Management

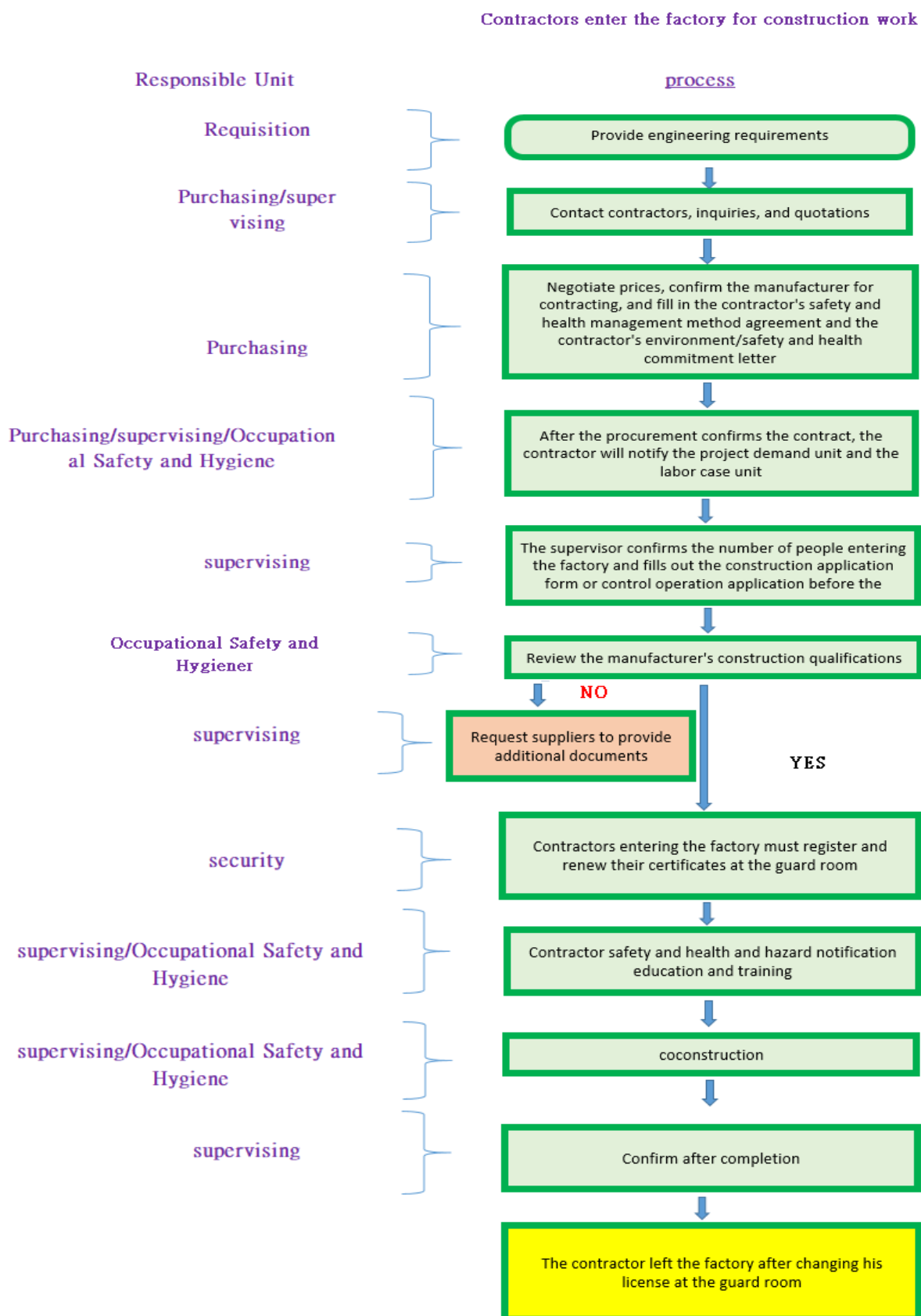
To prevent occupational hazards, protect the safety and health of both contractors and TTMC personnel, and maintain facility integrity, TTMC has established clear regulations defining the environmental, safety, and health (ESH) rights and obligations of contractors engaged in TTMC projects. The Company's Contractor Environmental, Safety, and Health Management Procedure complies with all relevant occupational safety, health, and environmental protection laws and regulations, ensuring effective implementation of ESH requirements.

Contractors are required to comply with the safety, health, and environmental protection clauses specified in their contracts. Upon project award by the Procurement Department, contractors must sign a Contractor Safety and Health Management Compliance Statement and an Environmental, Safety, and Health Commitment Letter, as well as submit proof of employee insurance and training certifications. These measures ensure that contractors possess the necessary qualifications and liability coverage in the event of an incident.


Contractors must strictly adhere to occupational safety and health laws and implement comprehensive on-site safety management practices. Supervising departments are responsible for pre-construction applications and control procedures prior to contractor entry. In 2024, TTMC enhanced this process by introducing an online application system for hazardous work permits and operational management. The system covers high-risk activities such as hot work, elevated operations, lifting and hoisting, and confined space entry, and integrates contractor safety orientation and hazard communication training.

Throughout the entire project lifecycle—from pre-entry preparation, on-site supervision, to post-work inspection—TTMC's procurement, supervision, occupational safety, and security units jointly oversee contractor activities. After completion of work, contractors are required to restore the working environment; if immediate restoration is not possible, proper protective measures must be verified. These practices ensure full implementation of environmental protection and occupational safety standards, safeguarding workers' lives and health while promoting a safe and sustainable workplace.

▼ Figure 1. Contractor Entry and Construction Work Procedure



▼ Figure 2. Hazardous Work Permit System Interface

Construction area	Hot Work Permit	Working at heights	Lifting and hanging operations	confined space operations
Building B rolling equipment				
Building B 1F Processing Department				
Landscape area				
BuildingA&B				
Building 2F Refining Laboratory				
Building 2F Refining Laboratory				

## 5. Environmental Friendliness

### 5.1 Environmental Philosophy and Management

#### Environmental, Safety, and Health (ESH) Management System

In February 2008, TTMC obtained ISO 14001 certification for its Environmental Management System, and in 2017, successfully transitioned to the updated ISO 14001:2015 standard. Adhering to the principle of continuous improvement embodied in the ISO 14001 framework, the Company is committed to enhancing its environmental management performance. Internal and external audits are conducted annually to ensure that all operations comply with ISO 14001 requirements. Through systematic management, the Company continues to promote initiatives related to environmental protection.

#### ESH Policy

To enhance its management capabilities, TTMC Company aims to continuously improve and reduce environmental impacts arising from product manufacturing and service processes through the implementation of an Environmental Management System. The Company demonstrates its environmental performance and commits to the following:

##### ISO 14001 / 45001 Compliance

- **Pollution Prevention and Hazard Elimination**
- **Efficient Use of Resources and Sustainable Operations**
- **Full Employee Participation and Continuous Improvement**
- **Commitment to Environmental Protection and Health Promotion**

#### ESH Management Committee

TTMC has established an Environmental, Safety, and Health (ESH) Management Committee, chaired by the General Manager, who is responsible for decision-making on ESH management matters. The Plant Manager serves as the ESH Management Representative, overseeing and coordinating ESH management efforts across all departments.

The Committee convenes quarterly ESH management meetings, attended by senior managers from each division, representatives from secondary plant units, and employee representatives. These meetings are held to review and discuss

ESH-related management issues, report on progress, and conduct follow-ups and evaluations on ongoing initiatives, in line with the principle of continuous improvement.

## Historical Energy and Environmental Investments

All pollution prevention and control facilities at TTMC are fully installed and operating stably, with no major environmental investment projects in recent years. In 2018, in response to the CSP (China Steel Group) and government green energy initiatives, TTMC supported the installation of a rooftop solar power generation system at its Luchu plant. The rooftop was leased to China Steel Solar Corporation for a 20-year period.

This project not only promotes environmental sustainability but also helps reduce indoor temperatures, providing a more comfortable work environment for employees and extending the lifespan of the building. The system began grid-connected operation on September 11, 2019, with a total installed capacity of 499 kWp. The rooftop area covers approximately 8,105.77 square meters, and the system's average monthly generation capacity is about 347.76 kWp.

The system is expected to generate over 400,000 kWh annually, equivalent to the annual electricity consumption of approximately 120 households. Over the 20-year lease period, the cumulative power generation is projected to exceed 8 million kWh, resulting in an estimated reduction of approximately 4,000 metric tons of carbon emissions.

### ▼ Environmental Protection Expenditures (2022–2024)

Expenditure Items	2022 Amount (NTD)	2023 Amount (NTD)	2024 Amount (NTD)
1. Air Pollution Control Fees	0	0	0
2. Wastewater Sewer Usage Fees	100,256	64,984	64,430
3. Soil and Groundwater Pollution Remediation Fees	14,457	13,170	11,540
4. Industrial Waste Disposal Fees	1,188,110	1,084,310	1,357,290
5. Environmental Testing Fees	103,300	710,351	138,050
6. Environmental Facility Installation/Maintenance/Upkeep Fees	100,500	498,098	500,130
7. Government Environmental Regulatory Fees (Review/Certificate Fees)	6,800	2,600	5,200
<b>Total</b>	<b>1,513,423</b>	<b>2,373,513</b>	<b>2,076,640</b>

**Note:** For 2023 and 2024, the emissions of air pollutants—including sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), volatile organic compounds (VOCs), and particulate matter (PM)—were all below the taxable threshold. Therefore, no air pollution control fees were required to be paid.

## Environmental Complaints

In the event of concerns regarding potential environmental pollution activities related to TTMC, stakeholders may file a complaint through the Company's designated communication channels. During regular business hours, environmental complaints can be made via the Environmental Complaint Hotline: +886-7-6955125 ext. 1501, where the Environmental, Safety, and Health (ESH) Management Representative will handle the case.

Outside of business hours (including weekends, holidays, and national holidays), complaints can be made through the main switchboard at +886-7-6955125 ext. 1895. The on-duty supervisor will review the case details and, depending on the severity of the issue, escalate it through the administrative chain to senior management and relevant department heads for appropriate action.

The suspected pollution unit will be instructed to conduct an internal review and inspection, and the findings will be reported to the relevant departments and authorities. All cases are handled in accordance with the Company's "Internal and External Communication Procedure."

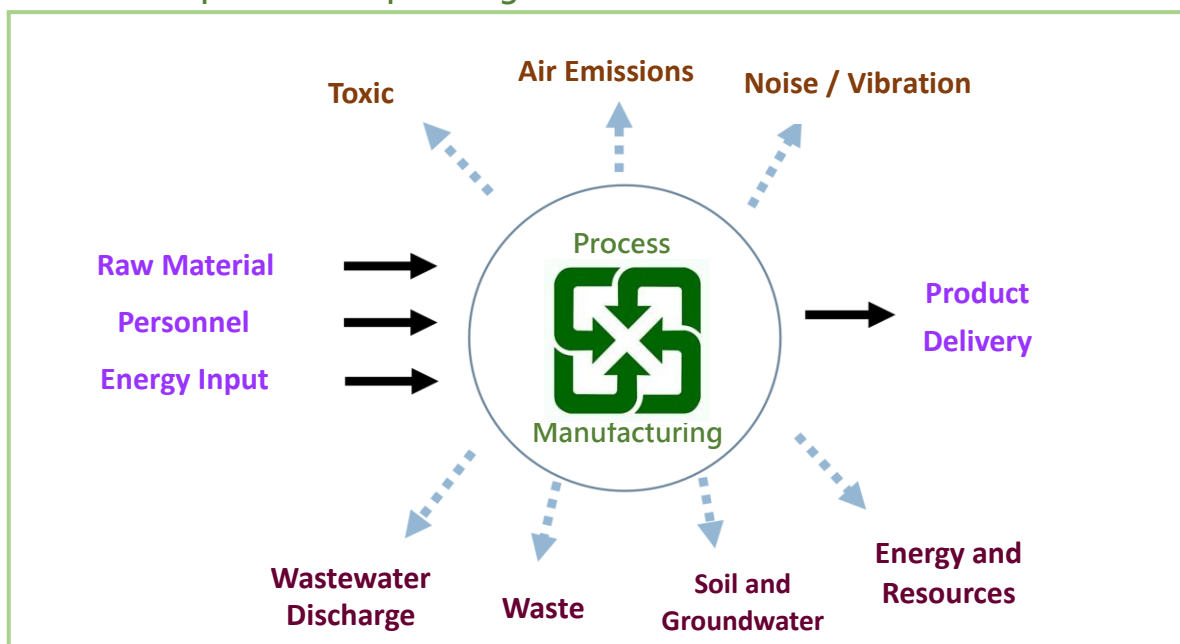
If the investigation confirms that the pollution originated from the Company, corrective and preventive actions will be implemented following the "ESH Nonconformity, Corrective, and Preventive Action Procedure."

## Regulatory Compliance

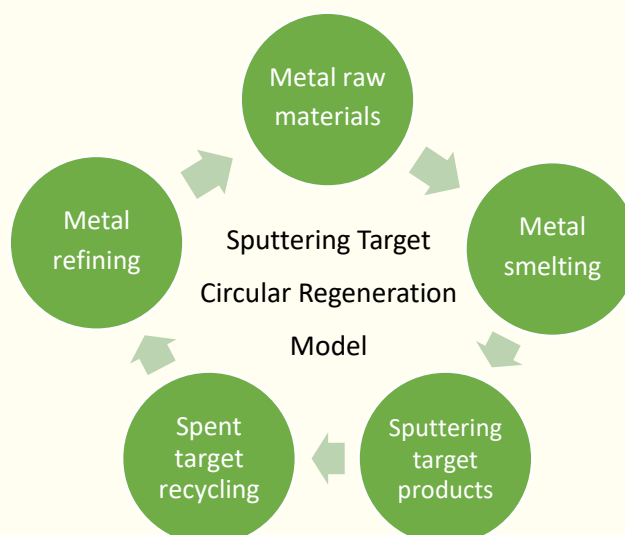
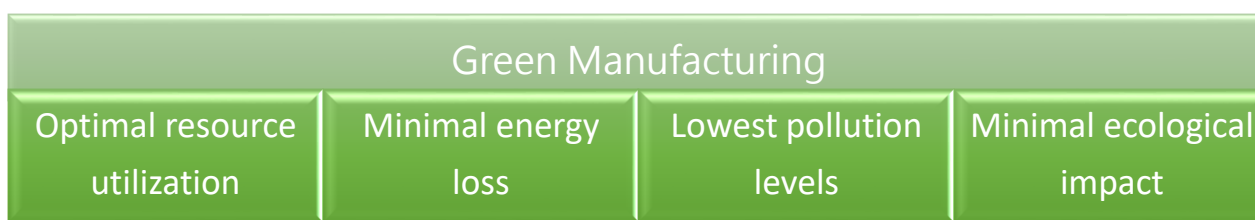
TTMC strictly complies with all applicable environmental laws and regulations. In recent years, the Company has not been subject to any penalties, fines, or appeals from competent authorities or stakeholders related to environmental law violations.

## 5.2 Green manufacturing process

### ▼ Process Input and Output Diagram



TTMC is committed to green , aiming to minimize or eliminate environmental impacts throughout the entire product lifecycle—from design, production, and use to disposal. Our goal is to meet environmental protection standards, ensure minimal or negligible harm to the ecosystem, conserve resources and energy, maximize resource efficiency, and minimize energy consumption.



## 5.2.1 Energy Management



### Benefits of 2024

#### Highlights



**10.57%**

Energy intensity decreased by 10.57% compared to the baseline year, significantly exceeding the 1% reduction target.



Regulations require energy users to achieve an average annual energy-saving rate of at least 1% from 2015 to 2024. Currently, the average annual energy-saving rate from 2015 to 2024 has reached 2.02%, which exceeds the regulatory requirement.

## Significance to TTMC

TTMC uses three main types of energy: electricity, natural gas, and vehicle fuel. To achieve the most efficient use of energy, the Company continuously improves energy performance following the PDCA (Plan-Do-Check-Act) approach, aiming to reduce environmental impacts and enhance corporate competitiveness.

## Goals

To effectively improve energy efficiency and drive continuous improvement, using 2017 as the baseline, TTMC has set a short-term target to reduce energy intensity by more than 1% by 2025. The Company will also conduct regular rolling reviews to assess the appropriateness of the target and the achievement rate.

Short-term Goals (≤2025)	Mid-term Goals (2026–2030)	Long-term Goals (2031–2035)
<ul style="list-style-type: none"> <li>To reduce unnecessary energy consumption, the Company aims to achieve a 1% reduction each year compared with the baseline year.</li> </ul>	<ul style="list-style-type: none"> <li>Gradually replace energy-intensive equipment, aiming for a 1% annual reduction in energy consumption compared with the baseline year.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve 10% of total electricity consumption from renewable energy sources and reduce overall energy consumption by 3% annually compared with the baseline year.</li> </ul>

Note: Each year, the target for energy intensity reduction is based on the 2017 baseline.

## Management Policy

TTMC primarily monitors daily energy consumption and identifies energy-intensive areas to assess energy-saving opportunities, develop energy management plans, and track improvements. Regular meetings are held to review the achievement of energy targets, share energy-saving projects, and communicate other relevant key matters.

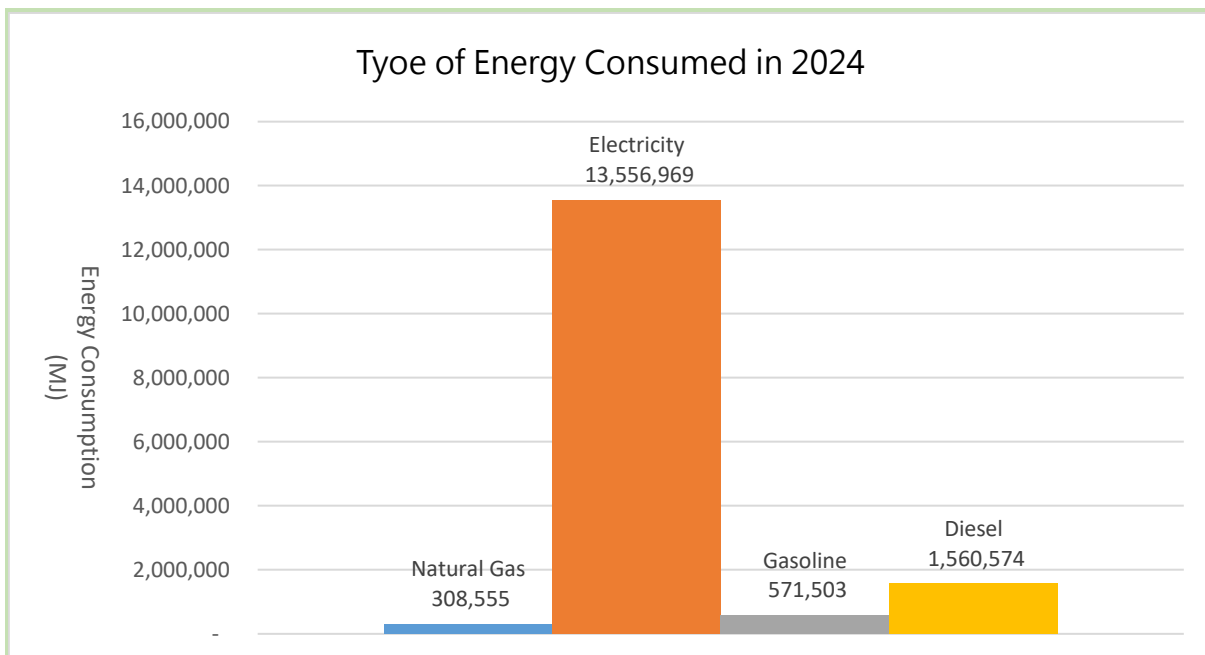
## Energy Intensity

In 2024, TTMC's energy consumption was as follows: 308,555 MJ of natural gas, 13,556,969 MJ of electricity, 1,560,574 MJ of diesel, and 571,503 MJ of gasoline, totaling 15,997,600 MJ.

According to the energy consumption and production-based energy intensity statistics, electricity had the highest energy intensity at 30.65 MJ per kilogram of product, followed by diesel used for vehicle transportation at 3.53 MJ per kilogram of product.

### ▼ 2024 Energy Consumption and Energy Intensity per Production Unit

Energy Type	Natural Gas	Electricity	Gasoline	Diesel
Energy Consumption (Original Unit)	7,610 (m <sup>3</sup> )	3,771,272 (kWh)	17,529 (L)	44,446 (L)
Energy Consumption (Megajoule)	308,555	13,556,969	571,503	1,560,574
Production Energy Intensity (MJ/kg of Product)	0.70	30.65	1.29	3.53



**Note:**

Conversion Method for Energy Consumption (Megajoules):  
 Based on the *Energy Calorific Value Table* from the "Energy-Saving Technology Manual" published by the Bureau of Energy, Ministry of Economic Affairs.  
 All energy data were first converted to kilocalories (kcal) and then to megajoules (MJ).

Conversion factor:

1 kcal = 0.00418 MJ

Natural Gas: 1 cubic meter = 9,700 kilocalories = 40.546 megajoules

Electricity: 1 kilowatt-hour = 860 kilocalories = 3.5948 megajoules

Diesel: 1 liter = 8,400 kilocalories = 35.112 megajoules

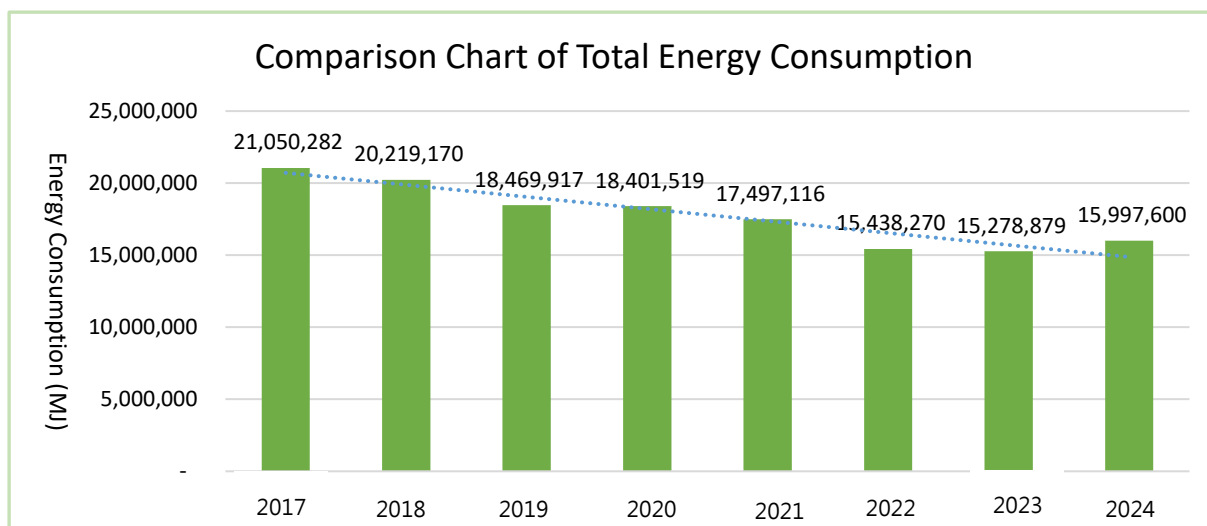
Gasoline: 1 liter = 7,800 kilocalories = 32.604 megajoules

Energy Intensity (MJ/kg of product): Calculated based on a total product output of 380,464 kg in 2023 (ROC Year 112), according to the sales summary table.

This calculation excludes scrap sales and resale goods.

▼ **Historical Energy Consumption Chart (Using 2017 Energy Consumption of 21,050,282 MJ as the Baseline Year)**

Year	2018	2019	2010	2011	2022	2023	2024
<b>Energy Consumption (MJ)</b>	20,219,170	18,469,917	18,401,519	17,497,116	15,438,270	15,278,879	15,997,600



## Internal Energy-Saving Measures

In recent years, TTMC has simultaneously implemented energy-saving and carbon-reduction initiatives across multiple areas, including electricity conservation, fuel efficiency, natural gas savings, and the development of renewable energy. The following are the key implementation measures:

### ➤ **Daily Energy Saving and Process Equipment Measures:**

TTMC continuously implements various energy-saving measures, including suspending energy-intensive processes, covering heat plates during joining processes with insulation blankets, reducing unnecessary equipment load, replacing with energy-efficient equipment, and optimizing air-conditioning performance. From 2017 to 2024, the plant has successively replaced five energy-saving air compressors totaling 210 HP. Between 2022 and 2024, planned replacement of energy-efficient equipment was carried out, including variable-frequency water pumps, motors, and air compressors. Examples of these initiatives include:

1. Replaced a 220V, 30HP fixed-speed air compressor with a 380V, 10HP variable-speed rotary air compressor.
2. Replacing old motors with high-efficiency motors (IE3).
3. Replace one 150RT cooling tower with a new unit and upgrade the heat dissipation materials of two 175RT cooling towers to enhance energy efficiency through equipment integration.
4. Installing timers to control LED lighting ON/OFF schedules.

