



SHENG YU STEEL CO., LTD.



SUSTAINABILITY REPORT



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About this Report

Sheng Yu Steel Co., Ltd. (hereinafter Sheng Yu) has been committed to promoting Environmental, Social and Governance, and you are very welcome to read the contents of this report.

This is the fifth sustainability report published by Sheng Yu (Sheng Yu CSR Report was renamed Sustainability Report from 2021 and is released annually instead of every two years) and is issued regularly every year. This report is produced in accordance with the core options of the GRI Standards and is published annually in both English and Chinese. Through open and transparent information, this report addresses the concerns of stakeholders on sustainable development, and we hope to make continuous efforts to move towards sustainability. You are welcome to read and critique this report.



Sheng Yu Steel Co., Ltd. CSR Committee



Sustainability Report Editorial Team

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· Report Period

Information contained in this report mainly covers data on governance, economic, environmental and social aspects and specific achievements for 2021 (Jan 1, 2021-Dec 31, 2021). For completeness, some of the information may include periods prior to January 1, 2021 and subsequent to December 31, 2021, with the last edition of this report published in December 2019.

· Scope and Principles of the Report

This report is primarily focused on the operating activities and services of Sheng Yu and does not deal with the activities of its subsidiaries. All financial figures are denominated in New Taiwan dollars and are calculated based on internationally accepted standard indicators.

This report is written from a stakeholder's perspective in the hope of making it more reader-friendly. To disclose the full range of information, this report has been prepared in line with the Global Reporting Initiative (GRI) Standards in order to provide stakeholders with a complete picture of the effectiveness of Sheng Yu's performance in all areas.

· Basis of Preparation

This report has been prepared using the GRI Standards core option and the AA 1000 principle of accountability, with reference to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the Code of Practice for the Preparation and Reporting of Sustainability Reports by Listed Companies, the Organization for Economic Cooperation and Development (OECD), and the UN Sustainable Development Goals (SDGs) guidelines. While this report has not been certified by an external third party, we ensure the accuracy of the environmental, social and corporate governance information contained in the report by adopting a rigorous checking process.

Information Quality

Management Systems	External Auditors
ISO 50001:2018 Energy Management Systems	SGS Taiwan Limited
ISO 14064-1:2018 Greenhouse Gas Inventory Standard	SGS Taiwan Limited
IECQ QC 080000:2017 Hazardous Substance Process Management System	SGS Taiwan Limited
ISO 14001:2015 Environmental Management Systems	DNV Business Assurance Co.
ISO 45001:2018 (formerly OHSAS 18001) Occupational Safety and Health Management System	DNV Business Assurance Co.
Financial Data Annual Financial Report	Deloitte Taiwan

Message from Management

Corporate Philosophy and Policy





1. Message from Management

For Sheng Yu., the implementation of ESG is the concrete action of our business philosophy and corporate policy, and the commitment and efforts of each and every Sheng Yu employee drives environmental and social progress through brand leadership, so that more change for the better continues to bring happiness.

In 2021, the COVID-19 pandemic continued to take its toll on the world economy, with renewed lockdowns imposed on some countries and cities, restricted economic activity, supply chain bottlenecks and the official implementation of net-zero carbon emission measures, making it a year of tremendous volatility.

Looking ahead to 2022, new COVID-19 subvariants are on the horizon and we still can't let down our guard, and the market environment will continue to be harsh. Under such difficult market conditions, in response to the heated issue of ESG corporate sustainable development, Sheng Yu has officially established the "ESG Sustainable Development Executive Committee" to integrate the Company's resources, map out and promote the Company's sustainable management blueprint, and systematically set the direction of the Company's long-term ESG strategy, focusing on green manufacturing, building a responsible supply chain, creating a friendly workplace and fostering social co-prosperity.



Chairman
Soichi Kitamura



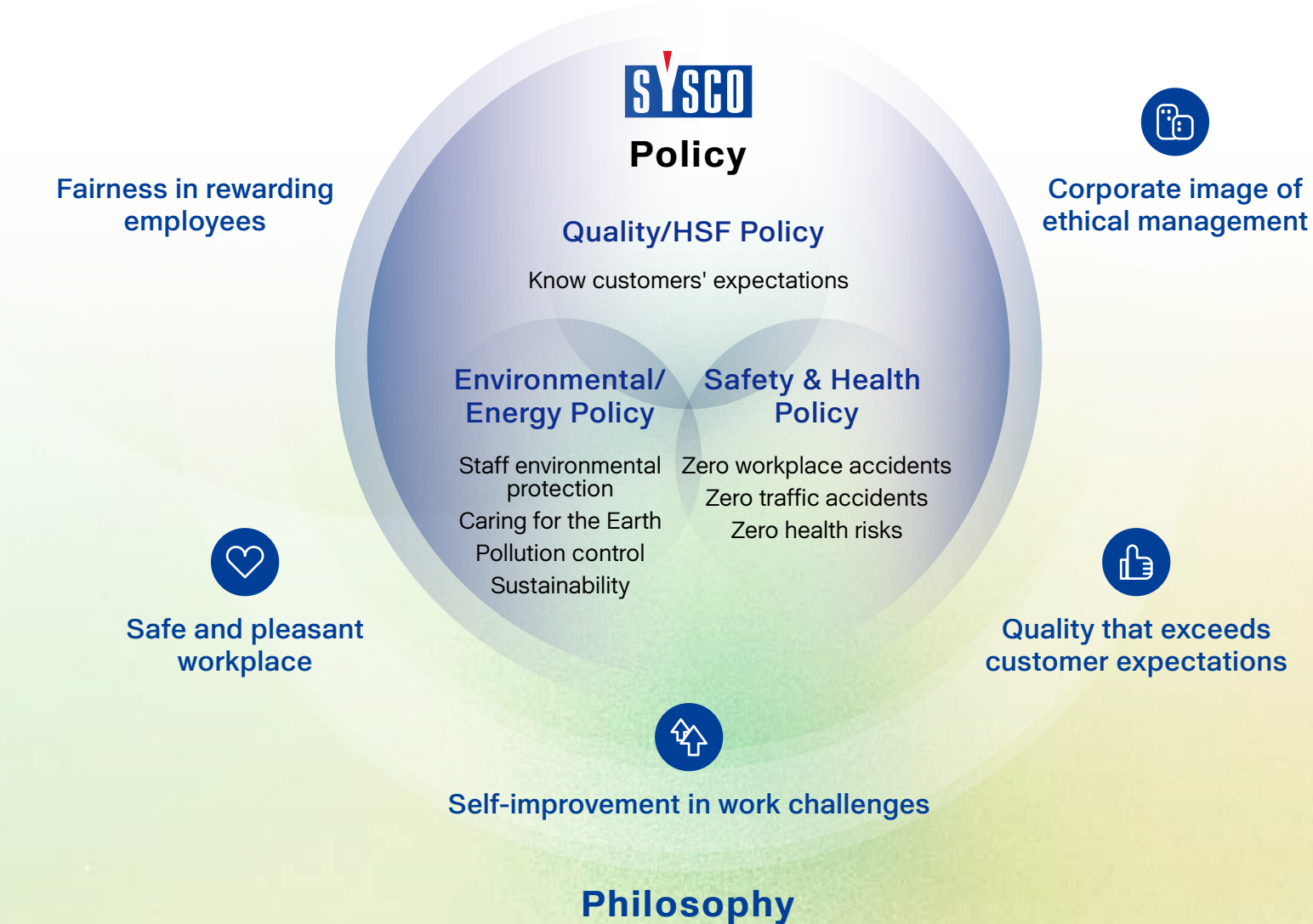
President **Ching-Chun Sheu**

Sheng Yu is dedicated to sound corporate governance, and actively realizes its five management philosophies of "quality that exceeds customer expectations," "corporate image of ethical management," "safe and pleasant workplace," "self-improvement through work challenges," and "fairness in rewarding employees." We are on good terms with our stakeholders, working together to improve and refine all aspects of our ESG efforts, so that we can fulfill our commitments to society and the environment and drive social change for the better.

The year 2023 coincides with the 50th anniversary of Sheng Yu. To enhance our competitiveness in the next 50 years, we must continue to be aware of the international trends and challenges of sustainable development, and strive to respond to climate change, mitigate its impact and protect our environment, and set long-term ESG goals, strategies and external declarations, and review the implementation and results thereof from time to time to improve our practices in time to achieve sustainable management and create another 50 years of glory.

Going forward, Sheng Yu will continue to build on its core competencies and foundation of corporate governance, social care and environmental coexistence to promote the well-being and convenience of human life and to build a better and happier future where all citizens of the world can thrive and grow together.

Corporate Philosophy and Policy



2

Stakeholders

2.1 Stakeholder Identification & Communication

2.2 Collection of Concerns





2.1 Stakeholder Identification & Communication

■ Stakeholder Identification

In line with the spirit of the GRI Standards, the Company's stakeholders are identified through a process of discussion among internal units. The stakeholders of interest in this report are divided into 10 groups: shareholders/investors/financial institutions, Yodogawa Steel Works, Ltd. (Japanese parent company), employees, customers, suppliers, (long-term) contractors, (short-term) outsourcers, government/authorities, community residents, media outlets/others, etc.

Stakeholder Communication Channels and Frequencies

Stakeholder	Corresponding Dept	Communication Channels / Frequencies
Shareholder / Investor / Financial Institution	Finance & Accounting Division	- Regular publication of operational overview information (monthly). (Annual) shareholders' meeting: the annual report of the shareholders' meeting is prepared as required. - Investor service section on the official website: shareholders can click on service, financial and stock price information. - Establishment of spokesperson and shareholder service contact person and mailbox.
Yodogawa Steel Works, Ltd. (Japanese parent company)	- Finance & Accounting Division - Internal Auditing Office - Industrial Safety Office	- The Group's medium to long term business plan (once / half year). - J-SOX-related business (once/year). - Occupational safety disaster group notification (from time to time).
Employee	- Administration Division - Industrial Safety Office	- Employees can always communicate any suggestions they may have about the Company to the president by email. - Announcements made and inquiries allowed on the intranet information system (at any time). - Two-way management communication (weekly): communication meetings between managers and senior management. - Internal (quarterly) publication: quarterly e-newsletter. - Face-to-face communication between senior executives and union representatives (irregular).



Stakeholder	Corresponding Dept	Communication Channels / Frequencies
Employee	- Administration Division - Industrial Safety Office	6. Convening of labor meetings (quarterly), occupational safety and health committee (quarterly), benefit committee (quarterly): to make recommendations and negotiate with the Company. 7. Convening of Labor Retirement Reserve Fund Supervisory Committee (irregular). 8. Employee interview and communication record sheet (for reward and punishment). 9. Internal communication record sheet.
Customer	- Sales Division - Chinese Business Division	1. Annual interviews and questionnaire surveys by the Customer Satisfaction Committee. 2. Customer briefings (occasional), market surveys, occasional visits, customer interviews, etc. to obtain customer feedback 3. e-supply chain system to provide overall support services to customers' business. 4. Telephone, e-mail, meetings (irregular).
Supplier	- Purchasing Division - Technical Development Division - Raw Materials Unit	1. Questionnaires (annual). 2. Interviews, telephone, fax, e-mail, meetings (irregular). 3. Supplier audits and interviews (irregular). 4. Regular or irregular direct communication with frequency greater than twice / year. 5. Supplier e-commerce system (daily)
(Long-term) Contractor	- Purchasing Division - Sales Management Division	1. Maintenance inspection. 2. Face-to-face, telephone, fax, e-mail communication and liaison. 3. Waste removal and disposal contracts (annual or multi-year contracts). 4. Construction safety undertaking by constructor. 5. Transparent and open information on land carriage documents and contract carriers (one contract per year). 6. Land/sea transport contractor meetings (occasional). 7. Land/sea freight contractor's complaint line, fax, e-mail (irregular). 8. e-platform for container tenders (irregular).