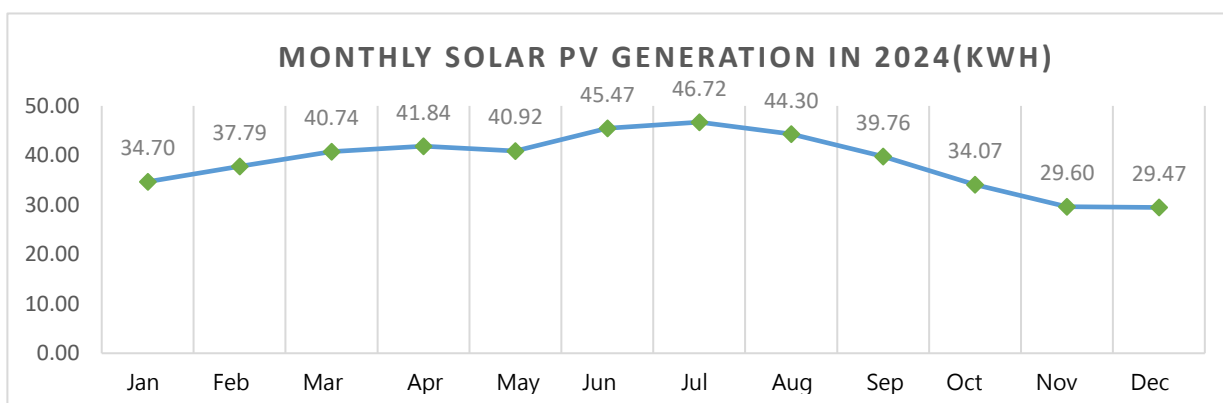
5. Implementing energy-saving measures for exhaust equipment in the forging and molding section.
6. Using timers to manage idle time of air compressors for dust collection systems.
7. Reducing load on fume hoods during off-peak hours.

➤ **Transportation Measures:**

Since 2022 , TTMC has optimized logistics by adjusting batch production and shipment schedules, reducing the frequency of long-distance daily deliveries. In 2023, the total energy consumption from gasoline and diesel amounted to 2,193,308 MJ, representing a reduction of 689,842 MJ compared with the baseline year 2021. In 2024, total gasoline and diesel energy consumption further decreased to 61,974 MJ, a reduction of 61,232 MJ compared with 2023.

➤ **Renewable Energy Initiatives:**

In collaboration with China Steel Corporation, TTMC’ s rooftop was leased to China Steel Solar to install a 347.76 kWp rooftop solar power system, which began grid-connected operation on September 11, 2019. In 2024, the system generated a total of 465,391 kWh (approximately enough to power 112 households for one year, equivalent to 1,675,407 MJ), reducing greenhouse gas emissions by 229,903 kg CO<sub>2</sub>e.





Photos of Rooftop Solar Power Systems

## Implementation Results

TTMC' s direct energy consumption primarily includes natural gas used in manufacturing processes, as well as diesel and gasoline consumed by trucks and company vehicles. Indirect energy use mainly consists of electricity consumed in production operations and office facilities. Through the implementation of various in-plant energy-saving initiatives, the Company has achieved significant and consistent reductions in overall energy consumption over the years.

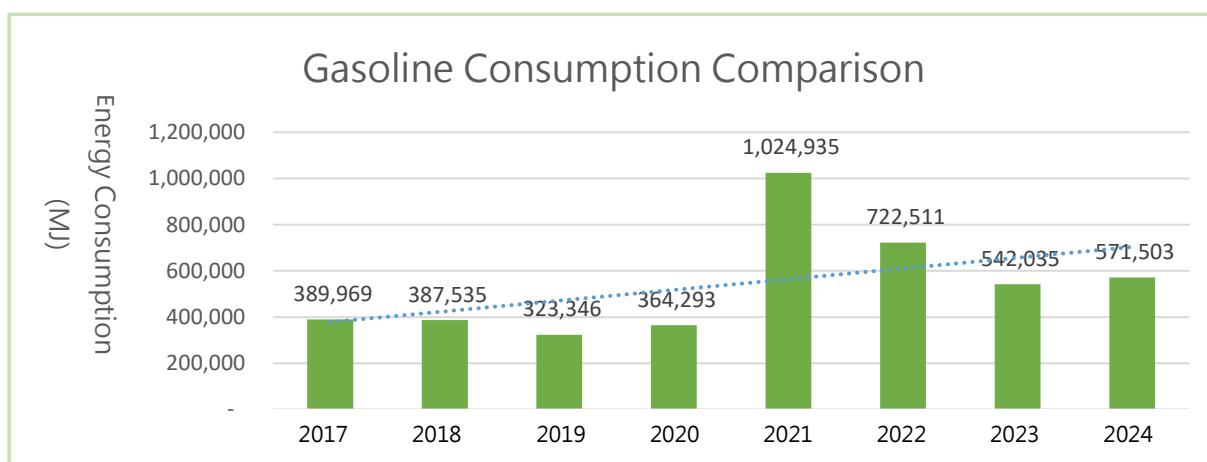
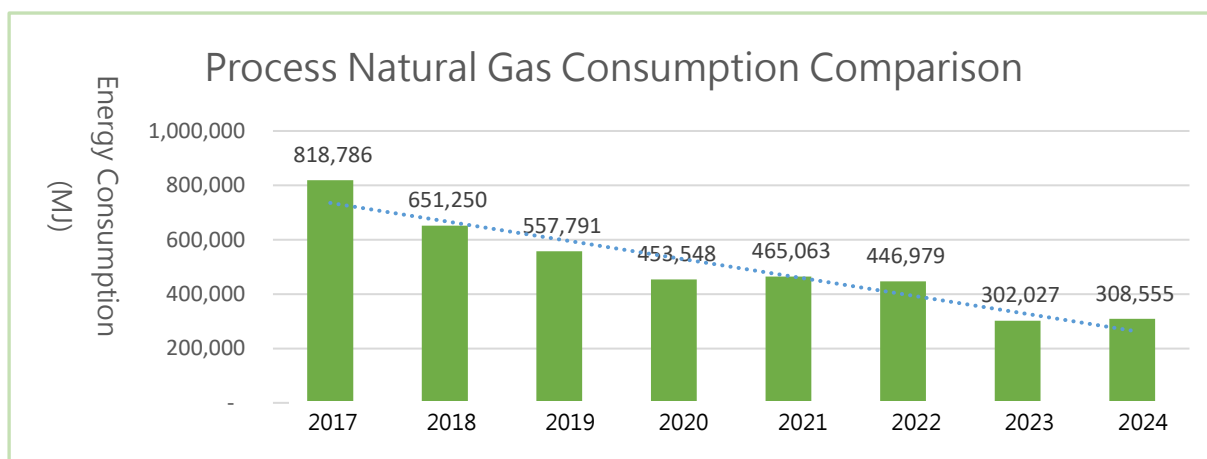
In terms of electricity conservation, TTMC has adopted multiple measures such as suspending energy-intensive production processes, installing thermal insulation blankets on hot plate bonding equipment, reducing power use of non-essential machinery, replacing old equipment with energy-efficient models, and optimizing air-conditioning performance.

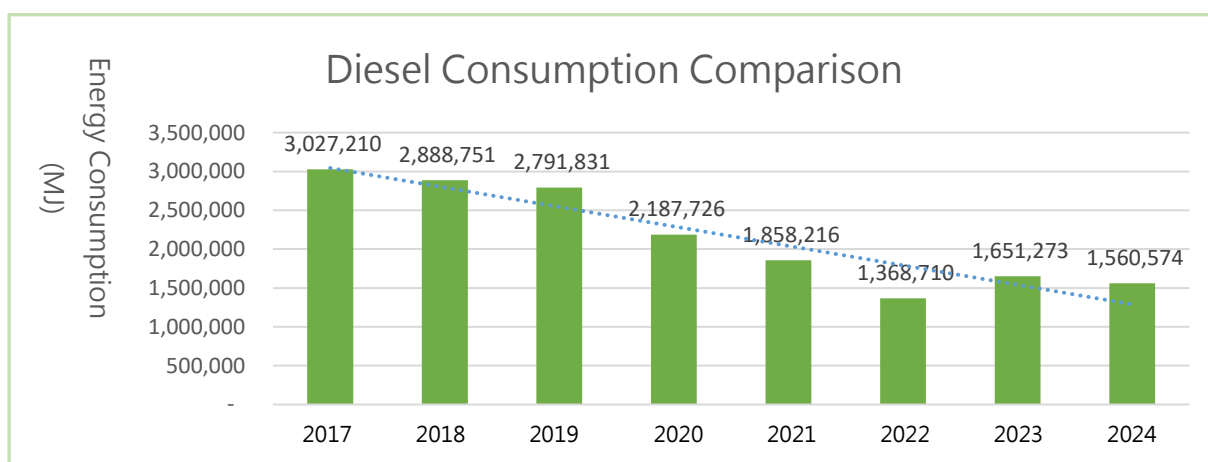
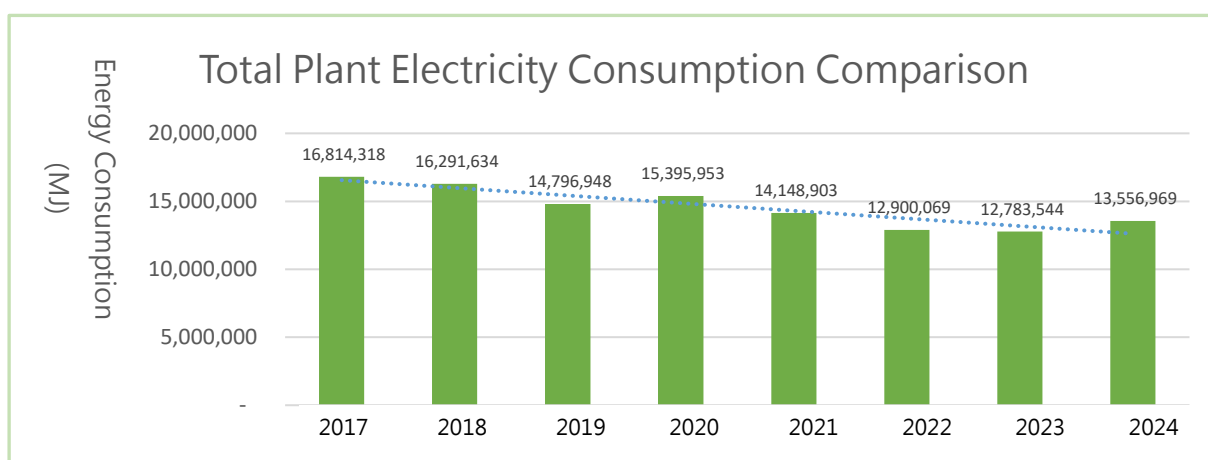
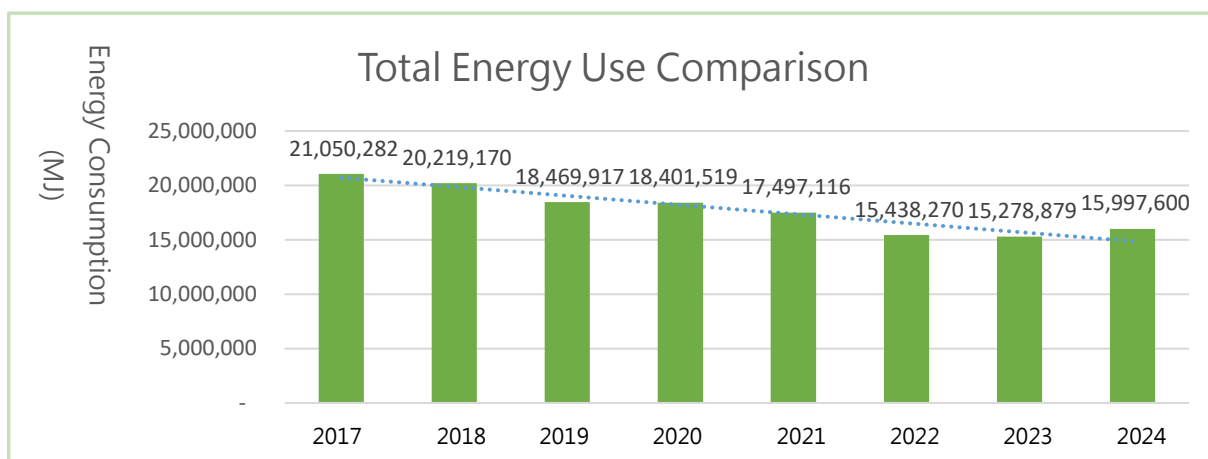
Using 2017 as the baseline year, the Company has set a short-term goal to reduce its energy intensity by 1% annually through 2025. In 2024, monthly electricity consumption had decreased by 19.37% compared to the baseline year, and the energy intensity per unit of product had dropped by 10.57%, successfully achieving the target reduction of 1% per year.

▼ Annual Energy Savings Rates are as follows:

Year	Energy Consumption (MJ)	Products	Energy Intensity(MJ/kg product)	Energy Efficiency %
2017	21,050,282	520,467	40.44	Base Year
2018	20,219,170	540,756	37.39	7.55%
2019	18,469,917	540,544	34.17	15.52%
2020	18,401,519	560,312	32.84	18.80%
2021	17,497,116	535,522	32.67	19.22%
2022	15,438,270	404,630	38.15	5.67%
2023	15,278,879	380,464	40.16	0.72%
2024	15,997,600	442,258	36.17	10.57%

▼ Comparison of Annual Energy Consumption





## 5.2.2 Water



### Benefits of 2024

#### Highlights



**29.40%**

Water consumption has decreased by 29.40% compared to the base year, marking the lowest level in recent years.



All monitored effluent data are consistently well within regulatory limits.

## Significance to TTMC

TTMC' s primary water source is tap water supplied by the municipal water company, supplemented by small quantities of harvested rainwater and air-conditioning condensate. The Company does not use groundwater or other purchased water sources.

Several of TTMC' s manufacturing processes involve high-temperature operations, making cooling through air-conditioning essential for maintaining a safe and comfortable working environment. Cooling water is indispensable for the air-conditioning system. In addition, the silver smelting furnace process involves molten silver at extremely high temperatures, requiring continuous water cooling to prevent furnace damage. Without a stable water supply, there would be a risk of equipment failure, which could disrupt normal production and negatively impact the Company' s revenue.

Effective water resource management not only ensures stable production and protects associated economic value but also reinforces the Company' s corporate image as a responsible steward of water resources. By doing so, Shin-Ko demonstrates a model for balancing economic development with environmental sustainability in harmony with the surrounding community.

## Goals

TTMC has established a solid foundation for water conservation and reuse by implementing internal measures such as water-saving initiatives, segregated collection of wastewater, and the installation of systems for harvesting rainwater, air-conditioning condensate, and process cooling water. In addition, the Company has implemented a process wastewater recycling system, enabling multi-level water use where each drop of water is utilized up to three times.

Using 2017 as the baseline, TTMC has set short- and medium-term targets to reduce tap water consumption by more than 5% annually through 2025 (Year 114). In 2024, tap water usage had decreased by **29.4%** compared to the baseline year, successfully achieving the 5% annual reduction target.

Short-term Goals (≤2025)	Mid-term Goals (2026–2030)	Long-term Goals (2031–2035)
<ul style="list-style-type: none"> <li>● Reduce non-essential water consumption and implement process wastewater recycling systems for multi-level reuse, aiming to decrease tap water usage by more than 5% compared to the base year.</li> </ul>	<ul style="list-style-type: none"> <li>● Reduce non-essential water use and implement multi-level utilization through process wastewater recycling systems, aiming to reduce tap water consumption by more than 3% compared to the base year.</li> </ul>	<ul style="list-style-type: none"> <li>● Diversify water sources by fully supporting the government's urban sewage recycling policy in the future, ensuring that a certain proportion of process water comes from reclaimed water.</li> </ul>

## Management Policy

TTMC's water use primarily focuses on three areas: domestic water, target material cleaning wastewater, and process cooling water. The company has long been committed to improving water use efficiency through multi-level recycling and reuse, achieving the principle of "one drop of water can be used three times." In 2021, during the most severe drought since 1947, TTMC implemented emergency drought response measures in coordination with the park

management authority, following the staged water alert levels. During the red alert water restriction period, TTMC invested in high-cost ion exchange resin regeneration equipment, treating over 50% of process effluent to meet the Suggested Water Quality Guidelines for Reclaimed Water for Industrial Use – Cooling Water, and reused it for cooling purposes.

Although water conditions stabilized in 2022, TTMC has continued to uphold its commitment to sustainable water resource management. At the beginning of 2022, the company began planning the installation of a monthly-rental RO (reverse osmosis) water recycling system to replace the previously used short-term resin-based recycling equipment. The new system has a production capacity of 1 ton per hour, with plans to reuse more than 50% of process wastewater as cooling water.

The recycling system was installed by the end of 2022 and began trial operation in January 2023. As a result, the average daily water consumption in 2023 decreased significantly from 44 tons to 33 tons compared with the baseline year. Moving forward, Sinco plans to fully use recycled water for process cooling in line with government reclaimed water policies.

Although the apparent cost per unit of recycled water is 10 NT dollars higher than tap water, it is far more economical than paying up to 600 NT dollars per unit during water shortages. This highlights the importance and value of proactive water resource management.

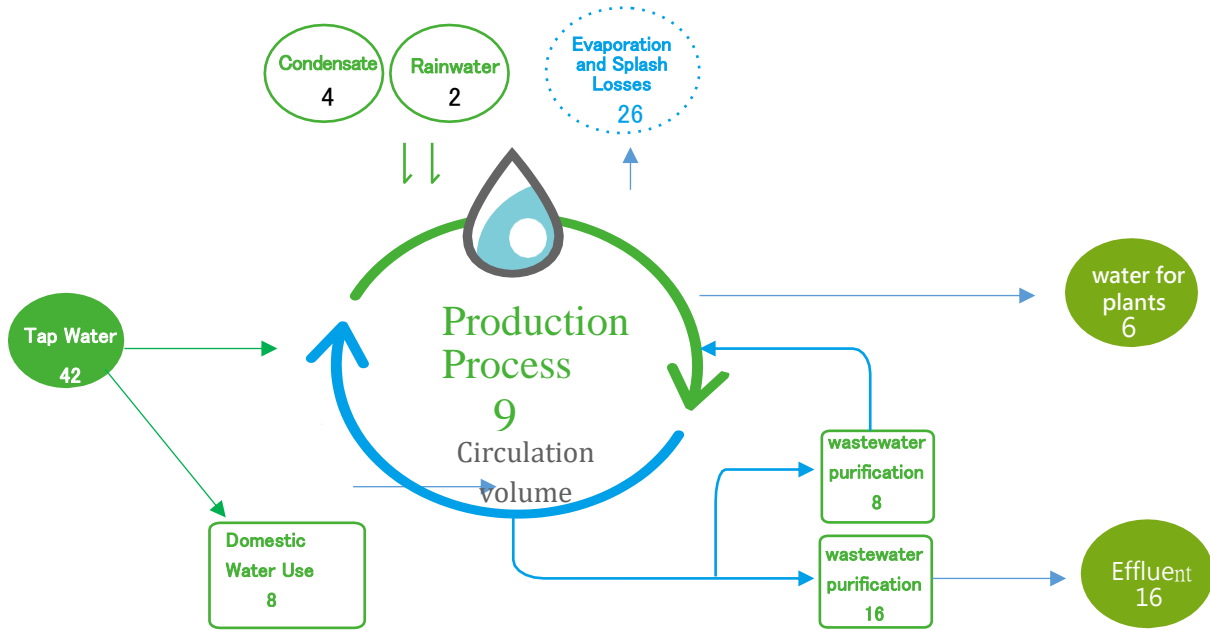
### TTMC WATER RESOURCE POLICY

**I ∙ AVERAGE DAILY WATER CONSUMPTION REDUCED FROM 44 TONS TO 37 TONS, A DECREASE OF APPROXIMATELY 16%.**

**II ∙ MULTI-LEVEL RECYCLING AND REUSE, USING EACH DROP OF WATER THREE TIMES.**

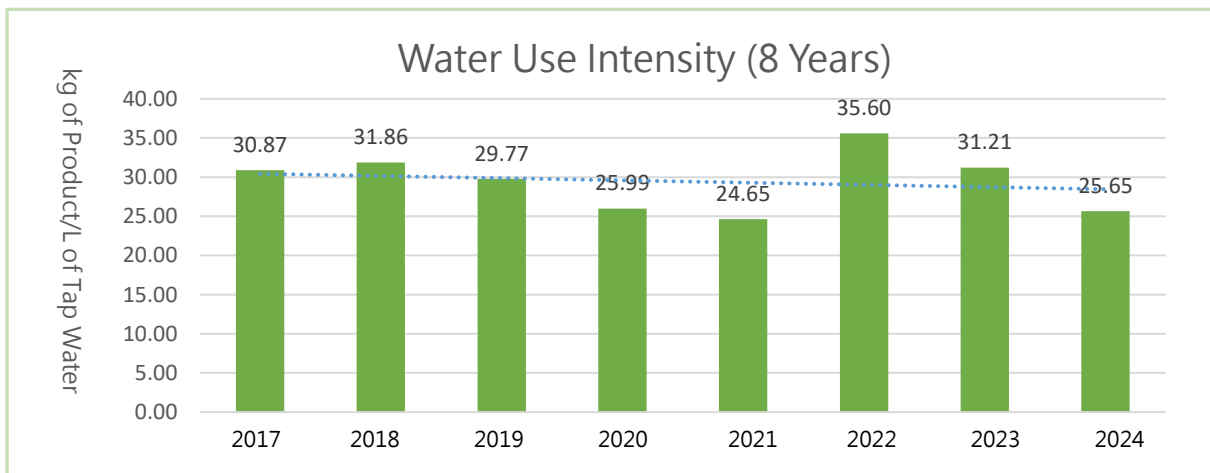
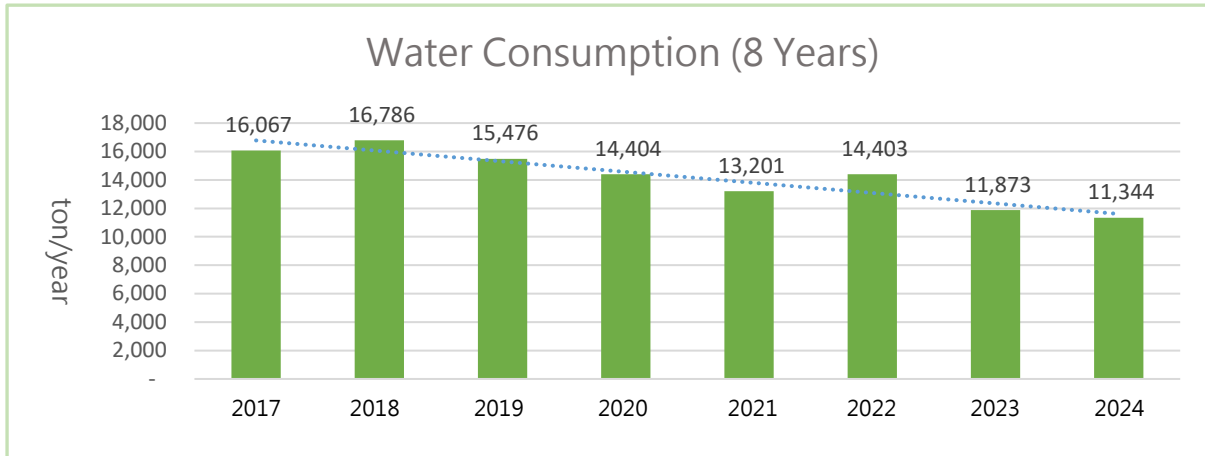
**III ∙ DIVERSIFYING WATER SOURCES: ALL PROCESS COOLING WATER WILL USE RECYCLED WATER IN ACCORDANCE WITH GOVERNMENT POLICIES**

▼TTMC Water Balance Diagram (Unit: CMD)



▼The water consumption per unit of product and water-saving rate over the past Eight years are as follows:

Year	Wastewater Volume (tons)	Total Tap Water Consumption (tons)	Product Weight (Total Sales Volume) (kg)	Water Consumption per Unit of Product (L of Tap Water/kg of Product)	Water-Saving Rate of Tap Water Usage (%)	Water saving rate per unit of product (%)
2017	11,595	16,067	520,421	30.87	Base Year	Base Year
2018	9,876	16,786	526,856	31.86	-4.48%	-3.20%
2019	6,687	15,476	519,900	29.77	3.68%	3.58%
2020	5,261	14,404	554,115	25.99	10.35%	15.80%
2021	5,412	13,201	535,522	24.65	17.84%	20.15%
2022	5,231	14,403	404,630	35.60	10.36%	-15.30%
2023	3,955	11,873	380,464	31.21	26.10%	-1.08%
2024	4,135	11,344	442,258	25.65	29.40%	-16.92%



Process  
Optimization



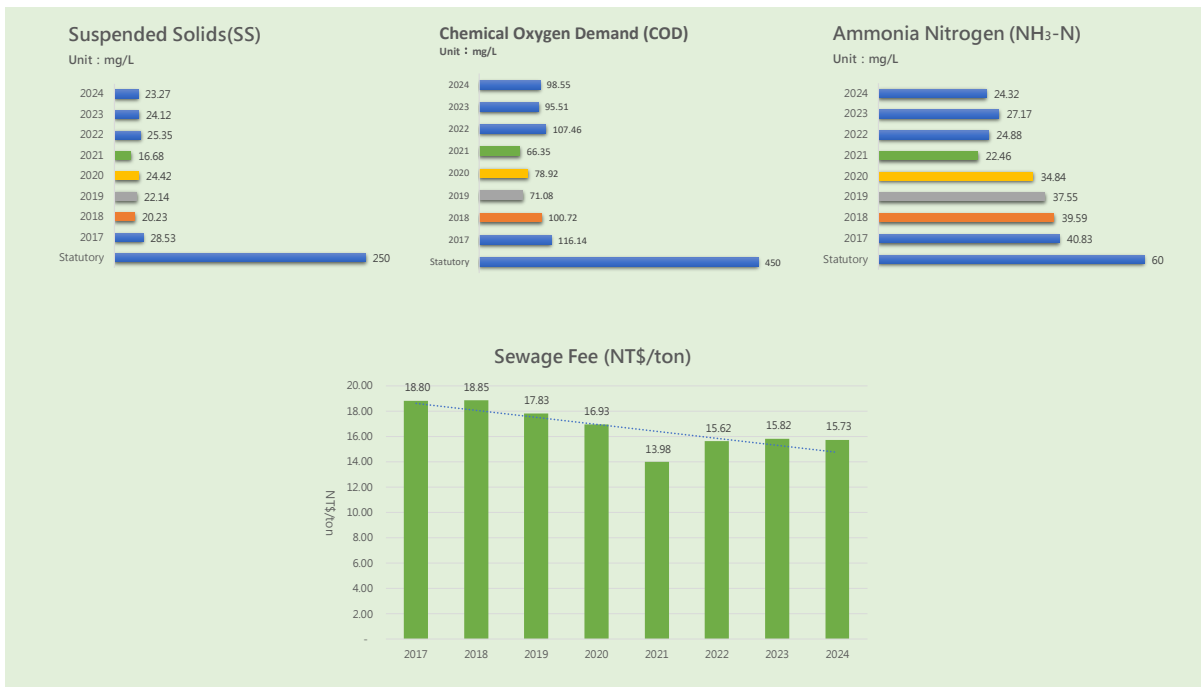
**Water-Saving Project for 2020–2021:**  
During the water shortage period, the process effluent was treated using an ion exchange resin regeneration system and reused for cooling water.

**Water-Saving Project for 2022–2023:**  
RO (Reverse Osmosis) regeneration equipment was installed, with the plan to routinely treat process effluent and reuse it for cooling water.

## Management of Impacts Related to Drainage

After the completion of the RO (Reverse Osmosis) regeneration system at the end of 2022, the volume of process effluent in 2023 decreased significantly to below 4,000 tons. The plant is equipped with wastewater pre-treatment facilities that treat the wastewater to meet the standards for discharge into the Nanke Science Park sewer system. The treated wastewater is then discharged into the Park-approved sewer for secondary treatment. The Nanke Administration conducts unscheduled weekly sampling and testing at the plant to ensure compliance, and there is no direct discharge into natural water bodies.

### ▼ Eight-Year Effluent Water Quality



## 5.3 Climate Change Response

### 5.3.1 Climate-Related Risks and Opportunities (TCFD)



#### Benefits of 2024

#### Highlights



29.34%

The total carbon emissions decreased by 29.34% compared to the baseline year, reaching a new low in recent years



In 2024, the carbon reduction rate per unit of product was 11.45%, achieving the planned target of a 3% reduction.

### Significance for TTMC

In the 2021 Global Risk Report published by the World Economic Forum (WEF), infectious disease risks ranked first, followed by failure of climate action and other environmental risks. This underscores the urgent need for organizations to address the breadth and depth of climate change impacts on operations. Since 2022, TTMC has begun following the guidance recommended by the Task Force on Climate-related Financial Disclosures (TCFD) to gain a deeper understanding of the risks and opportunities associated with significant climate change. Throughout this process, cross-departmental expertise and collaboration have been leveraged to achieve the ultimate goal of climate-related financial disclosure.

### Management Policy

TTMC follows the TCFD (Task Force on Climate-related Financial Disclosures) recommended framework to identify and prioritize climate-related risks and opportunities. In doing so, the company references international studies on climate risks and opportunities, as well as the disclosure practices of its parent company, China Steel Corporation. Through discussions within the internal Sustainability Development Team, TTMC identifies and defines relevant risk and opportunity items, and subsequently evaluates climate-related risks and corresponding mitigation measures.

To provide meaningful climate-related risk disclosures, TTMC has established priorities for measuring, assessing, managing, and reporting climate-related financial information. Climate assessment, monitoring, and management are integrated into daily business activities, complemented by the development of comprehensive policies, procedures, and implementation measures, ensuring investors understand TTMC's approach to addressing climate change.

In 2022, TTMC first implemented the TCFD-recommended guidance by applying Scenario Analysis and Climate-Related Issues in the evaluation of climate-related risks and opportunities. This approach aims to incorporate the potential development and impacts of climate-related risks and opportunities under different conditions into organizational decision-making, helping the company understand its performance across various future scenarios. At present, TTMC does not employ internal carbon pricing as a planning tool.

## TTMC' s TCFD Framework

### Governance

- Authorized by the Board of Directors, senior management convenes the 'Sustainability Development Team' —comprising the Production Plant, Quality Assurance, Technical, Finance, Sales, Administration, and Occupational Safety departments—to drive sustainability initiatives. This team serves as a cross-departmental communication platform, integrating vertical and horizontal coordination. At least once a year, it reports implementation results and future work plans to the Board, and climate change-related issues are also submitted for the Board' s consideration.
- The company also identifies risks related to climate change, develops mitigation and response measures, and incorporates them into the company-level ESG management objectives. These are reviewed monthly during the expanded management meetings.
- A Greenhouse Gas Inventory and Reduction Task Force has been established, comprising four sub-teams: Data Collection, Emission Reduction Technologies, Process Emission Reduction, and Mobile Source Emission Reduction. The task force is responsible for promoting energy-saving and carbon reduction initiatives, holds quarterly meetings to track progress, and regularly reports implementation results to the Board of Directors.

### Strategy

- Based on the climate risk and opportunity factors recommended by the TCFD, short-, medium-, and long-term risk and opportunity values are assessed according to probability, frequency, and potential impact, in order to identify priority physical and transition risks.
- Through cross-departmental discussions, identified climate-related risks and opportunities are evaluated using the expertise of each unit to assess the potential operational and financial impacts on the company.
- For climate scenario analysis and risk prioritization, transition risks are analyzed based on the World Energy Outlook 2023 published by the International Energy Agency (IEA) in October 2023, which presents three main scenarios. Physical risks are analyzed according to the methodology of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) released in August 2021.

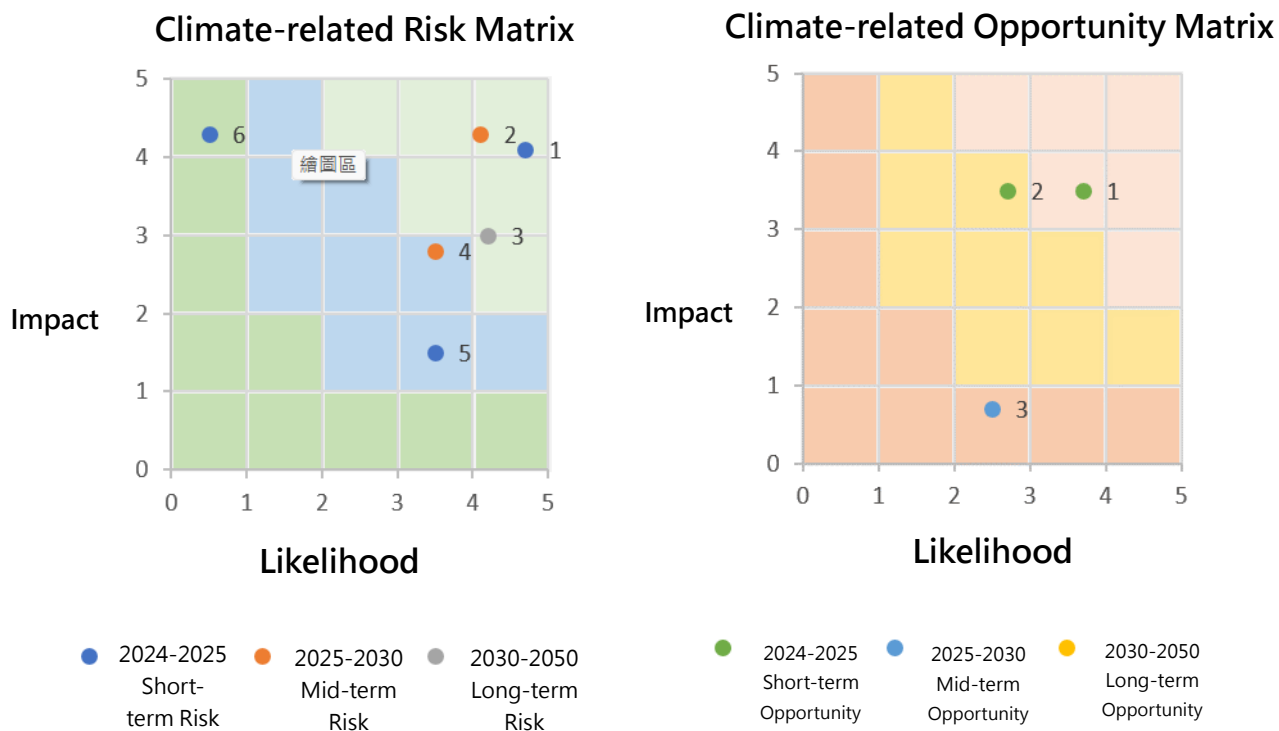
### Risk Management

- The Sustainability Development Team holds meetings to discuss TCFD-related topics. Following the TCFD framework, cross-departmental discussions are conducted to analyze, one by one, the impacts of climate risks—both immediate and long-term—on the company in terms of policy and regulation, technology, market, and reputation. Periodic reviews of the identified risks are also conducted to ensure that the assessment reflects current conditions.
- Based on the climate risk identification results, the Sustainability Development Team, together with the Greenhouse Gas Inventory and Reduction Task Force, develops response plans, which are tracked and managed in routine meetings. The task forces apply the PDCA (Plan-Do-Check-Act) cycle to continuously improve operations, ensuring long-term and effective management.

### Indicators and Targets

- As a manufacturing company highly dependent on electricity and essential water, the company naturally sets management and reduction targets in energy, carbon reduction, water resources, and resource recycling, while actively seeking potential reduction opportunities to enhance operational resilience.
- Since 2017, the company has conducted annual greenhouse gas (GHG) inventories in compliance with the requirements of the Nanke Science Park Administration and by referencing the Taiwan EPA' s Guidelines for GHG Inventory and Registration and GHG Emission Factor Management Table Version 6.0.4, with the results disclosed accordingly.
- The company has received guidance from the Nanke Science Park Administration, applying the latest ISO 14064-1:2018 standard to carry out GHG inventories, building internal GHG accounting capabilities and completing the reporting of plant-level GHG emissions. Third-party verification is planned for 2026.
- Short-, medium-, and long-term targets for energy management, water resources, and GHG management have been established (which can be referenced from the ESG goals).

## TTMC Climate-related Risks and Opportunities



No.	Risk Type	Risk Issue
1	Transition Risk	In response to customers' carbon reduction requirements, the Company enhances energy and resource efficiency standards across assets and actively invests in an Energy Management System (EMS) integrated with production technology, which may lead to increased costs.
2	Transition Risk	Due to international initiatives and the Company's own carbon reduction targets, the continuous increase in the proportion of renewable energy usage may result in higher operating costs.
3	Physical Risk	The increased frequency and severity of extreme weather events such as typhoons, floods, and droughts may disrupt supply chain operations, thereby affecting production.
4	Transition Risk	Compliance with emerging national carbon reduction regulations (e.g., Climate Change Response Act) may require payment of carbon fees, resulting in increased operational costs.
5	Transition Risk	The low-carbon transition process may increase raw material costs, thereby raising product costs.
6	Physical Risk	Global sea-level rise may inundate coastal port areas, potentially disrupting production operations.

No.	Opportunity Issue
1	Enter the third-generation semiconductor target materials supply market to support electric vehicle (EV) chip applications, thereby expanding into the EV supply chain.
2	Continue to develop the Company' s low-carbon short-chain production technologies and offer low-carbon products that are favored by customers.
3	In response to the low-carbon transition, seize opportunities to enter diversified renewable energy industries, enhancing corporate competitiveness.

## Scenario Analysis

TTMC conducts scenario analysis on transition risks by referencing the three major scenarios explored by the World Energy Outlook (WEO) 2023, which are differentiated based on assumptions regarding government policies:

### 1. Stated Policies Scenario (STEPS)

This scenario is based on energy and climate policies already implemented by countries, taking into account industrial policies that support clean energy supply chains. Under this scenario, global demand for coal, oil, and natural gas is expected to peak before 2030, indicating initial progress in the energy transition.

### 2. Announced Pledges Scenario (APS)

This scenario assumes that all announced energy and climate targets (such as net-zero commitments) by governments are fully and timely implemented. Under this scenario, the energy system moves toward a lower-carbon trajectory, although further efforts are still required to achieve global climate goals.

### 3. Net Zero Emissions by 2050 Scenario (NZE2050)

This scenario depicts a pathway to achieve global net-zero emissions by 2050, with the goal of limiting global temperature rise to within 1.5°C. Achieving this scenario requires significant advancements in policy, investment, and technological innovation.

TTMC conducts scenario analysis of physical risks based on the IPCC AR6 methodology. The analysis considers both an ideal mitigation scenario (SSP1-2.6) and a worst-case scenario (SSP5-8.5), referencing the Key Scientific Findings of the IPCC Sixth Assessment Report and the Updated Report on Climate Change Assessment in Taiwan.

The analysis simulates potential impacts on TTMC' s production sites in Taiwan and evaluates how extreme climate events may affect the delivery of products to customers in Taiwan.

### ➤ **In response to customer carbon reduction requirements**

In response to TTMC' s major customers' requirements to achieve a 20% carbon reduction from 2020 to 2030, the Company needs to enhance energy and resource efficiency standards across its assets and actively invest in an Energy Management System (EMS) integrated with production technologies, which may result in increased operational costs.

### **Scenario Analysis**

1. Since 2017, TTMC has achieved a year-on-year reduction in greenhouse gas emissions through measures such as energy-saving training, daily electricity conservation, process equipment efficiency improvements and load reduction, as well as transportation management and optimization. However, the rate of emission reduction has gradually slowed over the years, highlighting the increasing difficulty of further reducing emissions.
2. Under the Announced Pledges Scenario (APS), in response to major customers' requirement for a 20% carbon reduction between 2020 and 2030, TTMC has achieved approximately 4% reduction by 2022, starting from 2020. The remaining 6% reduction target is expected to focus on energy efficiency improvements in cooling (air-conditioning) systems. According to the 2022 WEO Executive Summary, cooling demand is projected to become the second-largest contributor to global electricity demand growth over the coming decades, following electric vehicles. Many existing air-conditioning systems currently meet only relatively low efficiency standards; improving efficiency standards will result in significant additional costs.
3. On the other hand, the Company has actively invested in an Energy Management System (EMS) to diagnose equipment operation issues, accurately identify causes of energy consumption, monitor system performance over the long term, establish energy-saving management strategies with tracked benefits, manage and control electricity demand, and provide a concrete basis for budgeting and executing operational costs.

## Financial Impacts

In 2022, in response to major customers' requirement for a 20% carbon reduction target between 2020 and 2030, TTMC estimated that under the Stated Policies Scenario (STEPS), the implementation of energy-saving measures for cooling (air-conditioning) systems and the investment in the Energy Management System (EMS) would result in an annual increase in manufacturing costs of approximately 1% prior to 2030, compared with the Announced Pledges Scenario (APS) aligned with the 2030 target.

### ➤ Financial Impacts of the Energy Transition

Based on TTMC's historical greenhouse gas inventory data, indirect emissions from electricity consumption account for approximately 90% of the Company's total carbon emissions. To achieve the 2050 net-zero target, it is essential to replace high-carbon electricity with renewable energy. In order to meet the Company's carbon reduction targets, TTMC will continue to increase the proportion of renewable energy usage, which is expected to result in higher operational costs.

## Situation Analysis

1. According to the U.S. Energy Information Administration (EIA) in the World Energy Outlook 2023 (WEO 2023) reference scenario, based on projections by the International Energy Agency (IEA), global annual additions of renewable energy capacity increased by nearly 50% in 2023, reaching approximately 510 gigawatts (GW)—the fastest growth rate observed in the past two decades. Under current policies and market conditions, global installed renewable energy capacity is expected to reach 7,300 GW by 2028. Following this growth trajectory, total global capacity is projected to expand to 2.5 times the current level by 2030. However, rising commodity prices have exerted upward pressure on investment costs, while raw material supply constraints and increasing electricity prices in certain markets are posing additional short-term challenges for wind and solar photovoltaic (PV) manufacturers.
2. Renewable energy accounted for 33% of global electricity generation in 2023, and it is projected to supply 67% of primary energy by 2050. The Global Energy Assessment (GEA) also forecasts that future residential, commercial, and

industrial energy use will decline due to improvements in energy efficiency, potentially allowing the share of renewable energy to exceed 50% of total energy consumption.

### Financial Impact

Based on the parameters and assumptions under Scenario 3: Net Zero Emissions by 2050 (NZE), TTMC has planned its carbon neutrality roadmap. The transition to renewable energy and the use of green electricity are regarded as essential steps toward achieving net-zero carbon emissions.

TTMC anticipates that beginning in 2027, it will need to gradually increase its annual purchase of green electricity by 172,500 kilowatt-hours (kWh) in order to meet its 2050 net-zero carbon emissions target.

According to informal quotations provided by electricity retailers, the current estimated cost of green electricity (including Renewable Energy Certificate integration) is approximately NT\$7.5 per kWh, which is NT\$2.74 higher per kWh than Shinkong's average 2024 rate from Taipower. It is estimated that in 2027, electricity costs will increase by about 1% compared to 2024, and from 2027 onward, TTMC's annual electricity costs are expected to rise by approximately 3% per year relative to the previous year.

### ➤ Extreme Weather Events and Disasters

The increasing frequency and intensity of extreme climate events—such as heavy rainfall, flooding, typhoons, and droughts—have significant impacts on supplier deliveries, product manufacturing, logistics, and even power supply. Such disruptions in the supply chain or production processes may lead to operational interruptions and unmet production demands, resulting in potential financial losses for TTMC.

### Situation Analysis

According to the “Summary of Scientific Highlights from the IPCC Sixth Assessment Report and Updated Assessment of Climate Change in Taiwan” , published by the Research Center for Environmental Changes, Academia Sinica, and other Taiwan climate science teams, the projected future climate trends for Taiwan under the ideal mitigation scenario (SSP1-2.6) and the worst-case scenario (SSP5-8.5) are summarized as follows:

### 1. Increase in Extreme High-Temperature Days

The number of days with maximum temperatures exceeding 36°C is projected to increase across Taiwan. Under the worst-case scenario (SSP5-8.5), the mid-21st century is expected to see an increase of approximately 8.5 days, with urban areas experiencing more significant rises compared to other regions. Under the ideal mitigation scenario (SSP1-2.6), the increase is projected at around 6.8 days.

The length of Taiwan's summer is expected to extend from the current average of about 130 days to 155–210 days, while the winter season is projected to shorten from around 70 days to 0–50 days. The magnitude of change will be more pronounced under the worst-case scenario, while the ideal mitigation scenario suggests a comparatively moderate shift.

### 2. Increase in Consecutive Dry Days

The maximum number of consecutive dry days per year is projected to increase nationwide. Under the worst-case scenario (SSP5-8.5), the mid-21st century average increase is estimated at approximately 5.5%.

### 3. Increase in Extreme Rainfall Intensity

The annual maximum one-day rainfall intensity in Taiwan is expected to rise. Under the worst-case scenario (SSP5-8.5), the increase is projected at around 20% by the mid-21st century, while under the ideal mitigation scenario (SSP1-2.6), the projected increase is approximately 15.7%.

### 4. Changes in Typhoon Frequency and Intensity

Under the ideal mitigation scenario (SSP1-2.6), the number of typhoons affecting Taiwan by the mid-21st century is expected to decrease by about 1.8%.

Under the worst-case scenario (RCP8.5), the total number of typhoons impacting Taiwan may decrease by about 15, yet the proportion of strong typhoons could double (increase by approximately 100%), with typhoon-induced rainfall increasing by around 20%.

## Financial Impact

Based on the projected climate trends for Taiwan under the ideal mitigation scenario (SSP1-2.6) and the worst-case scenario (SSP5-8.5), TTMC has assessed the potential negative financial impacts that extreme weather events may have on the company by the mid-21st century (around 2050) as follows:

1. Increase in Consecutive Dry Days (Approx. +5.5%)  
Prolonged droughts could require TTMC to transport water by tank trucks or reduce or suspend production due to water shortages, resulting in potential losses equivalent to approximately 8.3% of annual revenue.
2. Increase in Strong Typhoon Frequency (Approx. +100%) and Rainfall Intensity (Approx. +20%)  
With the projected doubling of strong typhoon occurrences and 20% increase in extreme rainfall intensity, losses resulting from typhoon- or rain-related work suspensions and facility shutdowns are estimated to be twice as high as in 2024.

### 5.3.2 Greenhouse Gas (GHG) Management

#### Significance to TTMC

In response to the impacts of climate change on corporate operations and to enhance transparency in climate-related information disclosure, TTMC has implemented carbon reduction management and established emission reduction targets since 2017. In July 2020, Apple Inc. (AAPL-US) released its Environmental Progress Report, announcing the goal of achieving carbon neutrality across its corporate operations, supply chain, and products by 2030. Given that Taiwanese companies account for a significant portion of Apple's supply chain, they have become key players in realizing this commitment.

However, as renewable energy supply is currently insufficient to fully meet electricity demand, Apple has urged its Taiwanese suppliers to gradually reduce the use of non-renewable energy sources. In response, major semiconductor foundries and smartphone assembly companies have publicly pledged to join Apple's green energy initiative. As a supplier of upstream materials for the semiconductor and optoelectronics industries, TTMC recognizes the importance of this transition. The company is therefore accelerating the establishment of corresponding response mechanisms, actively assessing climate-related risks and identifying potential opportunities to mitigate impacts and strengthen its resilience.

## Goals

To continuously align with global carbon reduction trends, TTMC has implemented greenhouse gas (GHG) inventories and a reduction task force to monitor and track emission reductions. In 2022, the company proposed a carbon neutrality roadmap extending to 2050, focusing on renewable electricity, green hydrogen, and electric vehicles. The plan emphasizes carbon reduction across multiple areas, including non-emissive material design and selection, energy-efficient production, and green logistics.

Since 2017, TTMC has conducted annual GHG inventories to establish a baseline for emissions intensity. Using 2017 as the reference year for energy-saving and carbon reduction, the company has set incremental annual reduction targets, aiming to achieve its long-term goal of carbon neutrality by 2050.