Stakeholder	Corresponding Dept	Communication Channels / Frequencies
(Short-term) Outsourcer	Purchasing Division	- Questionnaires (annual). - Face-to-face, telephone, fax, e-mail communication and liaison.
Government/Authorities	- Administration Division - Industrial Engineering Unit - Industrial Safety Office - Finance & Accounting Division	- Participate actively in public hearings organized by the authorities (from time to time). - Correspondence, project discussions, public information. - Seminars, forums, public hearings, training courses, informal visits on policies and regulations. - Participation in seminars, art and cultural events, workshops, evaluations, etc. organized by the authorities. - E-mail - Telephone communication.
Community Resident	Administration Division	- Participate in activities organized by local residents (irregularly). - Telephone communication (irregular).
Media Outlet/Other	Administration Division	Occasional two-way communication.

2.2 Collection of Concerns

Stakeholder Questionnaire

To accurately assess the priority of each ESG issue, we have designed the questionnaire using a "5-point scale" for each issue in terms of "level of concern" and "level of impact." Each issue is rated on a scale of 1 to 5 points, with 1-2 points indicating low importance, 3 points moderate importance and 4-5 points high importance.

Identification of Critical Issues

For the above 10 stakeholder groups, multiple channels were used to understand the issues of concern to the stakeholders. 167 questionnaires were collected from a questionnaire survey to compile a list of 10 material issues, with appropriate responses made.

Collection Process for Issues of Concern

01
step

Evaluate issues of concern to consider the level of stakeholder interest and impact on the Company



02
step

Collect stakeholder questionnaires



03
step

Material issues discussed based on questionnaire results



04
step

Execute responses to material issues



Stakeholder Questionnaire

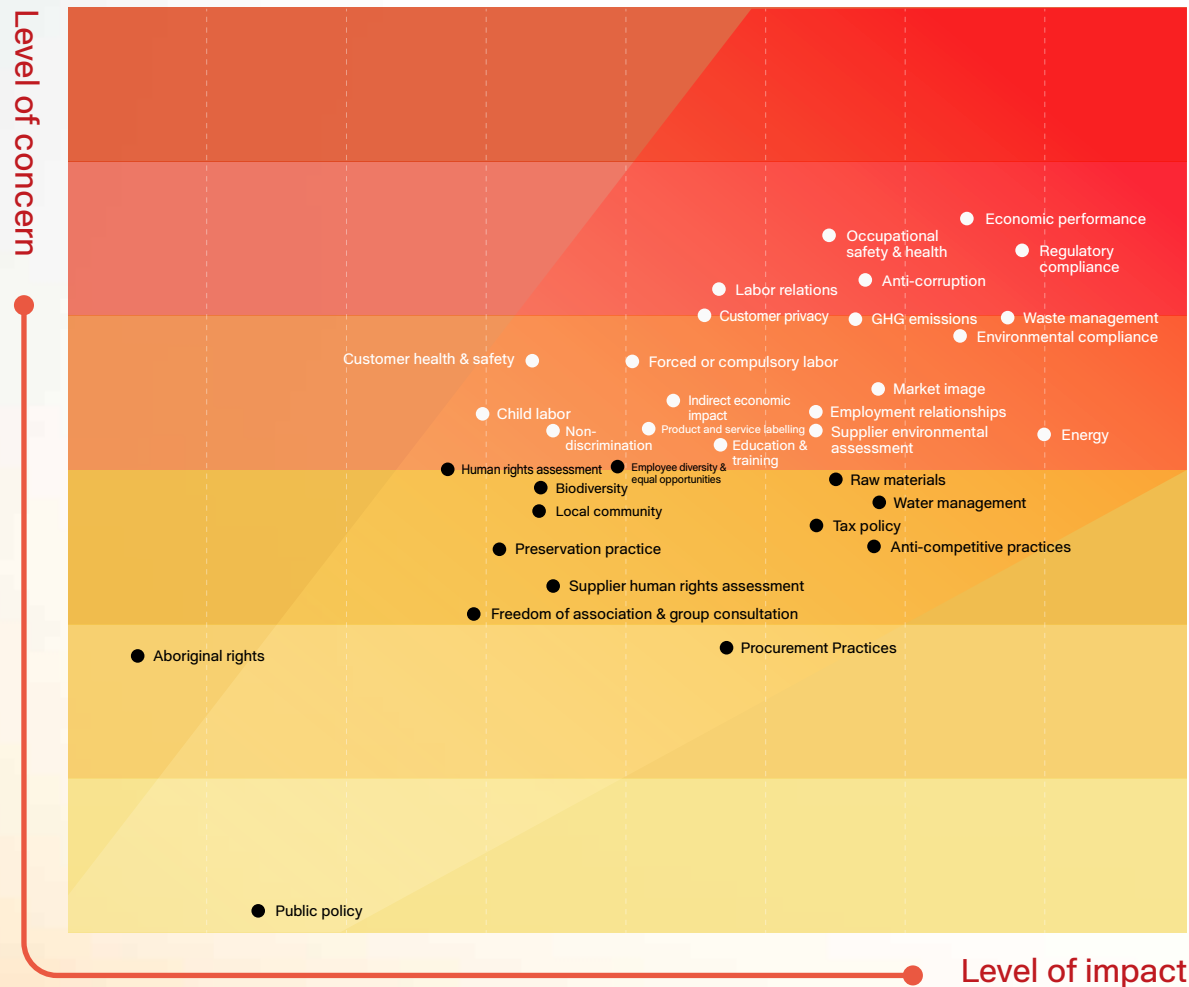
The questionnaire was designed using a "five-point scale" to assign points based on importance for the level of concern and impact.