### ▼ Carbon Neutrality Goals and Roadmap

TTMC Carbon Neutrality Roadmap Table			
	Short-term Target	Medium-term Target	Long-term Target
Time	2025	2030	2050
Carbon Reduction Targets	Reduce carbon emissions by 25% compared to 2017 levels	Reduce carbon emissions by 40% compared to 2017 levels	Strive to achieve carbon neutrality
Strategies and Action Plans	<ol style="list-style-type: none"> <li>1. Discontinue energy-intensive production processes</li> <li>2. Install insulation blankets on bonding hot plates.</li> <li>3. Reduce power consumption of non-essential equipment</li> <li>4. Optimize the efficiency of air conditioning and cooling water systems</li> <li>5. Implement optimal logistics route planning</li> <li>6. Install solar power generation systems</li> <li>7. Replace equipment with energy-efficient alternatives (e.g., lighting, air compressors, and chillers)</li> <li>8. Other feasible solutions</li> </ol>	<ol style="list-style-type: none"> <li>1. Evaluate replacing natural gas used in indium smelting with electricity, green hydrogen, or other carbon-free fuels</li> <li>2. Replace oxy-acetylene cutting with hydrogen-oxygen cutting machines</li> <li>3. Revise the heating SOP for silver production molds to reduce natural gas consumption</li> <li>4. Gradually replace air conditioning systems with models using environmentally friendly refrigerants</li> <li>5. Gradually replace gasoline vehicles with electric or hybrid vehicles</li> <li>6. Purchase green electricity on an annual basis</li> <li>7. Other feasible solutions</li> </ol>	<ol style="list-style-type: none"> <li>1. Gradually replace diesel trucks with electric or hybrid vehicles</li> <li>2. Fully utilize factory space to install renewable energy generation systems</li> <li>3. Purchase green electricity on an annual basis</li> </ol>

### ▼ GHG Emission Intensity Reduction Targets

Short-term Goals (~2025)	Medium-term Goals (2026~2030)	Long-term Goals (2031~2035)
<ul style="list-style-type: none"> <li>Reduce greenhouse gas emission intensity by 3%</li> </ul>	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emission intensity by 6%</li> </ul>	<ul style="list-style-type: none"> <li>Reduce greenhouse gas emission intensity by 10%</li> </ul>

Note: Each year, the target is set as a percentage reduction in greenhouse gas emission intensity compared to the base year 2017.

### Management Policy

Greenhouse gas emissions are one of the main contributors to climate change. The potential risks of climate change, such as extreme weather events and resource shortages, may affect operating costs and business performance. TTMC has completed the identification of potential risks and corresponding opportunities related to climate change, which include five major risk categories: extreme weather risk, power supply risk, water resource risk, corporate reputation risk, and carbon reduction risk. Based on this assessment, the company has developed specific mitigation measures to minimize the impact on TTMC and to create more favorable business conditions.

### GHG Inventory

TTMC conducts an annual greenhouse gas (GHG) inventory in accordance with the requirements of the Southern Taiwan Science Park Administration and referencing the Guidelines for GHG Emission Inventory and Registration issued by the Environmental Protection Administration, as well as the GHG Emission Factor Management Table, Version 6.0.4.

In 2023, the inventory was recompiled with updated information. The measurement methodology followed ISO 14064-1:2018 and adopted revised emission factors recommended by the consulting unit. The difference between the recalculated GHG emissions and previously reported totals is within  $\pm 5\%$ . Inventory results are disclosed on the company's external website and voluntarily registered on the Environmental Protection Administration's National GHG Registry Platform.

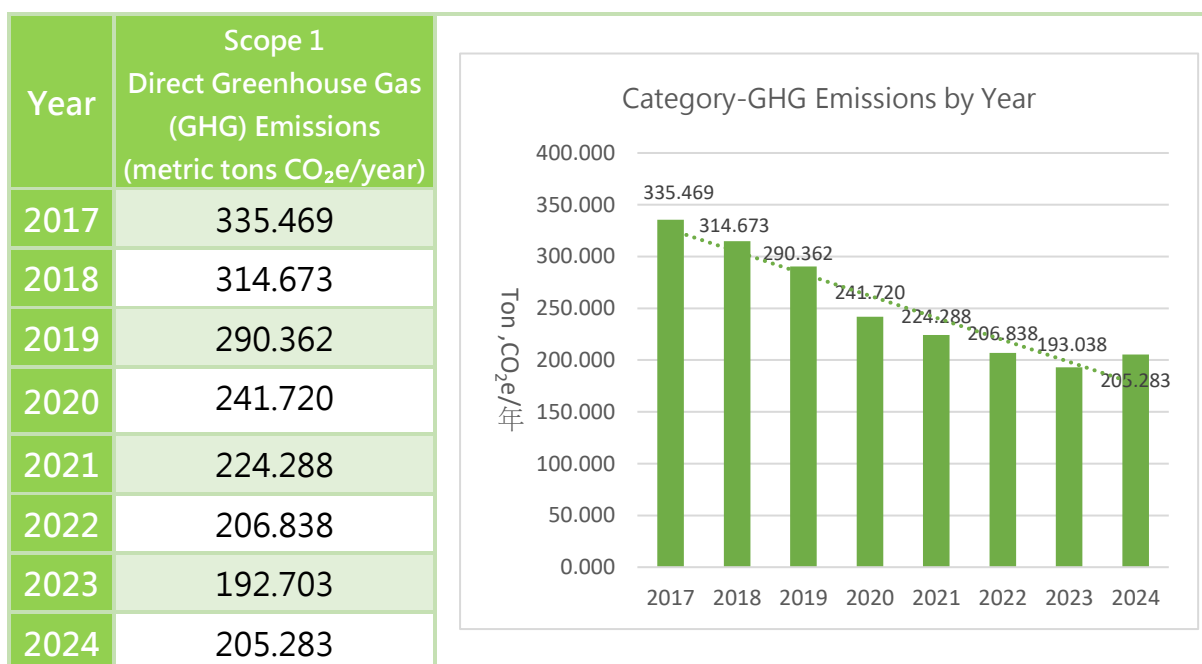
Since the company's GHG-emitting activities are relatively straightforward, the inventory is conducted internally according to current policies and has not undergone third-party verification.

## Direct Greenhouse Gas Emissions (Scope 1)

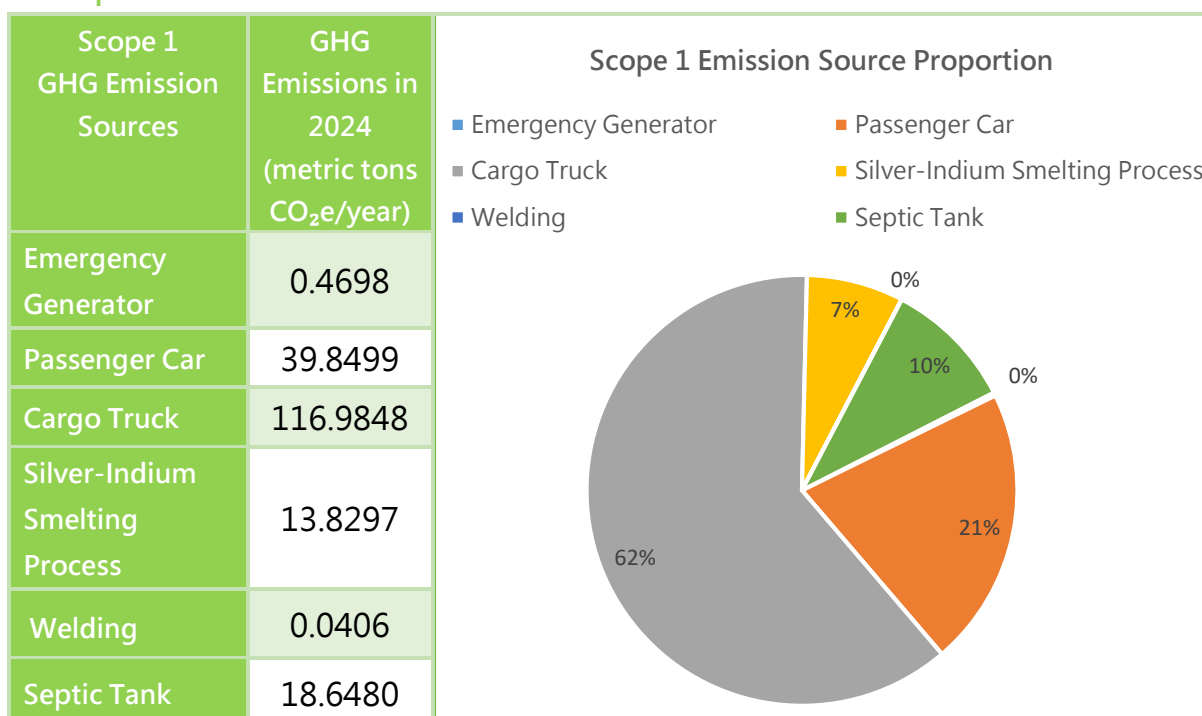
TTMC’s direct (Scope 1) greenhouse gas emissions primarily originate from company-owned truck transportation, company-owned passenger vehicles, process-related use of natural gas, liquefied petroleum gas (LPG), CO<sub>2</sub>, acetylene, refrigerant consumption, and methane emissions from septic tanks.

In 2024, Scope 1 emissions totaled 205.283 metric tons CO<sub>2</sub>e per year, accounting for 9.93% of the company’s total greenhouse gas emissions.

### ▼ Scope 1 – Direct GHG Emissions

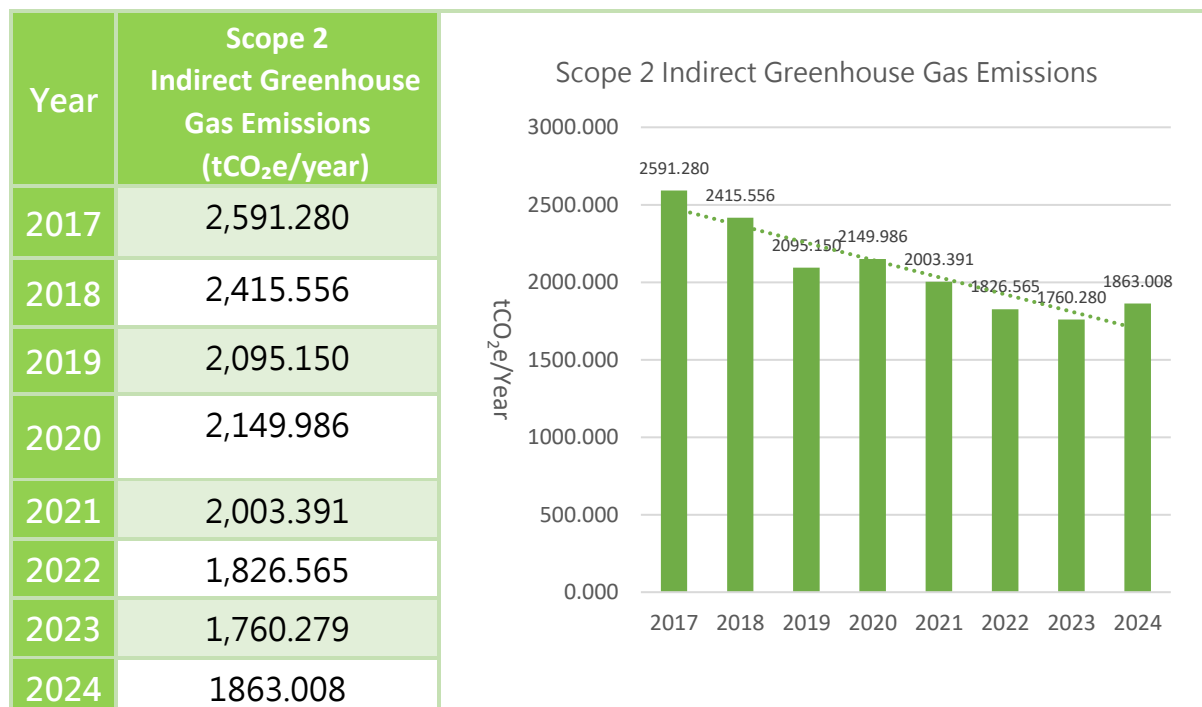


### ▼ Scope 1 – GHG Emission Sources and Amounts



## Indirect Greenhouse Gas Emissions (Scope 2)

### ▼ Scope 2: Indirect Greenhouse Gas Emissions (Primarily from Purchased Electricity)



## Greenhouse Gas Emission Intensity

In 2024, TTMC' s total greenhouse gas (GHG) emissions amounted to 2,068.292 metric tons of CO<sub>2</sub>e per year.

Direct GHG emissions (Scope 1) totaled 205.283 metric tons of CO<sub>2</sub>e per year, accounting for 9.93% of total emissions.

Indirect GHG emissions (Scope 2) totaled 1,863.008 metric tons of CO<sub>2</sub>e per year, accounting for 90.07% of total emissions.

Compared with the baseline year 2017, the company' s GHG emission intensity in 2024 was reduced by 11.45%.

### ▼ Summary of Greenhouse Gas Emissions by Year

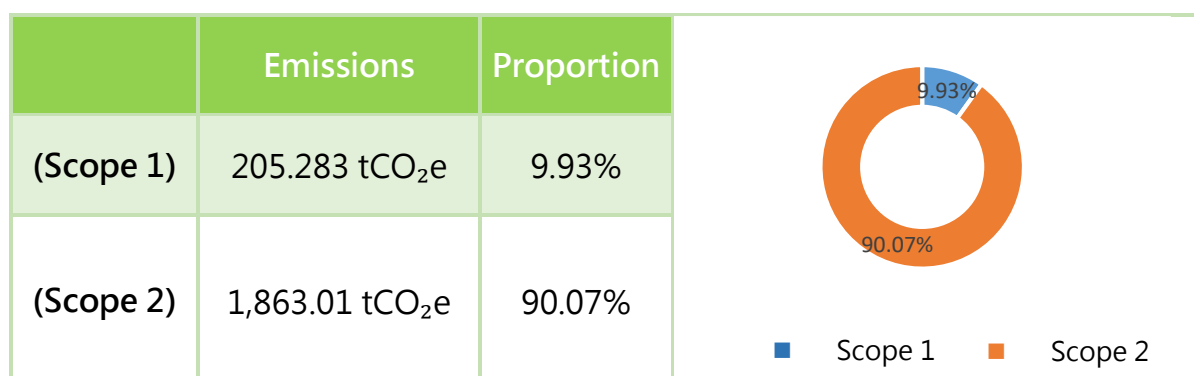
Year	Total Emissions		Direct Greenhouse Gas Emissions (Scope 1)		Indirect Energy Emissions (Scope 2)	
	tCO <sub>2</sub> e/year	Variation	tCO <sub>2</sub> e/year	Proportion	tCO <sub>2</sub> e/year	Variation
106	2926.749	Base Year	335.469	11.46%	2591.280	88.54%
107	2730.229	↓	314.673	11.53%	2415.556	88.47%
108	2385.513	↓	290.362	12.17%	2095.150	87.83%
109	2391.705	↓	241.720	10.11%	2149.986	89.89%
110	2227.680	↓	224.288	10.07%	2003.391	89.93%
111	2033.403	↓	206.838	10.17%	1826.565	89.83%
112	1952.982	↓	192.700	9.87%	1760.279	90.13%
113	2068.292	↓	205.283	9.93%	1863.008	90.07%

Note: Direct greenhouse gas (GHG) emissions include emissions from stationary combustion sources, mobile combustion sources, fugitive emissions, and process emissions. Indirect energy-related GHG emissions are primarily derived from purchased electricity.

### ▼ Historical Carbon Emission Intensity Statistics

Year	Carbon Emissions (tCO <sub>2</sub> e)	Product Weight (kg, Total Sales Volume)	Carbon Emission Intensity (kg CO <sub>2</sub> e/kg Product)	Carbon Reduction (%)
2017	2926.749	520421	5.62	基準年
2018	2730.229	526856	5.18	-7.85%
2019	2385.513	519900	4.59	-18.41%
2020	2391.705	554115	4.32	-23.25%
2021	2227.680	535522	4.16	-26.03%
2022	2033.403	404630	5.03	-10.64%
2023	1952.982	380464	5.13	-8.72%
2024	2068.292	442258	4.98	-11.45%

### ▼例 Proportion of Emissions by Scope



### GHG Emission Reduction Performance

In 2024, the Company' s direct greenhouse gas (GHG) emissions (Scope 1) amounted to 205.283 metric tons CO<sub>2</sub>e per year, accounting for 9.93% of total emissions. Indirect GHG emissions (Scope 2) totaled 1,863.01 metric tons CO<sub>2</sub>e per year, representing 90.07% of total emissions. No relevant data are available for other indirect emissions (Scope 3).

In 2024, the Company' s total greenhouse gas (GHG) emissions amounted to 2,068.292 metric tons CO<sub>2</sub>e per year, representing a reduction of 858.457 metric tons CO<sub>2</sub>e compared with the baseline year 2017. The GHG emission intensity decreased by 11.45% relative to the baseline year, achieving the annual 3% carbon reduction target.

## 5.4 Circular Economy

Major  
Topics

### 5.4.1 Resource Circulation Management



Benefits of 2024

Highlight



>99%

In 2024, over 99% of precious metals were independently recycled and circulated.

### Significance to TTMC

TTMC is committed to integrating ESG principles into business decision-making, with a strong focus on performance in the three key dimensions of environmental protection, social responsibility, and corporate governance, in order to achieve the goals of sustainable operations.

In recent years, as global environmental awareness has grown and ESG issues such as carbon emissions and carbon taxation have gained prominence, the production, recycling, and cost management of general-purpose metals have become increasingly complex. Meanwhile, the extraction and application of rare earth materials have become ever more critical.

As a materials supplier for the optoelectronics, metal, and semiconductor industries, Thintech relies heavily on imported raw metals. To ensure resource sustainability, the Company actively promotes effective circular utilization of materials, not only to maintain a stable supply of production inputs but also to reduce the extraction of virgin materials from natural resources—thereby minimizing environmental damage caused by mining activities.

TTMC innovates across three dimensions—recycling, downcycling, and technological development—to advance resource circularity:

1. Recycling: Recovered materials are refined or reprocessed and returned to the original industrial value chain for reuse.
2. Downcycling: Lower-grade by-products are recycled and used as input

materials in other product applications.

3. **Technological Development:** Through technology innovation and purification processes, Thintech enhances material value, builds new circular business models, expands material sources, and stabilizes production.

In addition, geopolitical tensions have become a constant in global trade and supply dynamics. The U.S.–China trade and technology conflicts, the COVID-19 pandemic, and the Russia–Ukraine war have all introduced unprecedented uncertainties, particularly affecting metal materials essential to climate transition and emerging technologies. For Taiwan's industries, green metal recycling and advanced materials technologies are key foundations for ensuring sustainable development and maintaining industrial competitiveness.

With sustainability as its long-term goal, Thintech incorporates environmentally friendly and circular design principles across the entire product life cycle—from raw material sourcing, procurement, production, packaging, and transportation, to customer service, recovery, and reuse. The Company adopts a green supply chain management approach, emphasizing energy conservation, emission reduction, the use of environmentally friendly materials, and process efficiency improvement. Together with upstream and downstream partners, Thintech actively fulfills its social responsibility for environmental protection, energy efficiency, and emission reduction, creating a sustainable and resilient green supply chain.

## Goals

- over 99% independent recycling and remanufacturing rate for precious metals

## Management Policy

In addition to maintaining a stable supply of raw materials, TTMC Materials actively promotes the recycling of materials to mitigate the impacts of global warming and climate change. The company implements its environmental policy of "Protecting the Earth" and upholds the principles of sustainable development.

## New Raw Material Source Development

TTMC' s new raw material source development policy aims to proactively identify and evaluate alternative raw material sources that meet the Company' s production needs, monitor progress, and achieve risk diversification. In supply chain management, TTMC recognizes that avoiding dependence on a single source requires a comprehensive and multi-dimensional approach to ensure supply chain stability and reliability.

As the supply of critical raw materials is often affected by external factors and industry cycles, and since most raw materials for TTMC' s target products are imported, the Company adopts a diversified sourcing strategy. TTMC carefully assesses potential suppliers and actively develops new material sources across different regions to prevent supply shortages, reduce reliance on specific suppliers, and mitigate risks from geopolitical or environmental influences. The Company also adjusts its raw material procurement plans flexibly in response to global and domestic conditions to lower costs, diversify material sources, and ensure continuous and stable supply—maintaining product competitiveness and strengthening supply chain resilience.

To address material shortage risks and evaluate substitutability, TTMC conducts internal quality control and systematic supplier assessments to establish qualified and reliable suppliers. The Company also promotes cooperation with suppliers that align with green, environmental, and social responsibility principles, thereby ensuring stable raw material supply, enhancing operational profitability, and advancing sustainability throughout the supply chain.

## Circular Economy

The concept of a circular economy centers on the sustainable reuse of resources, promoting responsible production, enhancing resource efficiency, and increasing material value. Its core principle is to minimize the energy and materials used in production while eliminating waste generated throughout the product life cycle. Materials that are conventionally regarded as waste can be reused and recycled; when enterprises adopt a circular model as part of their business strategy, they are able to create new value from discarded materials—turning “waste” into “new raw materials. By maximizing the value of resources, a circular economy enables greater benefits to be created with fewer inputs, ensuring that the planet' s

limited resources are regenerated and utilized sustainably.

TTMC has developed in-house precious metal smelting and refining technologies to efficiently purify and recycle various precious metals for reuse. For other high-purity metal materials, the Company encourages suppliers to develop raw materials that reduce environmental impact or enable recyclability. During the production process, TTMC collaborates with original suppliers to resell by-products for reprocessing into new products, or independently works with external partners to develop circular utilization channels. These efforts enhance the economic value of material reuse and mitigate the impact of rising raw material and energy costs.

The Company also closely monitors supplier risk profiles and strengthens their sustainability capabilities to maintain stable raw material supply and service continuity. By creating a safe and healthy working environment, TTMC ensures that limited resources are used in a circular and sustainable manner, minimizing environmental and social impacts.

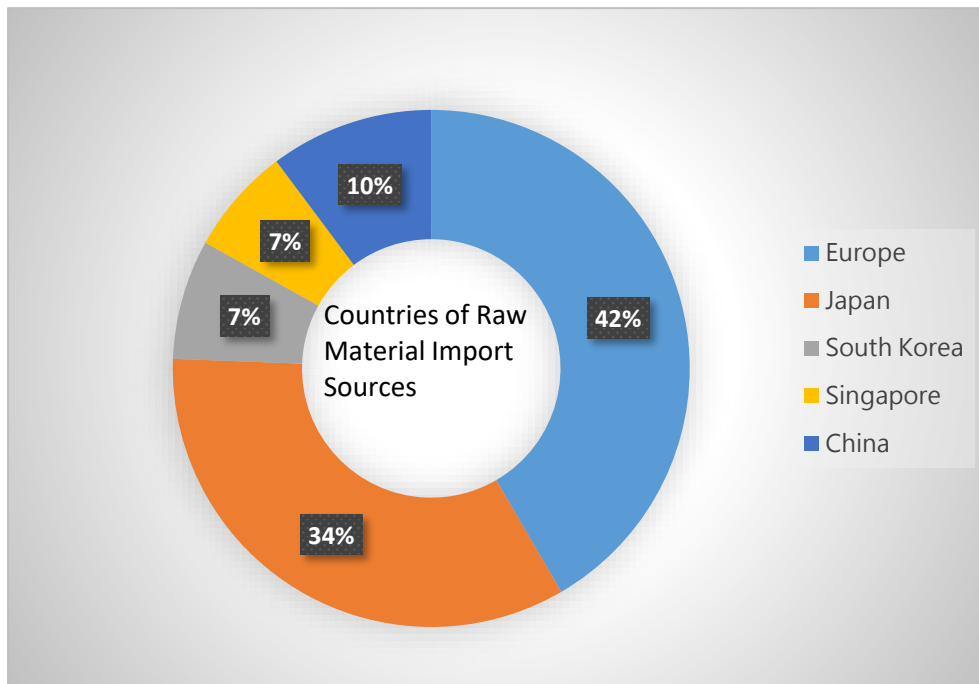
### Implementation Status

In 2024, TTMC's total raw material procurement reached 683.8 metric tons, representing a 34% increase compared with 2023. The procurement composition consisted of 67% high-purity metals, 24% general metal materials, and 10% precious metals, reflecting respective changes of +16%, -11%, and -5% from the previous year. Raw materials were sourced from Europe, China, Japan, South Korea, and Singapore, with Europe accounting for 42%, Asia for 58%, and Taiwan for 13% of total procurement.

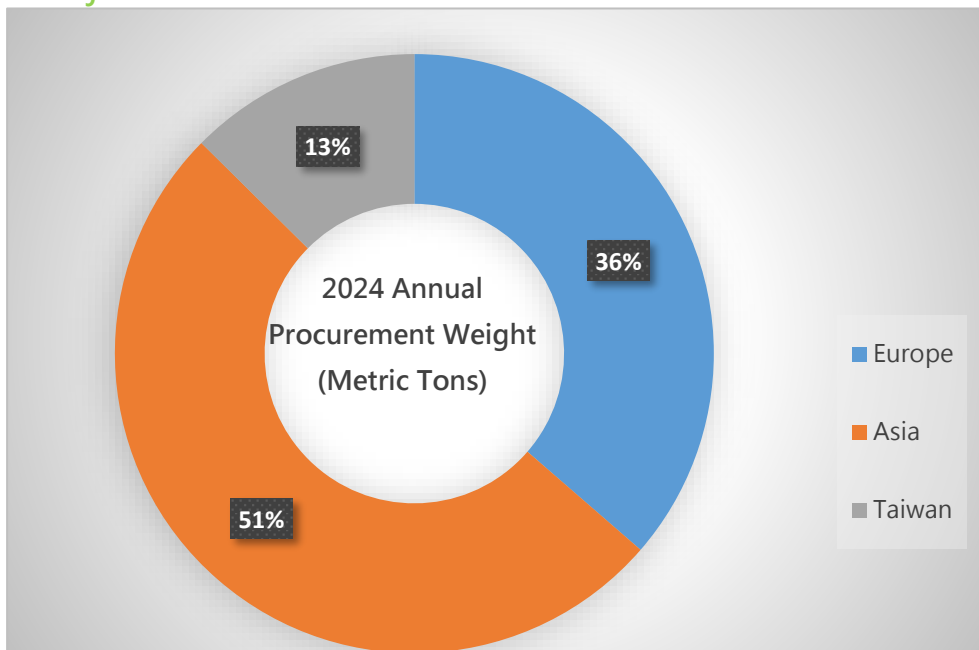
Circular economy practices embody a truly sustainable, zero-waste model that enables coexistence with the environment and the efficient use of resources. The global shift toward ESG-focused circularity brings benefits such as optimized material use, new revenue opportunities through innovation, enhanced stakeholder relations and brand reputation, and reduced operational risks.

In 2024, TTMC continued its quarterly or annual contract-based procurement model for key raw materials. Of the total material volume, 9.9% was recovered and reused through in-house purification, 67.9% was recycled back into the original industrial chain in collaboration with suppliers, and 9.6% was resold to other industries for value-added reuse. The overall in-house purification and supplier recycling rate remained consistent with 2023, indicating that circular economy management is becoming an integral trend in TTMC's production model.

### ▼ Countries of Origin for Major Raw Material Imports in 2024



### ▼ Major Raw Material Procurement Volume in 2024



## 5.4.2 Waste

### Waste Generation and Its Significant Environmental Impacts

The waste generated at the facility is properly stored in designated waste storage areas according to environmental regulations and categorized by type. All waste is outsourced for treatment (transfer and disposal), with no on-site treatment (direct disposal). The entrusted licensed waste removal, treatment, and recycling contractors handle the waste in full compliance with contractual and legal requirements, reporting regularly online. The facility's waste management practices are certified under the ISO 14001:2015 Environmental Management System.

On a daily basis, Environmental Health and Safety (EHS) personnel prepare waste generation and disposal balance sheets for statistical monitoring and control. In accordance with Environmental Protection Administration (EPA) regulations, the facility submits online reports of the previous month's waste generation by the end of each month. In cases of abnormal waste generation, immediate discussions with the production unit are conducted to review and implement reduction measures.

"Zero Waste" is the ultimate goal of the Company's waste management. We will continue to promote a circular economy, adopting strategies focused on reducing total waste generation and valorizing waste as a resource. Through source management measures such as process technology improvements and raw material reduction, as well as the implementation of green procurement to avoid single-use consumables, the Company strives to minimize waste.

Scrap materials are refined and processed to fully recover usable raw materials (e.g., silver, indium). By applying in-house refining, remelting, and purification technologies, the reuse rate is increased. Most target material product packaging uses durable materials, which are collected and reused by customers (e.g., aluminum or wooden containers), thereby improving consumable utilization and reducing waste generation to achieve our waste reduction targets.

▼The status of source reduction and resource recycling in 2024 is shown in the table below:

Source Reduction and Resource Recycling Measures	Implementation Results
1. Silver Refining and Recycling	4.372 t
2. Indium Refining and Recycling	3.3 t
3. Tin-Zinc Solder Recycling	35.124 t
4. Acid Container Recycling by Original Supplier	0.864 t
5. Aluminum Scrap Reclaimed and Remanufactured by Original Supplier	90.232 t

The Company has set a target of progressively reducing the unit waste generation per product based on the 2022 baseline. In 2024, the unit waste generation was 0.278 tons of waste per metric ton of product, representing a decrease of 0.105 tons per metric ton of product compared with 0.383 tons per metric ton of product in 2023. The Company has successfully achieved the reduction target.

To assess the potential impacts of waste generated during the Company's production activities, evaluation criteria are established based on the hazardous characteristics of the waste and its disposal methods, as shown in the table below:

	Waste Treatment	Outsourced Reuse	Outsourced Resource Recovery	Recovered by Original Supplier	In-House Reuse
Hazardous	6	5	4	3	2
Non-Hazardous	5	4	3	2	1
備註:					
6: High Impact		5: Medium-High Impact		4: Medium Impact	
3: Medium-Low Impact		2: Low Impact		1: Very Low Impact	

### ▼ Raw Material Input and Potential Impact Assessment Table

Process Activities	Raw Material Input	Waste Output	Waste Code	Impact Level / Severity
Melting & Forging	Cutting Oil	Waste Oil Mixtures	D-1799	Medium-High Impact
	Refractory Brick	Waste Bricks	R-0402	Moderate Impact
bonding	Alumina Sand	Waste Casting Sand	R-1201	Moderate Impact
	Cleaning Cloth	Waste Fibers and Other Mixed Textiles	D-0899	Medium-High Impact
Machining / Processing	Cutting Oil	Waste Oil Mixtures	D-1799	Medium-High Impact
	Aluminum Metal	Scrap Aluminum	R-1304	Medium-Low Impact
	Iron Metal	Scrap Iron	R-1301	Medium-Low Impact
	Cutting Oil <b>Metal Processing</b>	Non-Hazardous Oil Sludge	D-0903	Medium-High Impact
Hot Pressing	Raw Material Powder	Waste Ceramics	R-0403	Moderate Impact
Silver Refining	Acids, Bases, and Organic Chemicals	Waste Liquid with pH $\leq$ 2.0	C-0202	High Impact
		Copper and Copper Compound Waste Liquids	C-0110	High Impact
Inbound & Outbound Logistics	Packaging Materials	Waste Wood	R-0701	Moderate Impact
Air Emission Treatment Procedure	-	Non-Hazardous Dust Waste or Its Mixtures	D-1099	Medium-High Impact
Wastewater Treatment Procedure	Wastewater Treatment Chemicals	Inorganic Sludge	D-0902	Medium-High Impact
		Copper and Its Compounds (Total Copper) Sludge	C-0110	High Impact
Non-Process Output (NPO)	-	General Waste Generated from Business Activities	D-1801	Medium-High Impact
	-	Waste Paper Mixtures	D-0699	Medium-High Impact
	-	Waste Plastic Mixtures	D-0299	Medium-High Impact
	-	Mixed Waste of Glass, Ceramics, Bricks, Tiles, and Clay	D-0499	Medium-High Impact
	-	Waste Lubricating Oil	D-1703	Medium-High Impact
	-	Waste Glass	R-0401	Medium-Low Impact
	-	Waste Dry Batteries	R-2404	Medium-Low Impact

Process Activities	Raw Material Input	Waste Output	Waste Code	Impact Level / Severity
	-	Waste Lighting Sources	R-2405	Medium-Low Impact
	-	Scrap Iron	R-1301	Medium-Low Impact
	-	Scrap Aluminum	R-1304	Medium-Low Impact
	-	Waste Plastic	R-0201	Medium-Low Impact
	-	Scrap Paper	R-0601	Medium-Low Impact
	-	Other IT Equipment Waste (Motherboards, HDDs, PSUs, Cases, Keyboards, etc.)	R-1908	Medium-Low Impact
	-	Scrap Copper	R-1302	Medium-Low Impact

### Management of Significant Environmental Impacts from Waste

The waste generated at the TTMC plant is properly stored in designated waste storage areas according to category, in compliance with environmental regulations. All generated waste is reported online in accordance with the Environmental Protection Administration's requirements and is legally collected, treated, or recycled by qualified waste disposal and recycling contractors under contractual and legal obligations.

### Generation and Disposal Methods of Waste

All waste generated at the TTMC plant is handled externally (transferred for disposal), with no on-site treatment (direct disposal) carried out within the facility.

#### ▼Waste Treatment in the Past Three Years

	2022	2023	2024
Hazardous Waste (tons)	31.45	29.97	19.70
Non-Hazardous Waste (tons)	107.95	115.78	103.13
Waste Generation per Unit Product (tons of waste / ton of product)	0.345	0.383	0.278

## ▼Waste Disposal List

Hazardous Characteristics	Total Waste Generated in the Past 6 Years (tons)						Waste Disposal Routes in 2024		
	2019	2020	2021	2022	2023	2024	Waste Management (tons)	Reuse (tons)	Recycling (tons)
Hazardous	-	-	0.64	-	-	-	-	-	-
Hazardous	-	18.54	17.16	16.17	20.38	11.23	11.23	-	-
Hazardous	9.23	11.15	12.97	11.884	3.92	5.82	-	5.76	-
Hazardous	-	-	-	3.396	4.32	1.86	-	1.86	-
Hazardous	-	2	-	-	1.35	0.79	-	1.25	-
Non-hazardous	75	75	75	75	75	75	75	-	-
Non-hazardous	2.25	0.27	0.24	0.14	0.12	-	-	-	-
Non-hazardous	-	1.89	-	-	3.93	-	3.93	-	-
Non-hazardous	3.73	1.2	1.2	0.33	1.02	-	1.91	-	-
Non-hazardous	0.782	1.09	2.42	2	0.14	-	0	-	-
Non-hazardous	-	0.05	0.12	0	1.06	0.17	-	0.17	-
Non-hazardous	9.43	8.46	15.4	4.56	6.31	7.69	-	7.69	-
Non-hazardous	2.6	0.7	2.6	0.83	2.13	1.357	-	1.357	-
Non-hazardous	0.67	-	5	7	4	5.593	-	5.593	-
Non-hazardous	20.88	19.53	22.16	14.04	18.43	9.82	-	9.82	-
Non-hazardous	17.55	5.66	4.88	-	-	-	-	-	-
Non-hazardous	3.1	2.25	2.72	2.69	2.68	2.5	-	-	2.68
Non-hazardous	0.21	2.63	1.57	0.47	0.38	0.4	-	-	0.38
Non-hazardous	3.17	1.51	1.24	0.98	0.59	0.60	-	-	0.59
Hazardous	9.23	31.69	30.77	31.45	29.97	19.7	11.23	8.87	0
Non-hazardous	139.372	120.24	134.55	108.04	115.785	103.13	80.84	24.63	3.645

## 6. Occupational Safety and Health (OSH)

### Benefits of 2024



### Highlights



Zero Major Occupational Accidents



Under the comprehensive implementation of risk control and enhanced operational safety measures, in 2024 the company achieved zero Total Recordable Incident Rate (TRIR) and zero Severity Rate for all employees, demonstrating the effectiveness of occupational injury prevention and protection mechanisms.



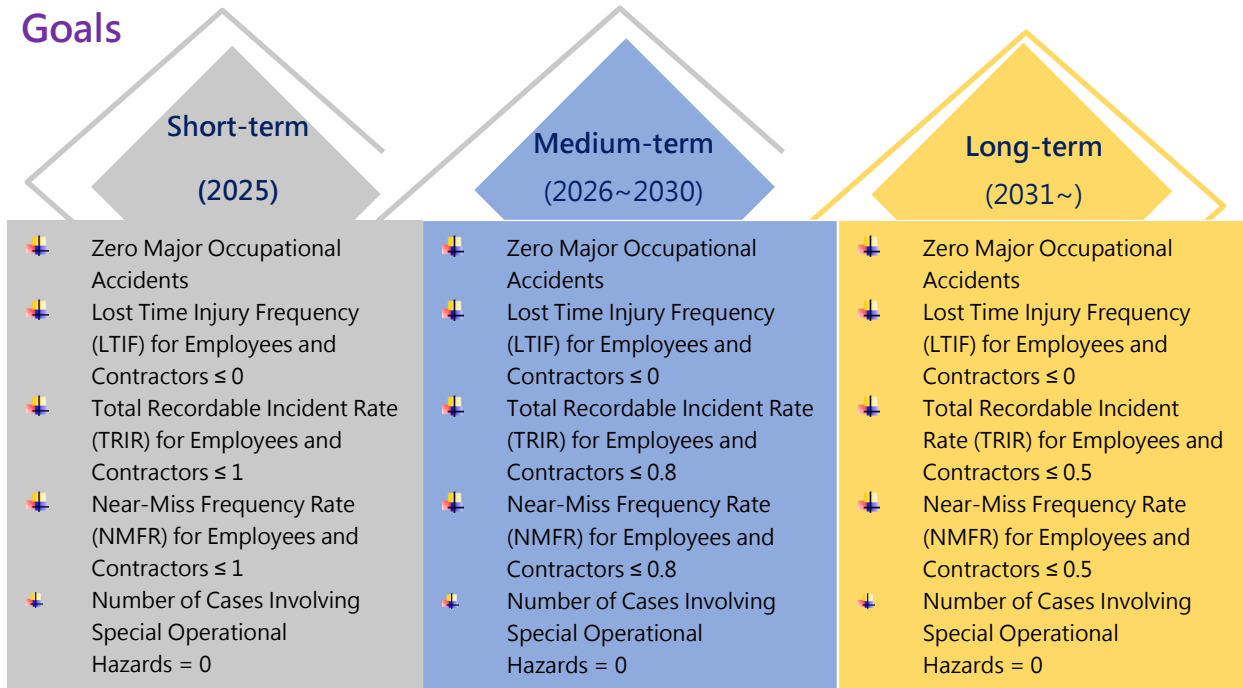
In 2024, the company conducted a total of 85 sessions of internal occupational safety and health training, with 851 participants in total.

### Significance to TMC

To eliminate operational hazards and reduce occupational safety and health risks, TTMC is committed to creating a safe and healthy work environment, preventing work-related injuries, illnesses, and accidents, and continuously promoting worker participation and consultation in safety and health management matters.

Occupational safety and health has become a crucial cornerstone for sustainable business operations. As global requirements for OSH management become increasingly stringent, TTMC actively promotes a “Safety by Everyone” culture, comprehensively enhancing safety and health awareness among employees and contractors, strengthening preventive management measures, and striving to create a zero-accident workplace together.

## Goals



### ▼ Total Working Hours, Number of Work-Related Injuries, and Lost Days of TTMC Materials in 2024

Category	Total Working Hours	Number of Work-Related Injuries			Lost Days
		Recordable	Disability	Fatal	
TTMC	417,896	0	0	0	0
Contractor	14,880	0	0	0	0

**Note:**

Recordable work-related injury cases include disability and fatalities, as determined with reference to the 勞工職業災害保險職業傷病審查準則 (Regulations on the Review of Occupational Injuries and Diseases under the Labor Occupational Accident Insurance) — 全國法規資料庫 (National Regulations Database).

### ▼ TTMC – Occupational Injury Statistics for 2024

Work-Related Injuries	Near Misses	Frequency Rate (FR)	Near Miss Rate	Occupational Disease Rate (ODR)	Recordable Injury Rate	Total Work-Related Fatalities
0	0	0	0	0	0	0

### ▼ TTMC– 2024 Occupational Injury Statistics for Contractors

Work-Related Injuries	Near Misses	Frequency Rate (FR)	Near Miss Rate	Occupational Disease Rate (ODR)	Recordable Injury Rate	Total Work-Related Fatalities
0	0	0	0	0	0	0

**Note:**

- Frequency Rate (FR): (Number of Disability Cases / Total Working Hours) × 1,000,000
- Near Miss Rate: (Number of Near Misses / Total Working Hours) × 1,000,000
- Occupational Disease Rate (ODR): (Number of Occupational Disease Cases / Total Working Hours) × 1,000,000
- Recordable Injury Rate (including fatalities, disabilities, and minor injuries): (Number of Recordable Cases / Total Working Hours) × 1,000,000

## Management Policy

TTMC places occupational safety and health (OSH) management at the core of its operations, guided by the ISO 45001 Occupational Health and Safety Management System. The company promotes a worker-centered culture of safety and health, leveraging comprehensive risk control and health risk forecasting to create an inherently safe and healthy work environment. TTMC continuously improves management practices through the PDCA (Plan-Do-Check-Act) cycle, and regularly reviews performance indicators of each unit during the Occupational Safety and Health Committee meetings and the Environmental, Safety, and Health Management Review sessions. These measures aim to strengthen protection for workers in the workplace and in health care, thereby enhancing overall safety and hygiene standards.

### ▼TTMC' s Occupational Safety and Health Performance Indicators are categorized as:

Proactive	Reactive
<ul style="list-style-type: none"> <li>➤ <b>Number of On-Site Safety Change Management Cases</b></li> <li>➤ <b>Near Miss Incidents</b></li> <li>➤ <b>Safety and Health Management Plans / Proposals</b></li> <li>➤ <b>Individual Health Management and Education</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Regulatory Authority Penalties</b></li> <li>➤ <b>Work-Related Occupational Injury Incidents</b></li> <li>➤ <b>Findings from Internal and External Safety &amp; Health Audits</b></li> <li>➤ <b>Completion Rate of Regulatory Compliance Verification</b></li> </ul>

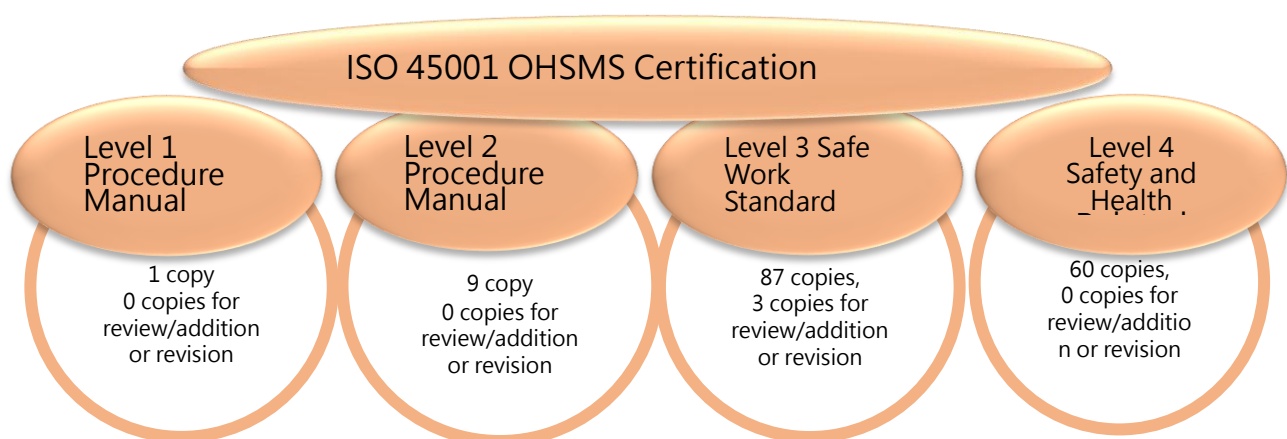
In accordance with Article 12-2 of the Occupational Safety and Health Management Regulations, first-category enterprises with 200 or more employees are required to establish an occupational safety and health management system. To comply with legal requirements and align with international standards, TTMC has implemented the ISO 45001 Occupational Health and Safety Management System. Through systematic management, the company continuously improves health and safety performance and strengthens the overall risk management culture across the group.

## Occupational Safety and Health Management System

To strengthen occupational safety and health management, TTMC obtained OHSAS 18001 certification in 2008 and successfully transitioned to ISO 45001 certification in 2019. The Occupational Safety and Health Management System applies to all workers in TTMC' s facilities, including cleaning staff, security personnel, dispatched employees, outsourced personnel, and contractors. Management of contractors is carried out in accordance with the Contractor Management Regulations.

Each unit conducts hazard identification and risk assessment based on their operational activities, implements improvement measures according to the severity of risks, and evaluates the effectiveness of these measures through two types of performance indicators. This approach ensures the effectiveness and continuous improvement of the management system.

In terms of external performance, TTMC was recognized in 2012 by the Southern Taiwan Science Park Administration of the Ministry of Science and Technology as an "Outstanding Workplace Safety and Health Management Unit." In 2023, the company received the "OSH Sustainable Workplace Health and Safety Excellence Award" from the Occupational Safety and Health Administration, Ministry of Labor. Additionally, the ISO 45001 external audit conducted by BSI (British Standards Institution) in 2020 was successfully passed, and the certification remains valid.



### ▼ TTMC OSHMS Flowchart



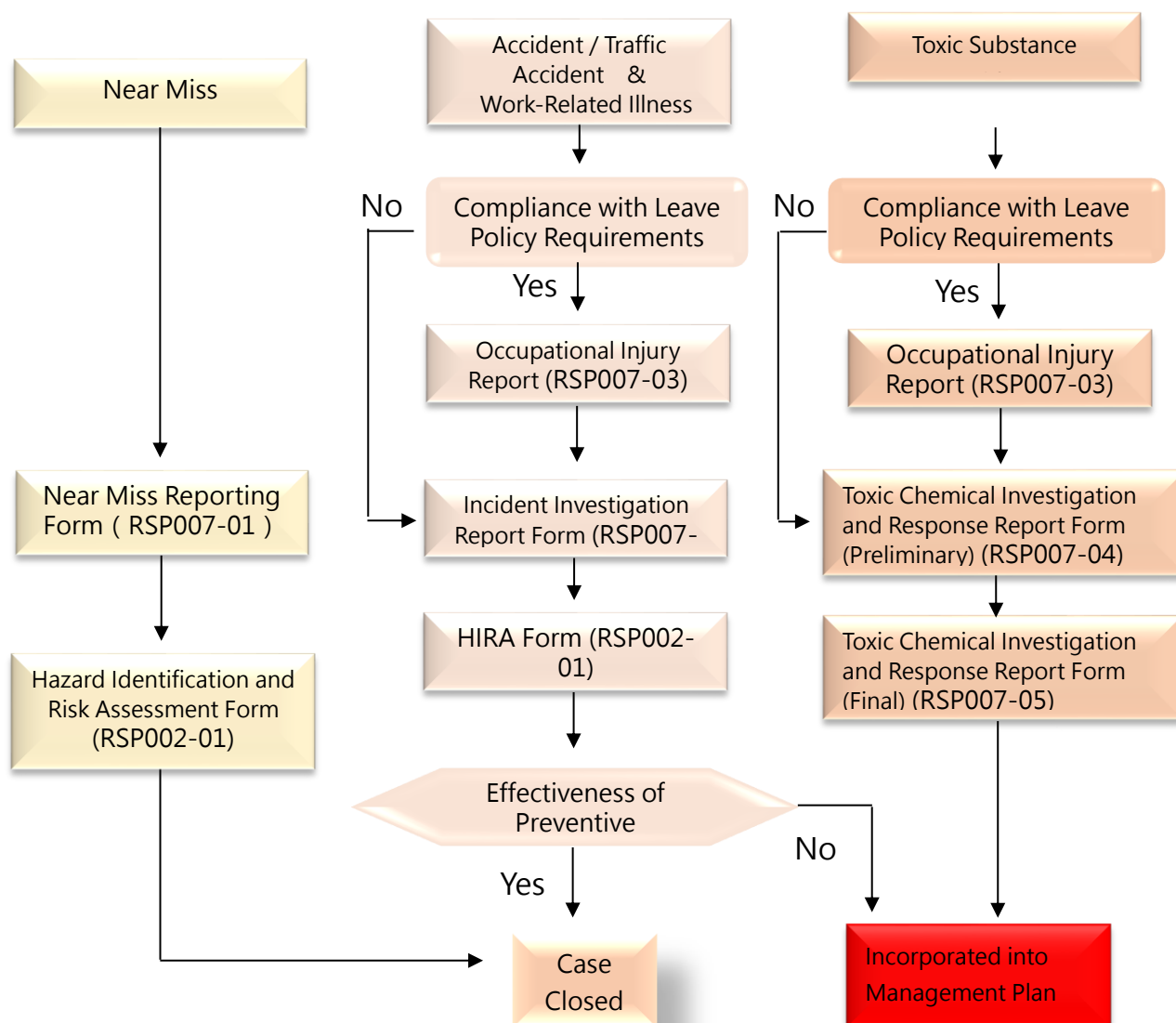
### Hazard Identification, Risk Assessment, and Incident Investigation

TTMC conducts a comprehensive review of all identified products, activities, and services to determine their potential impacts on occupational safety and health. Through systematic hazard identification and risk assessment, the company evaluates potential risks and opportunities associated with materials, machinery, equipment, work environments, employees, visitors, contractors, and suppliers. Potential physical, chemical, biological, and ergonomic hazards related to various operational activities are identified, and their causes and reasonably foreseeable worst-case consequences are analyzed.