4~5 high importance

3 moderate importance

1~2 low importance

Substantial Analysis of Stakeholder Concerns in 2021



Material Issues and Responses

Aspect	Material Issues	Corresponding Indicators	Material Issues Ranking	Material Issues Response Section
Economic	Economic Performance	201	2	4.3、5.3、6.2、6.4.7、7、8.1.1
	Anti-Corruption	205	7	3.8
	Market Image	202	9	6.1.2
Environmental	Waste Management	306	3	5.5
	Environmental Compliance	307	4	5.5
	Energy	302	5	5.1
	GHG Emissions	305	8	5.1.4、5.3
Social	Regulatory Compliance	419	1	Appendix
	Occupational Safety & Health	403	6	6.5.1、6.5.2、6.5.3、6.5.5、6.5.7、7.2
	Labor Relations	402	10	Appendix

Corporate Governance

- 3.1 About the Company
- 3.2 Affiliated Companies
- 3.3 Corporate Organization
- 3.4 Medium-term Corporate Business Plan
- 3.5 Board of Directors
- 3.6 Remuneration Committee
- 3.7 ESG Sustainability Executive Committee
- 3.8 Ethical Management
- 3.9 Internal Control
- 3.10 Tax Management

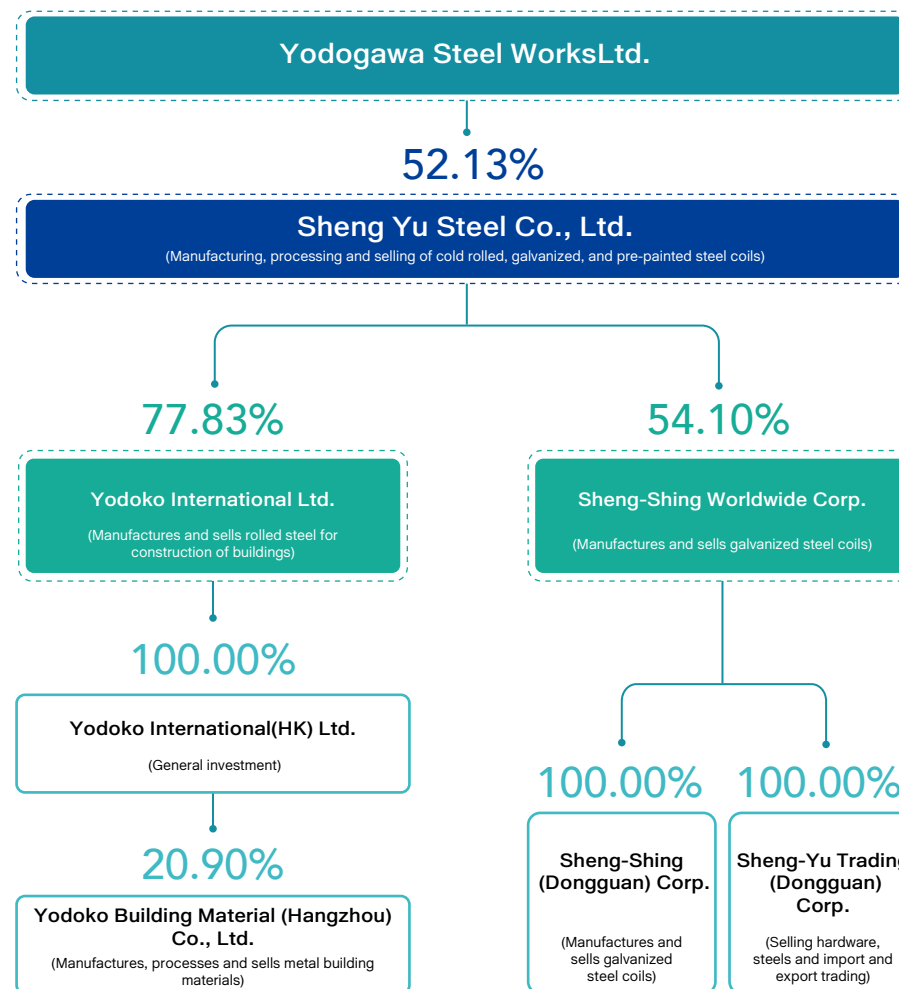




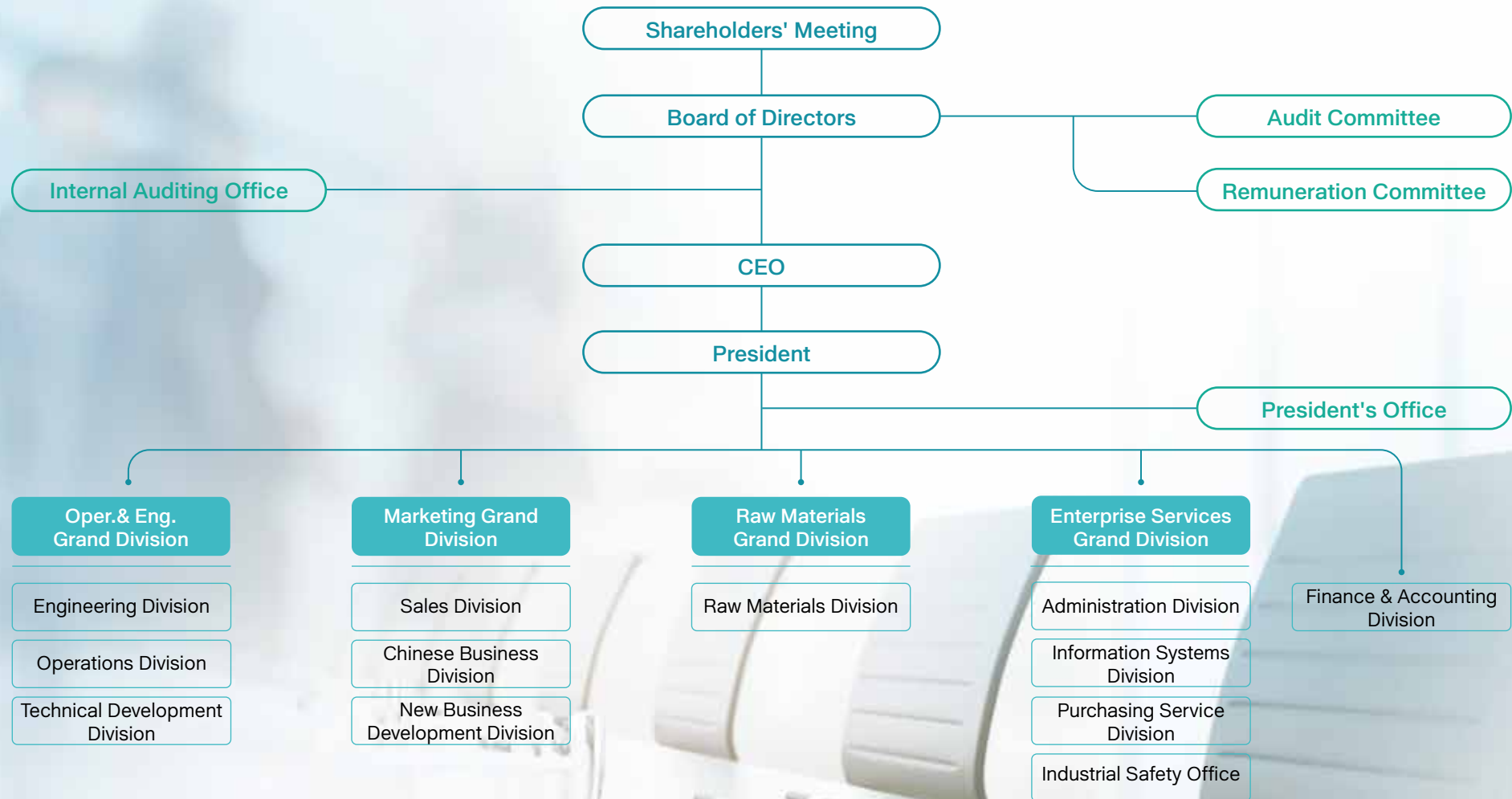
3.1 About the Company

Company Name	Sheng Yu Steel Co., Ltd.
Number of Employees	Approx. 501
Capital	NT\$3,211.8 million
Date of Incorporation	May 19, 1973
Main Products	Cold rolled steel coils, Al-Zn steel coils, Al-Zn coated steel coils
Chairman	Soichi Kitamura
President	Ching-Chun Sheu
Headquarters	No.11, Zhonglin Rd., Xiaogang Dist., Kaohsiung City, Taiwan
Company operates in following regions	Taiwan, North America, China, Southeast Asia, European Union, New Zealand, Australia and Central and South America
Net sales 2021	NT\$13,651,961K
Total sales volume 2021	422,000 metric tons

3.2 Affiliated Companies



3.3 Corporate Organization





I Organizational Tasks and Responsibilities

Dept	Duties	
Internal Auditing Office	To implement internal control and propose recommendations for improvement.	
President's Office	To carry out the tasks delegated by the general manager.	
Oper. & Eng. Grand Division	- To manage the Operations Division. and Engineering Division. - To manage operations of the Technical Division. - To carry forward industrial standardization. - To manage production planning and scheduling and monitor progress.	
	Engineering Division	- To repair, improve, and maintain production facilities. - The representative of ISO 50001 energy management.