To reduce risks and enhance overall performance, TTMC implements feasible and effective preventive and control measures to minimize the likelihood of hazard occurrence and mitigate the severity of their consequences. These measures ensure that all operations are conducted safely and in compliance with relevant regulations.

In addition, TTMC provides at least one hour of essential training every two years for personnel responsible for conducting occupational hazard identification and risk assessments. This training aims to enhance their safety, health knowledge, and risk assessment capabilities. When necessary, the company also seeks assistance from external professional organizations to ensure the quality and professionalism of the assessments.

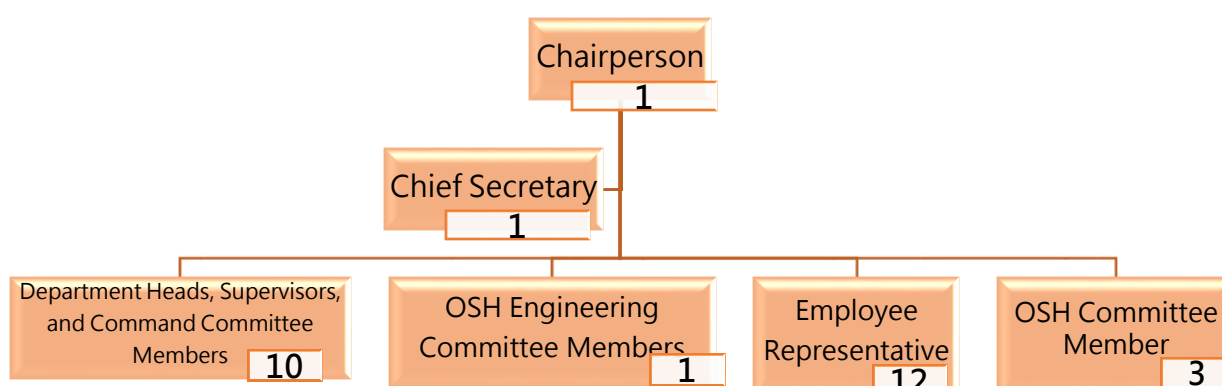
## ▼ Incident Classification and Handling Process



## Occupational Safety and Health Committee

To effectively discuss and address practical occupational safety and health (OSH) issues, TTMC has established an Occupational Safety and Health Committee. The General Manager serves as the Chairperson, while the Environmental, Safety, and Health (ESH) Management Representative concurrently acts as Secretary. The committee includes a total of 12 worker representatives, accounting for 41.3% of all members.

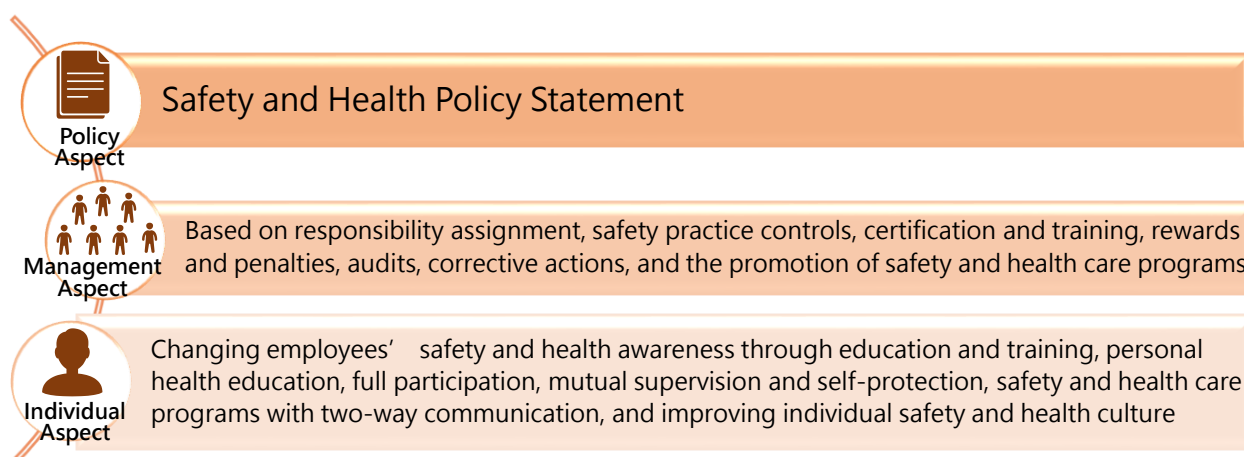
The committee convenes quarterly to discuss ESH-related matters and review management performance. The overall annual ESH performance is compiled and submitted in the company's shareholders' annual report, publicly disclosed to allow societal oversight, demonstrating the company's commitment and emphasis on occupational safety and health management.



## 6.1 Promoting a Safety Culture

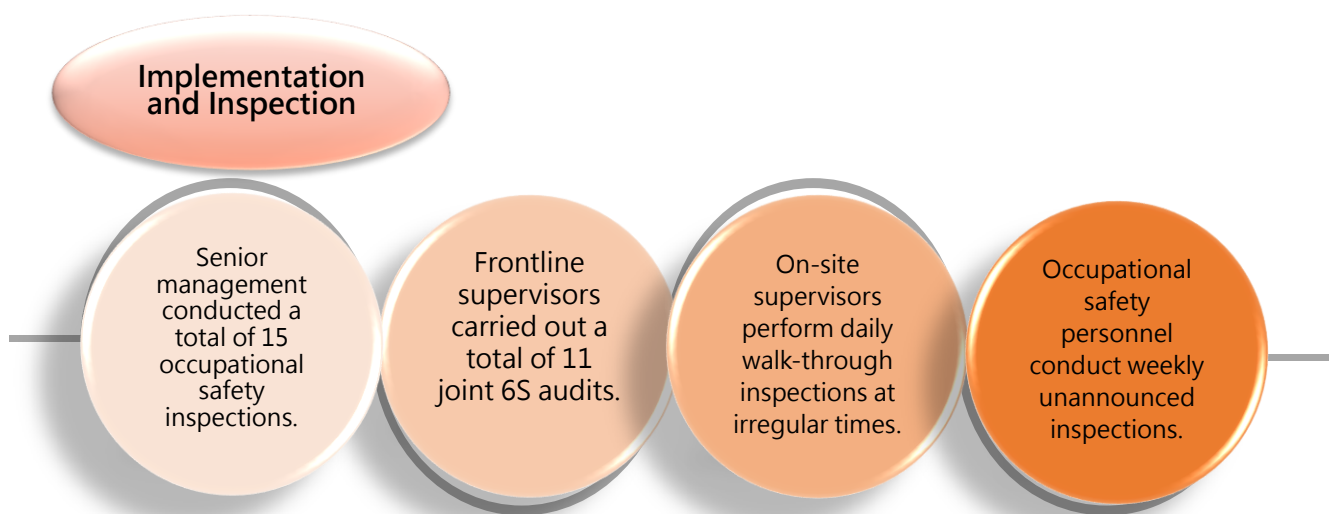
The core objective of occupational safety management is to instill safety awareness and knowledge in every worker, thereby establishing a “safety culture.” TTMC, adhering to the philosophy of the CSC Group, encourages employees to actively participate in improving workplace facilities through suggestion systems and self-management activities. Additionally, on-site “Safe Work Procedures” are discussed, formulated, and collectively followed by the personnel actually performing the tasks, ensuring that every worker participates in and pays attention to workplace safety matters. This approach reinforces compliance and regulatory awareness, gradually cultivating good safety habits and embedding them into the corporate culture.

Safety culture is a multi-dimensional concept that requires analysis and understanding at different levels. Continuing the CSC Group’s safety philosophy, TTMC divides the components of safety culture into three dimensions: policy level, management level, and individual level, aiming to comprehensively promote and deepen the implementation and development of a safety culture.



## Safe Work Observation and Audit

Safety operation observation and audits are a key component in establishing a strong safety culture. Their purpose is to proactively identify and prevent unsafe behaviors among personnel, while promptly correcting and improving potential hazards in the work environment and machinery. Through continuous observation and systematic audits, on-site risk control mechanisms are strengthened, effectively enhancing overall workplace safety management performance.



## Training and Awareness

Enhancing employees' awareness, attitude, and competency regarding occupational safety and health (OSH) has always been the core focus of TTMC' s ESH education and training programs. In addition, TTMC actively promotes the "Localization of Safe Work Procedure Revision" initiative, allowing on-site personnel to participate in the revision and formulation of safe work procedures through collaborative discussions, replacing the traditional method of having procedures drafted by designated staff.

This process is integrated with "Zero-Harm Hazard Prediction Training" , enabling comprehensive hazard identification concerning work content, methods, and the work environment. Through this approach, risks are effectively controlled, thereby reducing the likelihood of occupational accidents.

### ▼ Occupational Health and Safety Actions in 2024

Item	Execution Details
Regulatory Identification	<ul style="list-style-type: none"> <li>✚ Conduct monthly regulatory identification to ensure the company' s commitment to compliance with relevant laws and regulations, and continuously improve according to the PDCA cycle to achieve compliance objectives.</li> <li>✚ Regularly track and update changes, amendments, and repeals of occupational safety and health regulations during the company' s safety and health meetings. Recently, a total of four regulatory changes have been recorded.</li> </ul>
Safety and Health Training / Health Promotion	<ul style="list-style-type: none"> <li>✚ One session of equipment inspection-related training was conducted, with a total of 61 participants.</li> <li>✚ Safety Awareness Training: 25 sessions, 280 participants</li> <li>✚ SJP Safety Operation Standard Training for Each Unit: 11 sessions, 41 participants</li> <li>✚ Warehouse Operations Hazard Prevention Training: 5 sessions, 35 participants</li> <li>✚ Compliance with AUO Work Safety Regulations Training: 1 session, 5 participants</li> <li>✚ Use of HF in Asian Toxicology – Precaution Training: 1 session, 4 participants</li> <li>✚ Group EHS Near-Miss Case Studies Training: 6 sessions, 24 participants</li> <li>✚ Defensive Driving and Legal Awareness Training: 1 session, 19 participants</li> <li>✚ Promotion to Supervisor Training: 2 sessions, 2 participants</li> <li>✚ On-the-Job Safety Change Training for Employees: 2 sessions, 3 participants</li> <li>✚ Supervisor Training: 1 session, 12 participants</li> <li>✚ Abnormal Email Identification Skills Training: 1 session, 14 participants</li> <li>✚ Suspicious Cargo, Parcel, or Mail Inspection &amp; Explosive Identification Training: 1 session, 14 participants</li> <li>✚ Occupational Safety and Health Multi-Sensory XR Disaster Simulation Training: 1 session, 1 participant</li> <li>✚ Firefighting Training: 2 sessions, 124 participants</li> <li>✚ Factory Management Law and Sub-Law Amendments &amp; Hazardous Materials Declaration Briefing: 2 sessions, 3 participants</li> </ul>

	<ul style="list-style-type: none"> <li>✚ Workplace Reentry Assistance for Workers with Occupational Injuries Briefing: 1 session, 1 participant</li> <li>✚ Earthquake Early Warning &amp; Smart Disaster Prevention System Enhancement – Fire, Safety, and Health Briefing: 1 session, 1 participant</li> <li>✚ Workplace Health Promotion Session: 1 session, 2 participants</li> <li>✚ Occupational Hazard Prevention &amp; Mechanical Safety Facilities Subsidy Briefing: 1 session, 1 participant</li> <li>✚ New Employee Training: 3 sessions, 3 participants</li> <li>✚ Metabolic Syndrome: Eating Right to Combat Three Highs Training: 2 sessions, 21 participants</li> <li>✚ Chemical Management Training: 1 session, 11 participants</li> <li>✚ Electrical Hazard Prevention for Machinery Operation Training: 1 session, 1 participant</li> <li>✚ Carcinogenic Chemical Hazard Prevention Practical Sharing Session: 1 session, 1 participant</li> <li>✚ Operational Hazard Risk Assessment Strategy &amp; Technical Implementation Workshop: 1 session, 1 participant</li> <li>✚ Crushing and Pinching Hazard Training: 1 session, 11 participants</li> <li>✚ Toxic / Concern Chemical Emergency Response Drill: 1 session, 7 participants</li> <li>✚ Process Safety Culture &amp; Smart Technology Application Presentation: 1 session, 5 participants</li> <li>✚ CNC Lathe Operation &amp; Equipment Maintenance Training: 2 sessions, 6 participants</li> <li>✚ ISO Quality and EHS System Training: 1 session, 59 participants</li> <li>✚ Quality and EHS Policy Awareness Training: 1 session, 50 participants</li> <li>✚ 5S / Workplace Organization Training: 1 session, 49 participants</li> <li>✚ Dust Hazard Awareness Training: 1 session, 24 participants</li> </ul>
<b>Safety &amp; Health Certification Training</b>	<ul style="list-style-type: none"> <li>✚ Special Occupational Safety and Health Training for Forklift Operators (Load Capacity <math>\geq</math> 1 Ton): 15 participants</li> <li>✚ Training for Operators of Fixed Cranes (Load Capacity <math>\geq</math> 3 Tons): 25 participants</li> <li>✚ On-the-Job Safety and Health Training for Personnel Operating Acetylene or Gas Welding/Cutting/Heating Devices: 1 participant</li> <li>✚ Type A Labor Safety and Health Supervisor Training: 2 participants</li> <li>✚ Occupational Hygiene Manager Training: 1 participant</li> </ul>

	<ul style="list-style-type: none"> <li>✚ On-the-Job Safety and Health Training for Organic Solvent Operations Supervisors: 1 participant</li> <li>✚ On-the-Job Safety and Health Training for Specific Chemical Operations Supervisors: 1 participant</li> <li>✚ On-the-Job Safety and Health Training for Dust Operations Supervisors: 3 participants</li> </ul>
Risk Assessment & Hazard Identification	<ul style="list-style-type: none"> <li>✚ Each unit conducts annual hazard identification and risk assessment. Through systematic management, the company evaluates all relevant materials, machinery, equipment, work environments, personnel, visitors, contractors, and suppliers. This comprehensive assessment identifies potential physical, chemical, biological, and human-factor hazards and evaluates their associated risks. For hazards deemed unacceptable, improvement plans are developed and implemented to mitigate the risks. A total of 782 hazard identifications and risk assessments have been completed across all company operations.</li> </ul>
Change Management	<ul style="list-style-type: none"> <li>✚ One change management case was completed, with no near-miss incidents caused by change management.</li> </ul>
Chemical Management	<ul style="list-style-type: none"> <li>✚ There are 14 types of public hazardous substances, all stored in quantities below the regulatory thresholds.</li> <li>✚ The hazardous substances inventory includes 121 types, a decrease of 12 substances compared to last year.</li> <li>✚ Operations involving priority chemicals did not reach the critical quantity limits.</li> </ul>
Employee Safety Improvement Proposals	<ul style="list-style-type: none"> <li>✚ Management Plans: 2 cases initiated, 2 cases successfully completed</li> <li>✚ Voluntary Proposals: 5 cases successfully completed</li> </ul>
Workplace Environment Monitoring	<ul style="list-style-type: none"> <li>✚ In accordance with the “Regulations for Labor Workplace Environmental Monitoring,” chemical and physical factor measurements are conducted every three or six months by qualified occupational environment monitoring institutions. Chemical factors include carbon dioxide, dust, organic solvents, and specific chemicals, while physical factors include noise and the comprehensive temperature–heat index. The measurement results are evaluated for compliance with legal requirements and are communicated to unit supervisors for announcement and awareness</li> </ul>

	<p>purposes, as well as reported at the Occupational Safety and Health Committee meetings. Any abnormal results are promptly addressed and corrected to protect employee health.</p> <ul style="list-style-type: none"> <li>✚ In 2024, a total of 127 monitoring points (including area and personal sampling points) were completed for workplace environmental monitoring.</li> </ul>
<p>Emergency Response Drill</p>	<ul style="list-style-type: none"> <li>✚ Emergency response aims to enhance the capability to respond to accidents, in order to prevent or minimize personnel injuries, property damage, and environmental impacts. Through regular emergency drills, personnel are trained to react quickly during emergencies, carry out rescue operations, and reduce risks and potential damages.</li> </ul>
<p>Safety &amp; Near-Miss Case Sharing</p>	<ul style="list-style-type: none"> <li>✚ In 2024, a total of 53 safety awareness topics were promoted, covering key operational risks such as improper lifting points that could cause loads to fall, near-miss incidents involving high-temperature piping in furnace areas, and analysis of explosion accidents during aluminum mold casting. Additional campaigns emphasized adherence to Occupational Health and Safety Guidelines, earthquake safety procedures, proper machinery adjustment practices, and precautions during pressurized operations to prevent piping dislodgement.</li> <li>✚ Meanwhile, 72 health education topics were disseminated, addressing both general and emerging health issues. These included tips for preventing cardiovascular disease, legal awareness regarding stalking and harassment, the effects of consuming hot soup with cold drinks on blood pressure, early warning signs of dementia, the measles outbreak in Europe, understanding shingles virus, updates on vaccination protection, identification of toxic bacteria in foods, prevention of food poisoning during hot summer days, awareness of heat hazards and daily preventive measures, guidance on seeking medical care, dengue fever prevention, and recommendations for healthy eating when dining out.</li> </ul>
<p>Deficiency Review &amp; Improvement Actions</p>	<ul style="list-style-type: none"> <li>✚ Conducted a full inspection of fire extinguishers to ensure they are uniformly mounted, preventing long-term base contact with the floor and potential corrosion.</li> <li>✚ Enhanced isolation in the hydrazine storage area.</li> <li>✚ Reinforced and repaired the wobbling upper and lower platforms, including replacing worn anti-slip foam.</li> <li>✚ Performed a comprehensive inspection and labeling of pipelines.</li> </ul>

- ✚ The rooftop parapet wall had surface cement spalling due to long-term rain erosion. To prevent falling debris from injuring personnel, colleagues reinforced the parapet by welding H-beams, ensuring structural support, stability, and safety.
- ✚ The sandblasting machine's original operating port used a plastic film, which was prone to wear and dust leakage, posing potential health risks. To address this, a dust-sealed brush was installed to effectively reduce dust dispersion and safeguard the working environment.
- ✚ In the original metallographic analysis process, the traditional procedure required the use of 98% methanol. However, prolonged exposure to methanol poses significant health risks to operators. Colleagues conducted multiple trials and found that low-hazard ethanol can effectively replace methanol, thereby reducing health risks to personnel.
- ✚ During the gravity heat treatment process of the new product sheets, operators were required to manually place 36 weight blocks totaling 300 kg, performing two operations each time they loaded and unloaded the furnace. This long-standing practice posed potential musculoskeletal hazards to personnel. To reduce ergonomic risks, we leveraged in-house welding capabilities to design and fabricate a dedicated weight block module basket, and used a forklift for furnace loading and unloading operations, thereby improving both safety and efficiency.
- ✚ During the incoming and outgoing inspection of new product sheets, inspectors were required to follow inspection protocols while repeatedly bending and lifting sheets weighing 10 to 15 kg. This operation placed excessive strain on their lower back and arms. Although personnel used lumbar support belts to reduce discomfort from bending, the protective effect was still deemed insufficient. The company therefore introduced supportive jacket aids, which distribute body load through multiple points of support when worn. Additionally, adjustable-height trolleys were implemented to minimize the height difference of the inspection platform, reducing the need for inspectors to bend repeatedly during handling and further mitigating musculoskeletal injury risks.

### ▼ Disabling Injury Frequency & Severity

ITEM	2022	2023	2024
Total Working Hours	427,000	427,176	417,896
Employee Disabling Injury Frequency <sup>1</sup> (Including Commuting Accidents)	4.68	4.68	4.76
Employee Disabling Injury Severity <sup>2</sup> (Including Commuting Accidents)	473	306	199
Employee Disabling Injury Frequency <sup>1</sup> (Excluding Commuting Accidents)	2.34	2.34	0
Employee Disabling Injury Severity <sup>2</sup> (Excluding Commuting Accidents)	396	310	0

Note1: Disabling Frequency Rate (F.R): The number of disabling injuries per 1,000,000 working hours.

Note2: Disabling Severity Rate (S.R): The total number of lost workdays due to disabling injuries per 1,000,000 working hours.

### ▼ Disabling Injury Classification Statistics

	Foreign Object in Eye	Sprain / Strain	Crush / Pinch Injury	Cut / Contusion	Caught-in / Entanglement	Commuting Accident	Impact / Collision	Burn	Fall / Slip
2022	0	0	1	0	0	1	0	0	0
Ratio Note 1	0	0	2.34	0	0	2.34	0	0	0
2023	0	0	1	0	0	1	0	0	0
Ratio Note 1	0	0	2.34	0	0	2.34	0	0	0
2024	0	0	0	0	0	2	0	0	0
Ratio Note 1	0	0	0	0	0	4.76	0	0	0

#### Note 1: Total Recordable Injury Frequency Rate (TRIFR)

The TRIFR represents the number of recordable occupational injuries per one million working hours. Recordable occupational injuries include fatalities, disabling injuries, minor injuries, and medical treatment cases. The formula is as follows:

TRIFR = Total working hours / Number of recordable occupational injuries × 1,000,000

### ▼ Contractors / Outsourced Workers Disabling Injury Statistics

	Foreign Object in Eye	Sprain / Strain	Crush / Pinch Injury	Cut / Contusion	Caught-in / Entanglement	Impact / Collision	Burn	Fall / Slip
2022	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0

No occupational fatalities occurred from 2022 to 2024.

### Regulatory Compliance

In the ISO 45001 management system, organizations are required to commit to legal compliance and identify relevant laws and regulations. TTMC utilizes the national regulatory database to review applicable occupational safety and health (OSH) regulations. Relevant information is communicated to all responsible units during the quarterly OSH committee meetings, enabling each unit to perform regulatory identification, determine the applicable regulations and locations, and take proactive measures to ensure compliance.

	2022	2023	2024
Whistleblowing Unit	Southern Taiwan Science Park Bureau (STSP Bureau)	-	-
Number of Penalties / Total Amount	1 case / NT\$60,000	0 case	0 case

### Continuous Enhancement of Occupational Safety Measures

To uphold the goal of zero accidents and continuously prevent workplace incidents, the company continued to promote various safety initiatives in 2024 and implemented the “Five Lines of Defense in Workplace Safety” within production departments. Through on-site inspections and active participation in zero-accident activities by department managers and senior executives, the company strengthened safety management and comprehensively improved operational safety standards.

## 6.2 Health Care and Well-being

TTMC Company employs contracted occupational medicine specialists, health service physicians, and occupational health nurses to provide on-site labor health protection services. These services cover health management, occupational disease prevention, and health promotion.

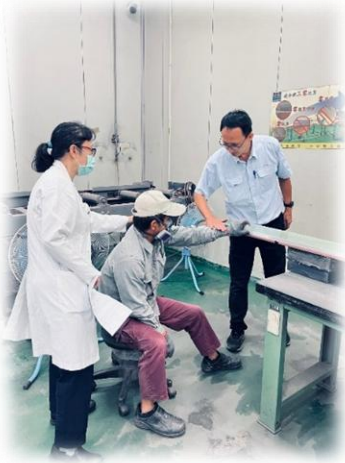
Their main responsibilities include conducting data analysis and risk assessment based on employees' health examination results, followed by tiered health management. In addition, the aforementioned professionals perform on-site job suitability evaluations, which include functional assessments for employees returning to work after illness or injury, as well as providing recommendations for job redesign or work adjustments to ensure employee health and job compatibility.