	Operations Division	To manage product production and production processes.

Dept	Duties	
Oper. & Eng. Grand Division	Technical Development Division	- To develop production technology and improve production processes. - The main department in the process of quality management. - The representative of ISO 9001 quality management. - The representative of HSF management. - The responsible person of JIS quality management.. - To survey the customers and provide services. - To research and develop new products. - To manage operations of the Technical Division.
	- To manage operations of the Sales Division and China Business Division. - To develop the China market, expand the market, and Service customers. - To manage product warehousing and logistics.	
Marketing Grand Division	Sales Division	To develop the domestic and overseas markets (HSF Included), expand sales, and service customers.
	Chinese Business Division	Development and promotion of China market, sales and customer service, and communication with affiliated companies.
	New Business Development Division	The development of new markets and the planning and proposal of new businesses.



Dept	Duties	
Raw Material Grand Division		To manage the operations of the Raw material Division.
	Raw Materials Division	Responsible for procurement and sales of hot-rolled materials.
Finance & Accounting Division		To manage financial, accounting, and costing-related affairs.
Enterprise Services Grand Division		To manage operations of the Administration Division , Information Systems Division , Purchasing Division , and Industry Safety Office.
	Purchasing Service Division	To manage procurement and warehousing of the materials and accessories.
	Information Systems Division	To manage the Company's information systems, provide commercial and industrial applications, and provide hardware/software support.
	Administration Division	To manage administration, human resources & remuneration, general affairs and public relationship.
	Industrial Safety Office	- To manage safety, hygiene, and environment management affairs. - The representative of ISO 14001 environment management. - The representative of ISO 45001 occupational safety and hygiene management.