TTMC Company utilizes annual health examination data in conjunction with its internal online health management system. Through the system's database, the company identifies personnel in high-risk departments who require special health examinations and regularly monitors their health status to strengthen health surveillance and risk management for these employees.

In recognition of its commitment to promoting workplace health, TTMC received the "Healthy Workplace Certification – Health Initiation Mark" from the Bureau of Health Promotion, Department of Health, Executive Yuan in 2012. Furthermore, the company obtained the "Healthy Workplace Certification – Health Promotion Mark" from the Health Promotion Administration, Ministry of Health and Welfare in 2014, 2017, and 2019, and has continuously passed related audits and renewals, demonstrating its long-term dedication to employee health and well-being.

To address both the physical and mental health of employees, since 2016 the company has implemented multiple workplace health prevention programs, including ergonomic hazard prevention, workplace violence prevention, maternal health protection, and overwork prevention initiatives. TTMC conducts annual health examinations for all employees and arranges on-site services by occupational medicine specialists or health service physicians every two months, as well as six on-site health management visits per month by occupational health nurses. These efforts ensure the continuity and comprehensiveness of occupational health services.

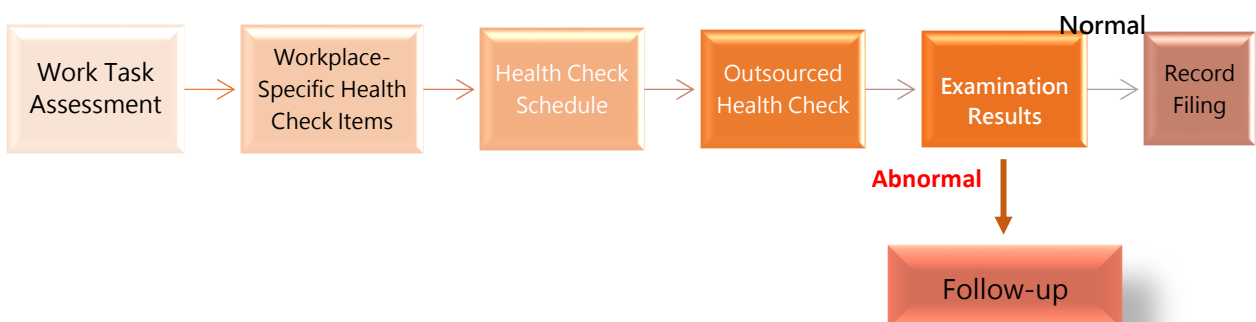
Additionally, the company maintains a comprehensive Environmental, Safety, and Health (ESH) electronic database on its internal website, allowing employees to access and download relevant resources. To further enhance workplace safety and emergency response capabilities, an Automated External Defibrillator (AED) has been installed within the plant, and regular AED operation and first-aid training sessions are conducted for designated emergency responders to improve the company's emergency preparedness and first-aid efficiency.

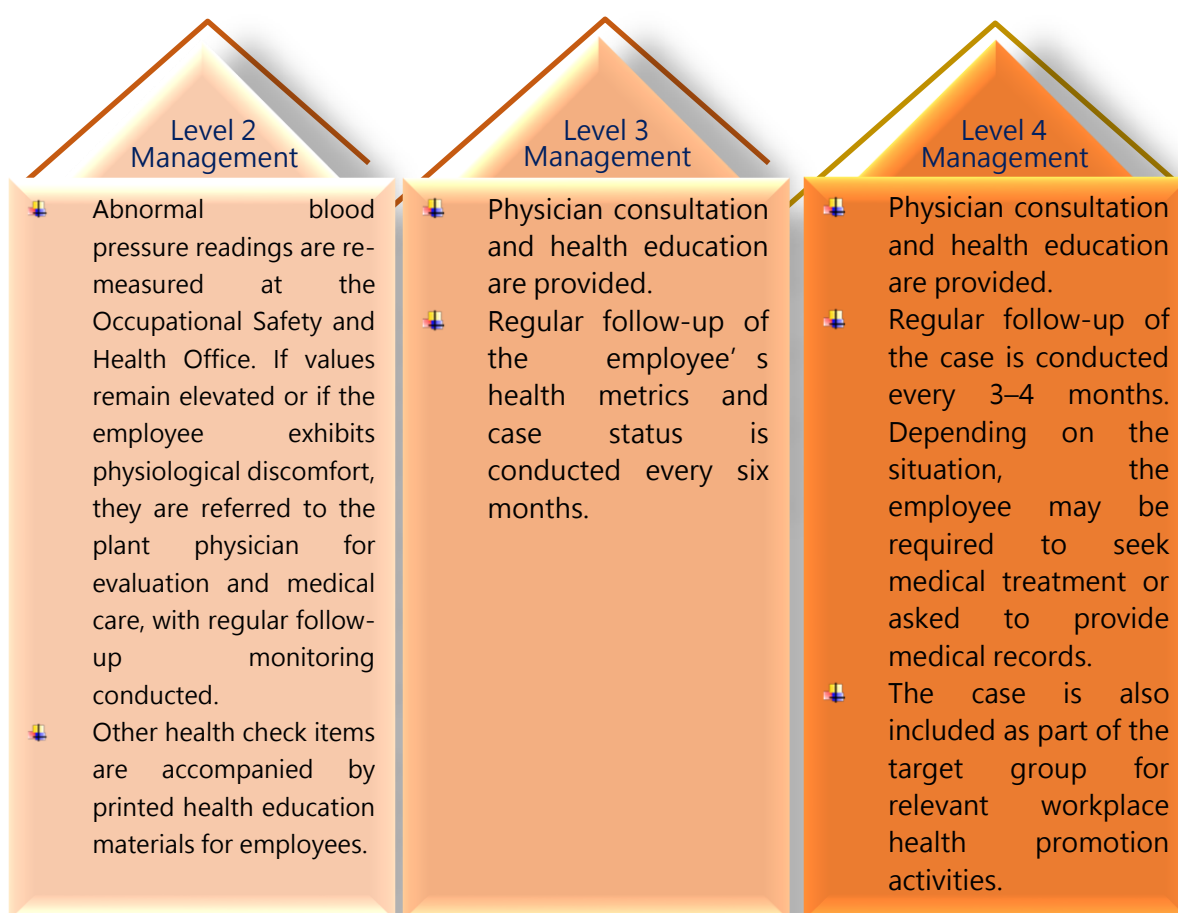


### Health Risk Management and Occupational Disease Prevention

TTMC Company promotes comprehensive employee health examinations through its Health Risk Management System. Based on the analysis of health examination results, the company implements personalized health care and follow-up measures tailored to the diverse health needs of employees. These efforts aim to strengthen health risk management and prevent occupational diseases, ensuring early detection, timely intervention, and overall employee well-being.

#### ▼ Health Examination Process Flowchart





Meaning	Health Check Results Classification				
	Level	Number of Employees		Proportion	
		2023	2024	2023	2024
Healthy	Level 1	21	50	11%	24.3%
	Level 2	110	70	57.6%	34%
Requires Health Follow-up	Level 3	46	71	24.1%	34.5%
High Health Risk	Level 4	14	15	7.3%	7.2%

During 2024, employees identified with Level 3 abnormalities in special health examinations (including one case related to dust exposure and two cases related to noise exposure) were evaluated by Chang Gung occupational medicine specialists. The assessment confirmed that their health conditions were not directly related to the work environment, and their management level

was adjusted to Level 2 accordingly. Subsequently, one of the noise-related cases was re-evaluated, and their health status was further adjusted to Level 1.



#### ▼ Summary of Employee Health Guidance and Consultation Categories

Category 1	Category 2	2023 Number of Consultations	2024 Number of Consultations
Health Consultation	Musculoskeletal	0	4
	Cardiovascular	1	13
	Anemia	1	3
	Psychological Stress	0	2
Follow-up on Abnormal Health Check Results	Metabolic Syndrome / Hypertension, Hyperlipidemia, Hyperglycemia	48	46
	Abnormal Liver Function	5	8
	Ocular / Eye Health	0	6
	Others	0	15
Occupational Injury Follow-up	Commuting Injuries	0	2
	Workplace Injuries	3	0
Injury and Illness Care / Support	Recovery Follow-up	2	3
Occupational Safety Plans / Programs	Human Factor Hazard Prevention Program	4	7
	Overwork Prevention Program	2	8

	Workplace Violence Prevention	7	0
	10-Year Cardiovascular and Cerebrovascular Risk	0	14
	Maternal Health Protection Program	2	0
Special Health Examination Management	High Temperature / Heat Exposure	0	12
	Noise Exposure	0	6
	Dust Exposure	1	14
	Ionizing Radiation	0	1
	Indium and Its Compounds Operations	0	7

Regarding the prevention of unlawful acts encountered during job execution, from 2022 to 2024, no related cases have been reported to date.

In accordance with Articles 30–31 of the Occupational Safety and Health Act, TTMC has implemented necessary safety measures for maternal health protection, aiming to ensure the physical and mental well-being of female employees during pregnancy and to provide effective maternal labor health protection. In 2024, following a physician's assessment, no health risks were identified, and no adjustments to the work assignments of female employees were required, allowing them to remain in their original positions

## Social / Psychosocial



- Through our Health Risk Management System, we ensure that all employees undergo regular health examinations. Based on the results, we provide tailored health care and support to address individual health needs.
- Following the annual examinations, we conduct comprehensive employee health risk assessments and implement stratified management. Relevant health education materials and medical guidance are provided, ensuring holistic attention to and support for employees' well-being.

## Chemical



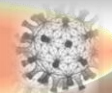
- All chemical operations in the laboratory must be conducted within local exhaust ventilation cabinets to minimize health risks to personnel.
- For on-site operations involving organic solvents, specialty chemicals, toxic substances, and dust, personal protective equipment is provided, and environmental monitoring is performed semi-annually to ensure chemical hazards remain below permissible exposure limits.
- During metallographic analysis, 98% methanol has traditionally been used. However, prolonged methanol exposure poses significant health risks. After multiple trials, it was confirmed that low-hazard ethanol can effectively replace methanol, thereby reducing health risks for personnel.
- No occupational illnesses related to chemical exposure have been reported to date.

## Human Factor / Ergonomic



- Occupational medicine specialists and industrial nurses conduct regular on-site visits.
- During the manual placement of 36 weight blocks (totaling 300 kg) in the gravity heat treatment process for new product panels, each insertion and removal from the furnace requires two handling operations. This long-standing practice posed potential musculoskeletal risks to personnel. To mitigate ergonomic hazards, a dedicated weight block module basket was designed and fabricated using in-house welding expertise, and a forklift is now used for furnace handling operations, enhancing both safety and efficiency.

## Biological



- Provide information and awareness materials on domestic and international infectious disease outbreaks.
- Continuously monitor the real-time status of infectious diseases both domestically and internationally to ensure the establishment of comprehensive statutory infectious disease preparedness and management measures.
- Establish a COVID-19 Emergency Response Team to implement preventive measures and reporting mechanisms for non-statutory infectious diseases in response to evolving pandemic situations.

## 7. Employee Care and Social Care

TTMC values its employees as its most valuable assets. Based on its development strategy, various investment plans, and employee turnover, TTMC regularly reviews its workforce needs annually to formulate short-, medium-, and long-term hiring plans. The company also regularly conducts senior-level group reviews to facilitate succession planning and implementation. As part of its corporate responsibility, the company has consistently supported community development and various public welfare activities for decades. For example, adhering to the principle of "taking from society, giving back to society," the group demonstrates genuine concern and practical care for society, communities, and vulnerable groups through various initiatives, including environmental protection, community care services, and public welfare events.

### 7.1 Human Resources and Talent Retention

Employees are an important asset of an enterprise. TTMC creates a happy workplace and ensures a safe working environment. It also protects the rights and interests of employees with a complete system, attracts and retains talents, allows employees to be in the right position, give full play to their talents, and enables the company to maintain its competitiveness.

#### Goals



TTMC fully complies with the Labor Standards Act. In 2024, the minimum employee age was 28.67 years old, and the company has never employed child labor. Based on the fundamental human right of equal employment opportunity, TTMC hires employees based solely on professional competence and experience, and never discriminates based on race, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, marital status, appearance, disability, or previous union membership. In 2024, there have been no human

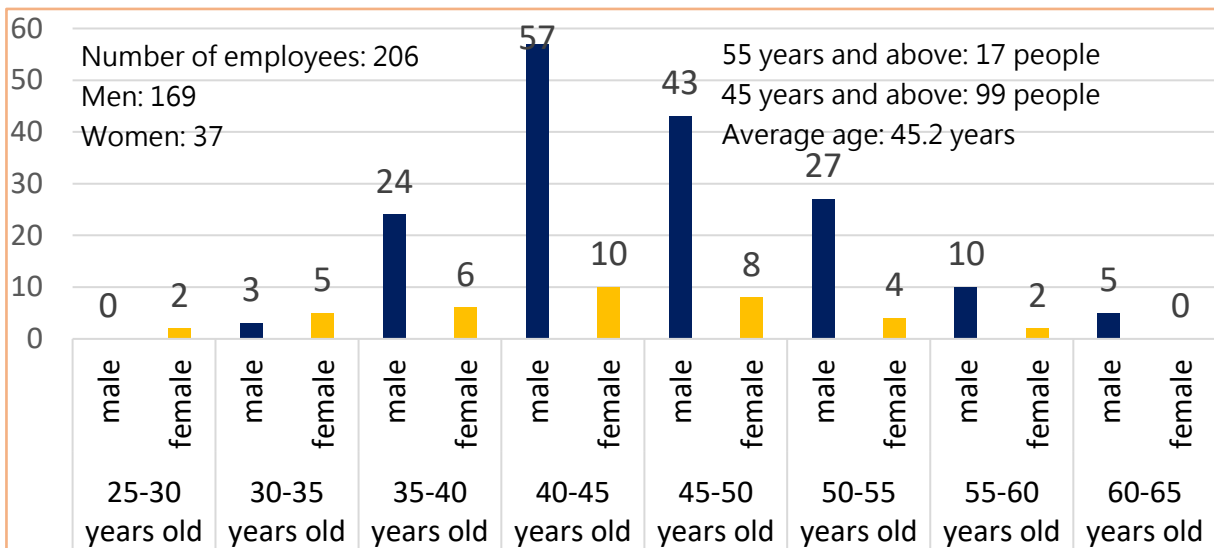
rights violations, forced or compulsory labor, or discrimination in employee recruitment. TTMC boasts a 5:1 male-to-female ratio, a 9:2 male-to-female ratio for first-level supervisors and above, and a 19:7 male-to-female ratio for second-level supervisors and above, fully demonstrating its commitment to workplace equality.

Our talent recruitment and retention management policy focuses on meeting approved manpower needs on schedule, in quantity, and with quality, and we review our operational policies quarterly.

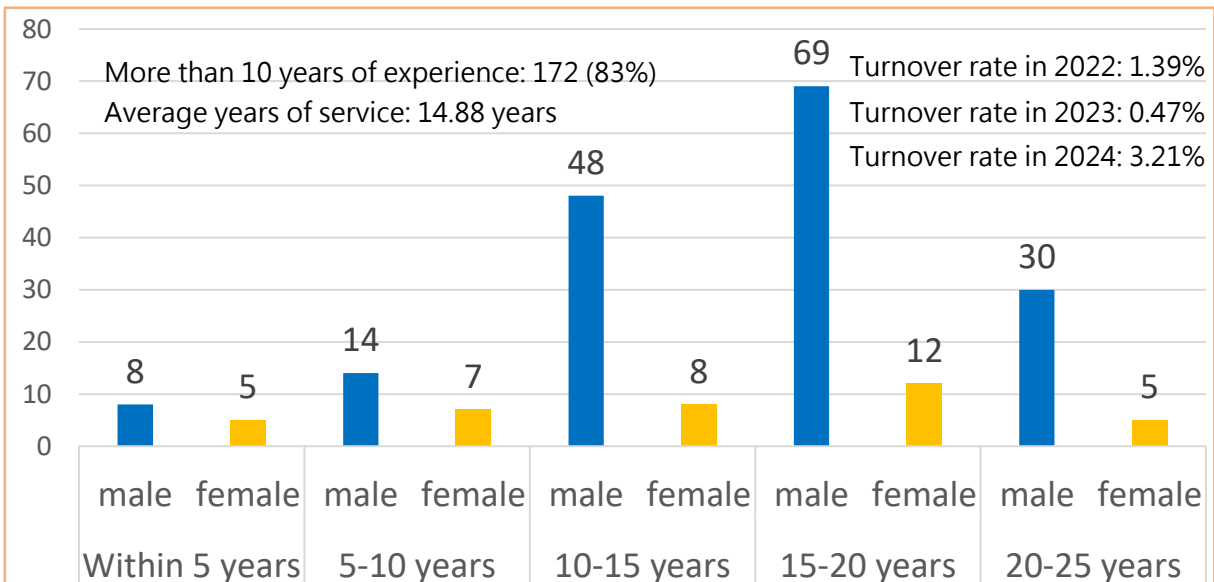
### 7.1.1 Staff structure

TTMC has 206 Taiwanese employees, with an average age of 45.2 years and an average length of service of 14.88 years.

#### ▼ Age distribution of TTMC employees



#### ▼ TTMC employee seniority distribution chart



### 7.1.2 Personnel mobility

TTMC is publicly recruiting through an online platform, providing information on job categories, vacancies, and job nature. Candidates are screened for resumes and interviews before being selected. Four candidates were interviewed in 2024. TTMC employee transfers and resignations are handled in accordance with legal regulations. Regular employees may retire at age 65 or voluntarily retire earlier in accordance with the Labor Standards Act. Two employees retired in 2024, resulting in a voluntary turnover rate (number of employees leaving/number of employees at the end of the year + number of employees leaving) of 3.21%.

### 7.1.3 Diverse training channels

The Company prioritizes long-term talent development. Based on organizational, departmental, and individual employee needs, it organizes various internal and external training programs to enhance and refine employee knowledge and skills. In addition to supporting employee career development, the Company also prioritizes the cultivation of core professional competencies and the balanced physical, mental, and spiritual development of its employees, thereby building a strong human capital base that serves as a solid foundation for the Company's operations.

The Company's education and training system is comprised of internal training, external training, and on-the-job training. In fiscal year 2024, the Company implemented internal and external training (including courses and education on laws and regulations, insider trading, short-term trading, and equity transfer regulations, corporate integrity management, ethical codes of conduct, work rules, production management, production operations training, on-the-job training on safety and health, and internal controls) totaling 1,620 person-times and 3,264 man-hours, excluding Board members, for an average of 15.77 hours per person.

▼The implementation status in 2024 is as follows :

Project	Number of shifts	Total number of visitors	Total hours	Total cost (NT\$)
1. New staff training	5	5	20	
2. Professional functional training	156	796	1764	115,594
3. Supervisor training	16	23	174	21,500
4. General Training	72	807	1247	
5. Self-inspiration training	4	58	116	
<b>Total</b>	<b>253</b>	<b>1,689</b>	<b>3.321</b>	<b>137,094</b>



### 7.1.4 Stable working environment

Our company has long been committed to creating an employee-friendly workplace environment. In accordance with the Labor Standards Act and the Gender Equality in Employment Act, we have established regulations for menstrual leave, maternity leave, miscarriage leave, paternity leave, and prenatal checkup leave, as well as maternity protections related to women's physiological characteristics. We also have programs for childcare leave, breastfeeding leave, and family care leave. Prenatal checkup leave and paternity leave have been increased to seven days by law, with the additional two days paid by the company. Employees can apply for family care leave based on their needs. Employees raising children under three years old can apply for parental leave with one hour of reduced work hours per day, allowing them to balance work and personal life. In fiscal 2024, five employees applied for parental leave.

The company has 99 employees aged 45 and above, representing 48.06% of the company's seniority. The average length of service for these employees is 17.21

years. The company has established labor retirement regulations and a Labor Retirement Reserve Supervisory Committee. The company regularly contributes 2% of total payroll to the retirement reserve fund each month, depositing it in a designated account at the Central Trust Bureau to protect employee rights. Effective July 1, 2005, the company also implemented the government's new retirement system, which allocates 6% of total wages to employees' individual retirement accounts. For those who voluntarily contribute to their retirement funds, additional contributions will be withheld from their monthly paychecks at the voluntary contribution rate and deposited into their individual retirement accounts at the Bureau of Labor Insurance.



We held a program to select and recognize outstanding employees. In 2024, one colleague was recognized and awarded the title of Outstanding Employee by the Southern Taiwan Science Park Administration. This recognition program encourages colleagues to be diligent and hardworking, contributing to the company's operating performance, technological innovation, and industrial competitiveness. It also serves to promote talent, boost overall morale, and build cohesion among colleagues.



## 7.2 Employee Rights



### Benefits of 2024

#### Highlights



The annual employee turnover rate in 2024 was 3.21%.



There have been no labor disputes or complaints in 2024, and no labor penalties.

### Significance to TTMC

Harmonious labor-capital relations and steady development are the key to sustainable business operations. TTMC strictly abides by domestic and international labor and human rights regulations, attaches great importance to labor-capital relations, and hopes to create a friendly and harmonious working environment and enhance business competitiveness through the solid relationship between the company and employees.

### Goals

- Hire employees in full and assign them to the right positions. Comply with labor laws and regulations, and implement sound human rights policies and human resources management.
- Diverse and smooth employee communication channels, continuous care for employees and creating harmonious labor-management relations.

### Management Policy

TTMC takes "humanistic management" as the foundation of its management system and actively pursues the protection and promotion of basic human rights. Basic human rights are reflected in the company's specific actions, such as protecting employees' civil rights, respecting basic labor rights, and implementing workplace safety, hygiene, and health promotion programs. Externally, it is reflected in actively giving back to the community, assisting vulnerable groups, participating in major disaster recovery projects, and striving for energy

conservation and carbon reduction in ecological cities, in order to fulfill social responsibility.

## **Rules and regulations Minimum salary ratio, in accordance with laws and regulations**

TTMC considers its people its most important asset. To provide a friendly workplace environment and safeguard human rights for its employees, the company strictly adheres to domestic and international labor and human rights regulations, treating all employees fairly and with respect. In addition to establishing working conditions in accordance with government labor laws and providing equal employment opportunities to all job seekers in accordance with employment services laws, the company has also established relevant regulations, such as "Workplace Sexual Harassment Prevention Measures, Complaints, and Disciplinary Procedures," to create a sexually harassing work environment for employees and job seekers and prohibit sexual harassment. Complaint channels are in place to protect employee human rights and provide a means for employees to seek redress when their legitimate rights and interests are violated or improperly handled, and no reasonable resolution is possible. TTMC employees enjoy freedom of association. As of the end of 2024, one employee of the company had joined the China Steel Enterprise Union, and 46 had joined the China Steel Group Enterprise Union. TTMC employees currently do not have a union, and no collective bargaining or collective agreement has been established. Thanks to these robust systems, there were no incidents of discrimination or complaints in 2024, nor were there any violations of human rights laws.

### **7.2.1 Employee Rights**

1. The policy of protecting human rights is the basic principle and practice of employee rights.

#### **(1) Human Rights Policy and Employee Rights**

To fulfill its corporate social responsibility and protect the fundamental human rights of its employees and stakeholders, the company supports and voluntarily adheres to the United Nations Universal Declaration of Human Rights, an international human rights convention, and respects internationally recognized fundamental human rights. Based on the guiding principles of these regulations and in accordance with relevant domestic labor laws and regulations, such as the Labor Standards Act, the Gender Equality in

Employment Act, and the Occupational Safety and Health Act, the company has formulated employee appointment and management regulations to proclaim its human rights policy: We will not discriminate against employees in recruitment or on the job based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, disability, zodiac sign, blood type, or previous union membership. This policy will not affect salaries, promotions, incentives, training opportunities, or retirement. This corporate governance human rights policy aims to eliminate any infringement or violation of human rights and ensure that all current employees receive fair and dignified treatment.

(2) Human rights and employee rights assessment

As a trusted leader in optoelectronics and biomedical materials, we uphold the principle of high-quality products. While pursuing sustainable business operations, we also prioritize people and the environment, assuming and promoting social responsibility toward our employees, consumers, communities, and the environment. To demonstrate this commitment, we regularly identify employee occupational health and safety risks and significant environmental considerations, and regularly commission third-party audits. The audit results are transparently provided to our customers.

(3) Human Rights and Employee Rights Risk Mitigation Measures :

The following are the specific considerations for human rights and employee rights and their specific approaches :

A. Workplace Health and Safety

- I. Our company has passed the audit and certification of ISO14001 (Environmental Management System) and ISO 45001 (Occupational Safety and Health Management System), providing a safe working environment for our employees.
- II. Our company has a lactation room to cater to the needs of our mothers. In accordance with the Labor Health Protection Act, we have hired nurses to provide on-site labor health services. We also have specially contracted physicians specializing in labor health services to provide on-site services.
- III. The company also provides all employees with general health checks to eliminate illegal discrimination and ensure equal employment opportunities.

- IV. In accordance with the "Employee Recruitment Management Regulations", the recruitment process and decisions will not be affected by any factors such as race, religion, beliefs, gender, marital or parental status, age, political background, nationality, disability, sexual orientation, zodiac sign, blood type, etc.
- B. Eliminate unlawful discrimination and ensure equal employment opportunities
- I. In accordance with the "Employee Recruitment Management Regulations", the recruitment process and decisions will not be affected by any factors such as race, religion, beliefs, gender, marital or parental status, age, political background, nationality, disability, sexual orientation, zodiac sign, blood type, etc.
- C. Prohibition of child labor
- I. In accordance with the "Employee Recruitment Management Regulations", to ensure compliance with corporate social responsibility and ethical standards, all recruitment targets are adults over 18 years old.
- D. Prohibition of forced labor
- I. According to the "Employee Employment Management Regulations", the company shall not use any form of slavery or coercion to force employees to perform involuntary labor.
- E. Physical and mental health and work balance
- I. The company has established various clubs (such as the Gardening Club, Badminton Club, Cycling Club, Health Club, and Photography Club) and provides appropriate subsidies to support their smooth operation. The company encourages employee participation in club activities, hoping to connect with colleagues through these activities.
- II. In addition to organizing Mid-Autumn Festival barbecues, year-end parties, family days and other activities to relax employees' physical and mental health and build cohesion, the company also has recreational facilities such as a library and rhythmic dance classrooms. It also cooperates with nearby sports centers to provide more professional sports teachers, courses and equipment for employees to use after work.
- III. In response to the novel coronavirus outbreak, to ensure the health of our employees and a safe workplace, we have implemented the following measures:
- Measure your body temperature daily and log in to create a file to

ensure your health.

- Conduct weekly surveys to track health status and contact history to ensure risk management.
- For colleagues with suspected symptoms, all of them will be required to work from home in isolation and will be tracked until their symptoms are resolved and they return to work.

#### (4) Human rights protection and employee rights training practices

The company provides occupational safety education and training for new employees, and plans emergency response courses and occupational safety and health education and training every year. In addition, personnel engaged in related hazardous operations, operation supervisors, dangerous equipment operators, etc., are sent to receive on-the-job training according to the frequency and time stipulated by relevant laws and regulations. In addition, we cooperate with local health authorities to organize health promotion and advocacy courses. Human rights protection content includes :

##### 1. Newcomer Training

- Contents include: prohibition of forced labor, prohibition of child labor, anti-discrimination, anti-harassment, implementation of working hour management, guarantee of humane treatment and provision of a healthy and safe working environment.

##### 2. Preventing workplace violence and prohibiting illegal infringement

- Through the promotion and announcement of the "Written Statement Prohibiting Unlawful Aggression in the Workplace", employees are made aware of their responsibility to help prevent unlawful aggression in the workplace while performing their duties, and a hotline for complaints is disclosed to create a friendly working environment.
- In 2024, the company held 47 training sessions on human rights-related topics (including courses on corporate social responsibility in human rights practice, prohibition of illegal infringement, anti-discrimination, labor safety education, health management and mental health), with a total of 164 participants and approximately 104 hours of training.

##### 3. Occupational safety training series

- Content includes: health promotion, labor safety and health and fire safety training, and first aid personnel training.

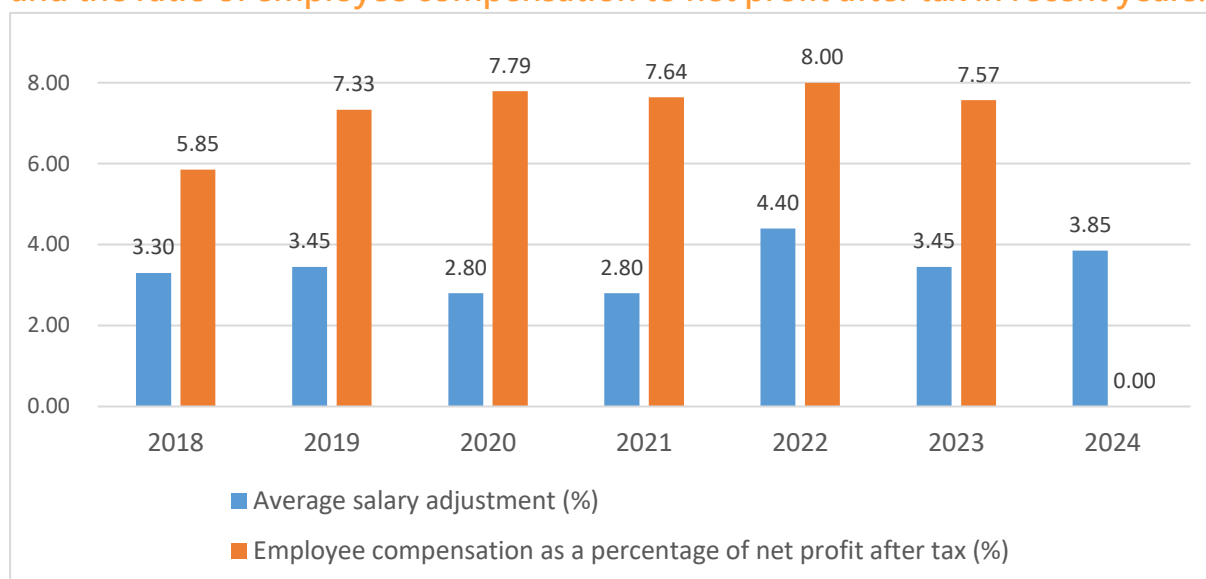
## 7.2.2 Compensation Management

The main components of employee compensation include base salary (including base salary and food allowance), year-end bonus, and bonus based on production and sales surplus. Salaries are based on a job-based compensation system, with salary standards determined based on market salary conditions, the company's financial situation, and organizational structure. Gender is not discriminated against, with a 1:1 ratio of base salary for male and female employees of the same position and grade. Since TTMC's salary is linked to seniority, differences in salary ratios between positions are due to differences in seniority. If only employees of the same position and seniority are considered, there is no gender-based salary difference. The average salary for full-time, non-management employees is NT\$726,000, and the median salary is NT\$709,000.

The company's work rules and related personnel management regulations, covering basic salary, working hours, vacation time, pension benefits, labor and health insurance benefits, and occupational accident compensation for employed employees, comply with the relevant provisions of the Labor Standards Act. An Employee Welfare Committee has been established, operated through an employee-elected welfare committee, to manage all welfare matters. Employee compensation policies are based on individual ability, contribution to the company, and performance, with a positive correlation to operating performance. Due to the need to offset accumulated losses from the acquisition of China Steel Precision Materials, an equal amount has been set aside as a "special surplus reserve" in accordance with the Securities and Exchange Act and deducted from retained earnings. Based on the current retained earnings, it is estimated that it will take two to three years of earnings to offset the loss, after which employee and director compensation will be paid.

The company adjusts salaries based on employee performance, taking into account the consumer price index, market levels, and local base wages.

▼ The following chart shows the adjustment rate of average employee salary and the ratio of employee compensation to net profit after tax in recent years.



▼ Average salary of non-supervisory full-time employees in the past three years

item	2022	2023	2024
Number of full-time employees who are not managers	202	200	198
Average salary of full-time employees who are not managers	NT\$793,000	NT\$738,000	NT\$726,000
Median salary for full-time employees who are not managers	NT\$751,000	NT\$730,000	NT\$709,000

### 7.2.3 Employee benefits

Enrollment in labor and health insurance programs is conducted in accordance with labor and health insurance regulations, entitling employees to statutory maternity, illness, and medical benefits and payments. A contract is signed with a nearby kindergarten to provide convenient childcare services. Facilities include a breastfeeding room, bookshelves, and large indoor and outdoor parking for employees. Various bonuses, educational scholarships, and subsidies for weddings, funerals, and other celebratory events are regularly distributed annually. Employees may receive monthly production and sales bonuses based on company performance.

Payment items	subsidy amount	△ Eligibility for payment	Remark
employee wedding congratulatory gift	NT\$2,000 per person	<ol style="list-style-type: none"> <li>1. If both spouses are employees, they can apply separately.</li> <li>2. Applications must be submitted within three months.</li> </ol>	Wedding invitation or related certificate
Employee or spouse's birth celebration gift	NT\$2,000 per person	<ol style="list-style-type: none"> <li>1. If both spouses are employees, they can apply separately.</li> <li>2. Applications must be submitted within 45 days of delivery.</li> <li>3. For multiple births, the subsidy is based on the number of infants.</li> </ol>	Birth certificate or doctor's diagnosis
New home completion ceremony	NT\$2,000 per person	<ol style="list-style-type: none"> <li>1. The property is registered in the name of the member and their spouse. *If registered in the name of the spouse, supporting documents are required for application (ID card or household registration certificate, etc.).</li> <li>2. If both spouses are employees, they may apply separately.</li> <li>3. Applications must be submitted within one year.</li> <li>4. Each person is limited to one claim (inheritance or gift are not eligible for claim).</li> </ol>	Photocopy of ownership certificate or photocopy of deed tax receipt, land value tax receipt, etc.
Funeral expenses and condolence money	NT\$2,100 per person	<ol style="list-style-type: none"> <li>1. Employees, spouses, children, and grandparents and parents of employees and their spouses (maternal or paternal).</li> <li>2. Applications must be submitted within one month of the incident.</li> </ol>	For obituaries or death certificates, non-employees need to provide supporting documentation to establish a connection, such as an ID card or family genealogy.
Employee Education Scholarship	NT\$1,000 NT\$2,000	<p>Achieve an overall academic average of 85 or above for the semester.</p> <p>Achieve an overall academic average of 90 or above for the semester.</p>	Photocopy of transcript

<p>Birthday celebration</p>	<p>NT\$500</p>	<p>Payments are made at the beginning of the month and calculated monthly.</p>	<p>For example, if someone leaves on October 26th and their birthday is on October 28th, they still receive the same benefits; if someone joins on November 1st and their birthday is on November 3rd, they still receive the same benefits.</p>
<p>New Year's greetings</p>	<p>The Welfare Committee compiles a budget based on its financial situation one month prior to the holiday.</p>	<p>1. Labor Day 2. Dragon Boat Festival 3. Mid-Autumn Festival</p>	<p>The Welfare Committee will handle the matter uniformly.</p>
<p>travel</p>	<p>The Welfare Committee compiles the following based on its financial situation.</p>	<p>According to the resolution of the Welfare Committee meeting</p>	<p>The Welfare Committee will handle the matter uniformly.</p>
<p>Emergency relief funds</p>	<p>Maximum amount: NT\$30,000</p>	<p>Implemented in accordance with the procedures for providing emergency relief funds.</p>	

## 7.2.4 Work-life balance

An employee welfare committee was established to regularly organize activities such as birthday celebrations and trips to relax employees and improve their quality of life. The development of employee clubs was encouraged, with employees free to join volunteer clubs, cycling clubs, softball clubs, photography clubs, gardening clubs, health and wellness clubs, etc., to enhance camaraderie among employees.



## 7.3 Social care

### 7.3.1 Caring for the disadvantaged

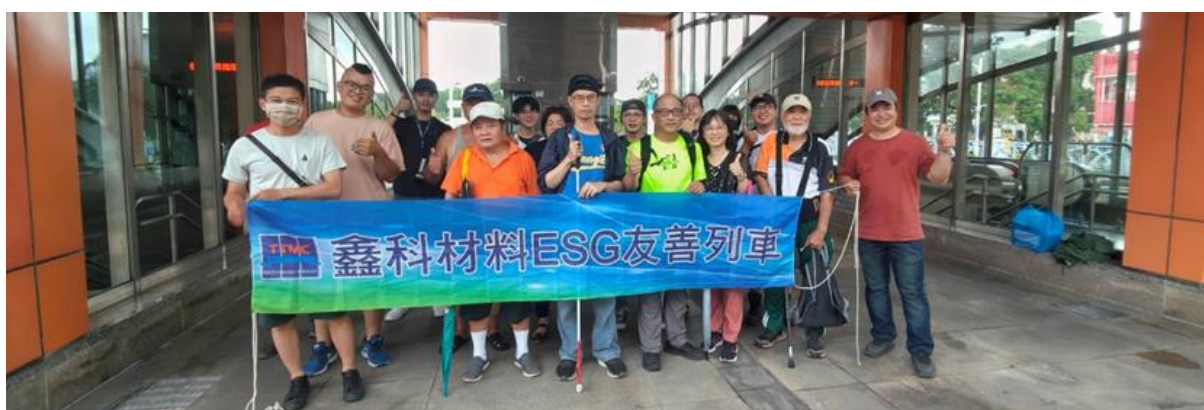
Our company is committed to supporting disadvantaged groups. In addition to employing people with disabilities, we assist marginalized households in the communities surrounding our factory, reach out to schools to help recent graduates understand career development concepts, and assist the middle-aged and elderly or the unemployed to improve their re-employment capabilities. This fulfills our corporate social responsibility policy of "practicing good neighborly relations and giving back to the community, participating in social welfare activities."

For people with disabilities, TTMC always welcomes enthusiastic and ambitious individuals to join the TTMC family. In recent years, the proportion of people with disabilities employed has exceeded the proportion stipulated by the Disability Rights Protection Act (1.40%).

#### ▼ Employment rate of people with disabilities over the years

year	2018	2019	2020	2021	2022	2023	2024
Employment of people with disabilities (%)	1.30	1.36	1.39	1.40	1.40	1.40	1.45

On September 21, 2024, TTMC employees participated in volunteer work and collaborated with the Kaohsiung City Institute for Blind Rehabilitation to organize a guided baseball activity for blind people. They led eight blind people to experience the atmosphere of a professional baseball game at Chengcing Lake Baseball Stadium and reminded them of safety precautions when going up and down stairs, thresholds, and ramps.



### 7.3.2 Giving back to the community

The company fosters neighborly harmony and gives back to its community by donating monthly neighborhood safety kits (containing rice, noodles, rice vermicelli, various canned goods, and seasonings). These kits are distributed to vulnerable households through the neighborhood chief's coordination, aiming to promote positive change in society. For lunch and dinner, the company prioritizes cooperation with sheltered workshops operated by the Kaohsiung Chinese Restaurant Service Workers' Union, commissioned by the Kaohsiung City Government. The goal is to provide employment and training opportunities for approximately 19 local individuals with disabilities annually. In 2024, this initiative successfully provided employment and training opportunities to 18 local individuals with disabilities. Over four years (2021-2024), a total of 73 individuals with disabilities were provided with self-sufficient work opportunities.



In 2024, the company held an event to support domestic agricultural products, specifically pomelos, encouraging employees to purchase surplus agricultural products that were difficult to sell. Also in 2024, in response to World Vision Taiwan's "Red Packet Charity" campaign, the company encouraged employees to voluntarily donate red packets to support education, nutrition, and emergency relief for disadvantaged children in Taiwan, as well as to empower families and youth, helping children to learn steadily, grow healthily, realize their dreams, and achieve the future they desire. Voluntary donation boxes were set up, and a total of NT\$18,000 was raised.



## Environmental volunteers

In response to the Kaohsiung City Environmental Protection Bureau's call to maintain a clean coastal environment, TTMC encourages community groups and residents to participate in patrolling the coastline, protecting coastal resources, preventing disasters, protecting and restoring coastal resources, and ensuring clean water resources, thus fulfilling its social responsibility. On June 21, 2023, the company received a flag from the Kaohsiung City Environmental Protection Bureau to form the TTMC Coastal Patrol Volunteer Team, with 36 volunteers actively participating. Each month, the team members take turns patrolling the coastline, aiming to "restore a clean coastal landscape," create a friendly living environment, and achieve zero loss of natural coastlines.



TTMC prioritizes the environmental issues of the beaches in Kaohsiung City and organizes beach cleanups annually. On September 12, 2024, members of the TTMC Coastal Patrol Volunteer Team and volunteer groups, along with employees' families, conducted a beach cleanup at Qieding Coastal Park near the company. With the dedicated efforts of 32 team members, a total of 153 kilograms of beach debris was removed. Accompanied by the setting sun, everyone felt satisfied and completed this meaningful beach cleanup activity.



## 8. Appendix

### Appendix 1 GRI Standards Content Index

Statement of use	TTMC has reported in accordance with the GRI Standards for the period 2024/1/1-2024/12/31
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	NA

GRI Standards	Disclosure	Page	Chapter	Note/ Reasons for Omissions	
GRI 2 General Disclosures 2021	The organization and its reporting practices				
	2-1	Organizational details	2	1.1	
	2-2	Entities included in the organization's sustainability reporting	5	1.2	
	2-3	Reporting period, frequency and contact point	2	1.1	
	2-4	Restatements of information	-	-	Not restated
	2-5	External assurance	-	-	Not externally assured
	Activities and workers				
	2-6	Activities, value chain and other business relationships	5	1.2	
	2-7	Employees	152	7.1	
	2-8	Workers who are not employees	152	7.1	
	Governance				
	2-9	Governance structure and composition	22	3.1	
	2-10	Nomination and selection of the highest governance body	2	3.1	
	2-11	Chair of the highest governance body	22/47	3.1/3.2.1	
	2-12	Role of the highest governance body in overseeing the management of impacts	32	3.1.2	
	2-13	Delegation of responsibility for managing impacts	12	2.3	
	2-14	Role of the highest governance body in sustainability reporting	32	3.1.2	
	2-15	Conflicts of interest	47	3.2	
	2-16	Communication of critical concerns	47/54	3.2.1/3.3	
	2-17	Collective knowledge of the highest governance body	22	3.1.1	
	2-18	Evaluation of the performance of the highest governance body	32	3.1.2	
2-19	Remuneration policie	163	7.2.2		
2-20	Process to determine remuneration	163	7.2.2		
2-21	Annual total compensation ratio	163	7.2.2		
Strategy, policies and practices					

	2-22	Statement on sustainable development strategy	12	2.2	
	2-23	Policy commitments	12/159	2.2/7.2.1	
	2-24	Embedding policy commitments	12/13	2.2/2.3.2	
	2-25	Processes to remediate negative impacts	47/54	3.2.1/3.3	
	2-26	Mechanisms for seeking advice and raising concerns	47	3.2.1	
	2-27	Compliance with laws and regulations	52/137	3.2.2/6.1	
	2-28	Membership associations	5	1.2	
<b>Stakeholder engagement</b>					
	2-29	Approach to stakeholder engagement	12	2.3	
	2-30	Collective bargaining agreements	158	7.2	
<b>Material Topics</b>					
GRI 3 : Material Topics 2021	3-1	Process to determine material topics	17	2.4	
	3-2	List of material topics	20	2.4.2	
<b>Governance Performance</b>					
GRI 3 : Material Topics 2021	3-3	Management of material topics	32	3.1.2	
GRI 2 : General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	32	3.1.2	
<b>Economic Performance</b>					
GRI 3 : Material Topics 2021	3-3	Management of material topics	63	3.4	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	63	3.4	
	201-2	Financial implications and other risks and opportunities due to climate change	105	5.3.1	
GRI 2 : General Disclosures 2021	2-27	Compliance with laws and regulations	52	3.2.2	
<b>Energy Management</b>					
GRI 3 : Material Topics 2021	3-3	Management of material topics	91	5.2.1	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	92	5.2.1	
	302-3	Energy intensity	92	5.2.1	
	302-4	Reduction of energy consumption	93	5.2.1	
<b>Water Resources</b>					
GRI 3 : Material Topics 2021	3-3	Management of material topics	100	5.2.2	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	100	5.2.2	
	303-2	Management of water discharge-related impacts	100	5.2.2	
	303-3	Water withdrawal	100	5.2.2	
	303-4	Water discharge	101	5.2.2	
	303-5	Water consumption	100	5.2.2	

GRI 2 : General Disclosures 2021	2-27 Compliance with laws and regulations	52/87	3.2.2/5.1	
<b>Climate Change</b>				
GRI 3 : Material Topics 2021	3-3 Management of material topics	105	5.3	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	117	5.3.2	
	305-2 Energy indirect (Scope 2) GHG emissions	118	5.3.2	
	305-4 GHG emissions intensity	119	5.3.2	
	305-5 Reduction of GHG emissions	120	5.3.2	
<b>Circular Economy</b>				
GRI 3 : Material Topics 2021	3-3 Management of material topics	121	5.4	
GRI 306: WASTE 2020	306-1 Waste generation and significant wasterelated impacts	127	5.4.2	
	306-2 Management of significant waste- related impacts	129	5.4.2	
	306-3 Waste generated	127	5.4.2	
	306-4 Waste diverted from disposal	127	5.4.2	
	306-5 Waste directed to disposal	127	5.4.2	
<b>Occupational Safety</b>				
GRI 3 : Material Topics 2021	3-3 Management of material topics	131	6	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	134	6	
	403-2 Hazard identification, risk assessment, and incident investigation	135	6	
	403-3 Occupational health services	146	6.2	
	403-4 Worker participation, consultation, and communication on occupational health and safety	136	6	
	403-5 Worker training on occupational health and safety	137	6.1	
	403-6 Promotion of worker health	137/ 146	6.1/6.2	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	137/ 145	6.1	
	403-8 Workers covered by an occupational health and safety management system	137	6	
	403-9 Work-related injuries	146	6.2	
	403-10 Work-related ill health	146	6.2	
GRI 2 : General Disclosures 2021	2-27 Compliance with laws and regulations	145	6.1	
<b>Employee Rights</b>				
GRI 3 : Material Topics 2021	3-3 Management of material topics	106	7.2	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	109/ 110	7.2.2/ 7.2.3	

Non-material Topics					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	158	7.1	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	159	7.2.1	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	160	7.2.1	
GRI 401: Employment 2016	401-1	401-1 New employee hires and employee turnover	153	7.1.1	
	401-3	Parental leave	156	7.1.4	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	73	4.2	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	73	4.2	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	47	3.2.1	
	205-2	Communication and training about anti-corruption policies and procedures	47	3.2.1	
	205-3	Confirmed incidents of corruption and actions taken	47	3.2.1	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	76	4.3.1	

## Appendix 2 · TCFD Content Index

Framework	Disclosures	Page
<b>Governance</b>	Describe the board's oversight of climate-related risks and opportunities.	107 · 108
	Describe management's role in assessing and managing climate-related risks and opportunities.	107
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	108
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	108
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	109
<b>Risk Management</b>	Describe the organization's processes for identifying and assessing climate-related risks.	54 · 108
	Describe the organization's processes for managing climate-related risks.	54 · 108
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	54 · 108
<b>Metrics and Targets</b>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	108
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	117 · 118
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	108 · 109

## Appendix 3 · SASB Content Index

### INDUSTRIAL MACHINERY & GOODS

**Table1. Sustainability Disclosure Topics & Accounting Metrics**

TOPIC	CODE	ACCOUNTING METRIC	Annual Disclosure /Page
Energy Management	RT-IG- 130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	(1) Total energy consumed =15997.6 (GJ) (2) percentage grid electricity =84(%) (3) percentage renewable =0(%) >> Ch 5.2.1/P.91
Fuel Economy & Emissions in Use-phase	RT-IG- 410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	NA · This indicator is not applicable to the product
	RT-IG- 410a.2	Sales-weighted fuel efficiency for non-road equipment	
	RT-IG- 410a.3	Sales-weighted fuel efficiency for stationary generators	
	RT-IG- 410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	
Remanufacturing Design & Services	RT-IG- 440b.1	Revenue from remanufactured products and remanufacturing services	>> Ch 5.4.1 /P.121
Employee Health & Safety	RT-IG- 320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and	(1) TRIR = 0 (2) Fatality rate = 0 (3) NMFR = 0

		(3) near miss frequency rate (NMFR)	>> Ch 6 /P.131~132
Materials Sourcing	RT-IG- 440b.1	Description of the management of risks associated with the use of critical materials	>> Ch 4.3.1 /P.76

**Table2. Activity Metrics**

CODE	ACTIVITY METRIC	Annual Disclosure /Page
RT-IG- 000.A	Number of units produced by product category4	>> Ch 1.2/P.5
RT-IG- 000.B	Number of employees	>> Ch 7.1.1/P.153