3.4 Medium-term Corporate Business Plan(2020-2022)

No.	Measures	Dept
1	Increase annual sales by improving the quality of baked products	Domestic Sales Division
2	Diversify brand advertising	Sales Planning Division
3	Plan and evaluate CG2 equipment upgrades to enhance tension and hardware capabilities in all areas.	- Operations Division - Galvanizing Division 2 - Equipment Division - Instrumentation Division - Project Engineering Division
4	Assess the feasibility of renewing CCL Tension Leveler	- Coating Factory - Project Engineering Division
5	Evaluate CGL Tension Leveler renovation or replacement	- Galvanizing Plant - Project Engineering Division
6	Add reforming line evaluation, including T/L function	Project Engineering Division
7	SYSCO and YIL jointly develop domestic and international engineering projects	Sales divisions
8	Labor saving equipment / process improvement (CPL/PAL)	- Cold Rolling Plant - Finished Products Plant - Project Engineering Division



No.	Measures	Dept
9	AI basic research and introductory project	- Industrial Engineering Division - Production Control Division - Technical Division/ Technical Services Division - Project Engineering Division - Information Systems Division
10	Promotion system improvement and upgrade of HR computer management system	Administration Division
11	Drive functional development	
12	Establish a rotation system	
13	Plan and implement executive training for business development	Administration Division
14	Promote the e-Procurement platform; develop facilitation measures depending on participation level	Purchasing Service Division
15	Rationalize the receipt process and effectively integrate the mobile unit	Purchasing Service Division
16	Extranet customer service collaboration network reengineering and mobile device applications	Information Systems Division
17	Enable staff to acquire IT skills.	Information Systems Division

No.	Measures	Dept
18	Improve the energy efficiency of factory lights	- Energy Resources Committee - Project Engineering Division - Instrumentation Division - Utility Plant
19	Increase the efficiency of the C-507 Inverter Air Compressor	
20	Boost energy efficiency of CT-901 cooling tower pumps	
21	Reduce sludge and other wastes on a sustainable basis	Utility Plant
22	Build industrial safety somatosensory classrooms and provide education and training	Industrial Safety Office
23	Conduct a comprehensive review of SOPs, include safety objectives and offer education and training	- Industrial Safety Office - Industrial Engineering Division
24	Strengthen unit supervisors, industrial safety offices and site inspections	- Industrial Safety Office - Industrial Engineering Division
25	Build solar power facilities on top of the factory	Project Engineering Division
26	Exchange of technologies (cont'd)	Technology Division
27	Set up a rainwater recycling mechanism for effective use of water resources (cont'd)	Project Engineering Division
28	Establish an effective platform for the management of hazardous substances (cont'd)	Information Systems Division



I Long and Short-term Business Development Plans

Short-term Objectives

Increase the proportion of sales of galvanized zinc to order at the offered price.

Reconstruct the sales method of the baked products.

Visit new industrial areas to increase the number of orders received for domestic paint projects.

Promote Sheng Yu solar mount coating products.

Curb the import of magnesium and aluminum steel and develop & promote new product.

Long-term Development

Continue reinforcing leading brand image in Taiwan.

Launch diversified brand marketing campaigns - product briefings / seminars.

Participate in building materials and optoelectronic exhibitions. Shoot micro-videos and portfolio films to market the Sheng Yu brand.

Continue to operate Facebook and IG communities to raise awareness of the SYSCO brand.

3.5 Board of Directors

The current Board of Directors of the Company consists of 10 directors, including 3 independent directors, with extensive experience and expertise in the fields of finance, accounting, taxation, legal affairs and industrial management. Among the Company's directors, 30% are employees and 30% are independent directors, with three of the independent directors having tenure and seniority ranging from 3 to 9 years and four directors aged 60-69 and five directors aged 50-59. The Company is beginning to put a premium on gender equity in the composition of the Board and currently has 0% female directors. It is expected that at least one female director will be added in the next Board election to achieve the goal of gender equity and diversity.

The Chairman of the Board is the Chief Executive Officer of the Company and is able to implement the decisions of the Board in full. In accordance with the Company's Articles of Incorporation, the Board of Directors meets once every three months and may convene meetings on an ad hoc basis if necessary to cope with changes in circumstances. The Company's Board of Directors met five times in 2021, all in compliance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" and there were no instances where the interests of the Company were prejudiced.

Board Membership and Diversity Implementation

Title	Name	Basic requirements and values					Other position	Term of office of independent directors		Expertise & Skills					Overall Competencies								
		Gender	Nationality/ Country of Origin	Age				Less than 3years	3~9 years	Law	Accounting	Industry	Finance	Marketing or leadership	Operational judgements	Accounting and financial analysis	Management administration	Crisis management	Knowledge of the industry	An international market perspective	Leadership	Policy decisions	
				50 ~ 59	60 ~ 69	70 ~ 79																	
Chairman	Soichi Kitamura	M	JP	●			●					●		●	●	●	●	●	●	●	●		
Director	Ching-Chun Sheu	M	ROC		●		●					●		●	●	●	●	●	●	●	●		
Director	Tung-Chih Lin	M	ROC	●			●					●		●		●	●	●	●	●	●		
Director	Shohei Kozaki	M	JP	●								●		●		●	●	●	●	●	●		
Director	Hiroshi Yanagisawa	M	JP	●								●		●		●	●	●	●	●	●		
Director	Ryuichi Yoshida	M	JP		●							●		●	●	●	●	●	●	●	●		
Director	Te-Hsiung Chang	M	ROC			●						●		●	●	●	●	●	●	●	●		
Independent Director	Ying-Fang Huang	M	ROC		●				●			●	●	●	●	●	●	●	●	●	●		
Independent Director	Simon C.S. Liu	M	ROC		●				●	●				●	●	●	●	●	●	●	●		
Independent Director	Fang-Yih Hsu	M	ROC	●					●		●		●		●	●	●	●	●	●	●		



3.6 Remuneration Committee

Sheng Yu has a Compensation Committee in place to assist the Board in the implementation and evaluation of the Company's overall remuneration and benefits policies and the compensation of managers. The Remuneration Committee consists of three members and the current term of office runs from June 17, 2020 to June 16, 2023, with two meetings held in 2021.

Remuneration Committee Member Information

Role	Name	Professional Qualification Requirements and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Convener and Independent director	Ying-Fang Huang	1. Bachelor of mechanical engineering at National Cheng Kung University 2. Master of Business Administration at National Chung Hsing University 3. PhD in quality management at University of Paisley (now University of the West of Scotland) 4. Member of the Audit Committee 5. Member of the Remuneration Committee 6. Specialized in machinery, business management, quality management, etc. 7. Previously served as a professor and president of several universities, and is currently an independent director and member of the Compensation Committee of FU CHUN SHIN MACHINERY MANUFACTURE CO.,LTD. Currently the convener of the Audit Committee of the Company.	1. Independent director of the company 2. The independence requirements were verified in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".	1



Role	Name	Professional Qualification Requirements and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Other	Chun-Hsien Wang	1. Graduate of the Department of Accounting and Statistics, NCKU 2. CIA 3. Previously served as the Deputy Plant Manager and Auditor General of TSRC Corporation, director of the Internal Auditors Association, chairman of the board of directors of The Splendor Hotel Taichung, and currently serves as an independent director and member of the Compensation Committee of CHC RESOURCES CORPORATION and FLUXTEK INTERNATIONAL CORP.	1. The independence requirements were verified in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".	2
Independent director	Chang-hsin Liu	1. Bachelor of Law at Soochow University 2. Member of the Audit Committee 3. Member of the Remuneration Committee 4. Specialized in law 5. Previously served as a consultant of Lee and Li, Attorneys-at-Law and a legal advisor of Kaohsiung Chamber Of Industry, and currently serves as a legal consultant of YUH YOW FISHERY CO., LTD.	1. independent director of the company 2. The independence requirements were verified in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".	0

3.7 ESG Sustainability Executive Committee

In response to the hot topic of ESG corporate sustainability, it is necessary to integrate the Company's resources through cross-functional organizations in order to map out and promote the Company's sustainability blueprint. Sheng Yu reorganized the former TQM Total Quality Management Committee and upgraded it to the ESG Sustainability Executive Committee, which reports directly to the Board on sustainability strategies and implementation progress. The Company delegates the implementation of its corporate objectives and business philosophy to various committees and departments in respect of environmental, social, operational and corporate governance related issues. The president is the chairperson of the ESG Sustainability Executive Committee and each committee reports its performance results to the president at the ESG Sustainability Executive Committee review meeting on a half-yearly basis.

The chairman and president hold regular meetings with senior managers to keep abreast of economic, operational and social information facing the company and to assign the appropriate person to deal with and resolve the situation as required.

At present, the assistant manager of the Resources Department is appointed as the convenor of the CSR Committee to promote and issue sustainability reports and other tasks, and members of the committee are assigned at Director level by each department to participate in the implementation of activities and report regularly to the ESG Sustainability Executive Committee.

"The ESG Sustainability Executive Committee" is composed of various committees, which are jointly formed by the heads of various departments of the Company, to carry out various issues of sustainable development and quality improvement.





Regulatory Compliance and Risk Management Committee	1. Promotion and heightening of the concept of law compliance and cultivates a corporate culture of ethical practices.
	2. Establishment of a reporting system for violations of the law
	3. Risk management when the Company or its employees break the law
	4. Analysis and issue management of corporate sustainable development opportunities and risks.
	5. Planning, monitoring and reviewing the objectives of the Risk and Opportunity Group (consisting of the Information Security Management Group and the Intellectual Property Management Group).
Energy Resources Management Committee	1. Control and management of Company-wide energy consumption, energy performance indicators (EnPIs) and greenhouse gas (GHG) emission reduction.
	2. Introduction and promotion of energy saving concepts and improvement techniques.
	3. Allocation of energy resource improvement themes, target setting and effectiveness tracking and review.
	4. System operation and information disclosure of carbon and water management issues under climate change.
CSR Committee	1. Investigation and disclosure of internal and external environment and stakeholder issues of concern.
	2. Allocation of stakeholder improvement issues, target setting and effectiveness tracking and review.
	3. Production and distribution of corporate sustainability reports.
Talent Development Committee	1. Setting training objectives and medium- and long-term talent cultivation plans.
	2. Arranging training programs in line with the Company's annual objectives, conducting regular reviews and evaluating the effectiveness of implementation.
	3. Implementing functional management, introducing competency development plans and nurturing key talent.

Improvement Committee	1. Promotion and management of SJK /QIT improvement activities and proposal system for all employees.
	2. Company-wide process management loss definition and cross-departmental improvement theme confirmation and effectiveness verification.
	3. Introduction and promotion of various improvement techniques.
Quality Assurance Committee	1. Planning of all quality assurance matters (HSF).
	2. Making recommendations for improvement of the quality system in each department.
	3. Conducting regular internal audits and other regular project audits of the Company's quality / environmental / occupational safety and health / energy management systems.
	4. Tracking and publication of the Company's quality target action plan (HSF) and its performance (quarterly).
Customer Satisfaction Committee	1. Collation of customer feedback.
	2. External satisfaction survey (including HSF)
	3. Tracking and feedback on post-survey improvements.
Digital Transformation Promotion Group	1. Analysis and assessment of digitization opportunities and risks, and identification of digitization improvement directions.
	2. Setting targets for digital optimization or transformation and training staff in the use of digital tools.
	3. Integrating the Company's digital technology resources and collaborating on digital optimization or transformation improvement projects.
	4. Regularly reviewing the progress and effectiveness of digital optimization or transformation projects.

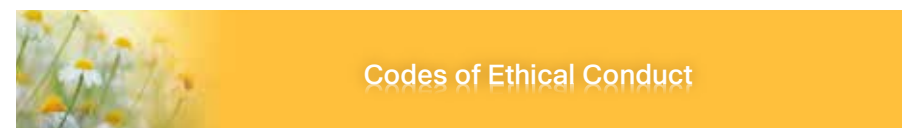
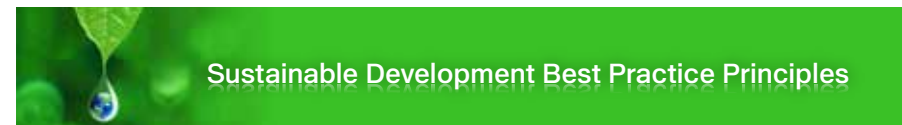
3.8 Ethical Management

The Company's business philosophy and core values are ethical conduct, a work ethic and values that all employees must possess, as well as ways and principles of doing things. To strictly prohibit any acts of corruption, bribery and extortion, anti-corruption guidelines are enshrined in the Work Rules and related promotional documents. These requirements are incorporated into the training programs for new recruits to ensure that every employee understands the Company's protocols and rules of ethical conduct.

In addition, we have established an internal control mechanism in accordance with the law. The audit unit regularly assesses the Company's risks and draws up an audit plan, carries out relevant audits against the audit plan, and reports the results to the Board of Directors on a regular basis for the management's understanding and management purposes. The Company continues to uphold good business ethics to prevent the occurrence of corruption and malfeasance.

To enhance corporate governance, the Regulatory Compliance and Risk Management Committee was created in 2014 and has been responsible for promoting and communicating anti-corruption policies and is dedicated to adhering to the legal and ethical standards of the countries in which the Company operates. The committee holds regular annual meetings to establish an annual plan, and in line with the annual plan, it prepares various regulatory compliance campaigns and set up a "SYSCO Hot Line" to handle reports confidentially and to protect the safety of those filing reports. No reports were received during the report period.

The Company has laid down the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct" and "Sustainable Development Best Practice Principles," which require our directors, managers and employees to carry out their duties in a proactive and responsible manner, to discard self-centeredness, to focus on teamwork and to adhere to the principles of honesty and integrity. In the course of conducting business, one shall comply with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the listing rules and other laws and regulations relating to business conduct as a fundamental prerequisite for ethical management, and shall not offer, promise, demand or accept, directly or indirectly, any improper benefits or commit any misconduct in breach of good faith, laws or fiduciary duty in order to obtain or maintain benefits (i.e. unethical act).



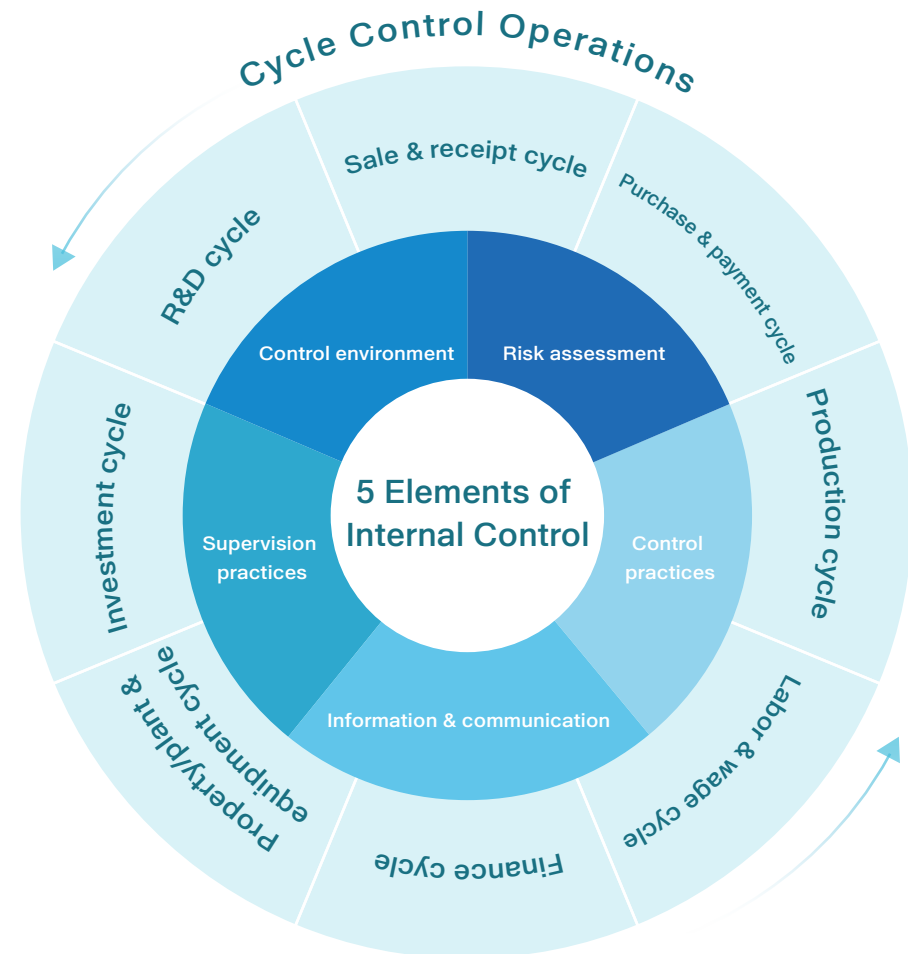
3.9 Internal Control

In order to enhance sound operations, the Company has instituted a system of internal controls to provide reasonable assurance that the following objectives are met:

1. The effectiveness and efficiency of operations.
2. The reliability, timeliness and transparency of reporting and compliance with relevant regulations.
3. Observance of relevant laws and regulations.

The Company's internal control system consists of five components: control environment, risk assessment, control practices, information and communication, and supervision practices. The Company has established control practices for the following cycles according to the characteristics of its industry: sales and receipt cycle, purchase and payment cycle, production cycle, labor and wage cycle, finance cycle, property/plant & equipment cycle, investment cycle, and R&D cycle. The Company's internal control system includes, in addition to the controls over the operating cycle described above, controls required by law, such as the management of the use of the seal, the management of loans of funds to others, and the control of access to programs and data.

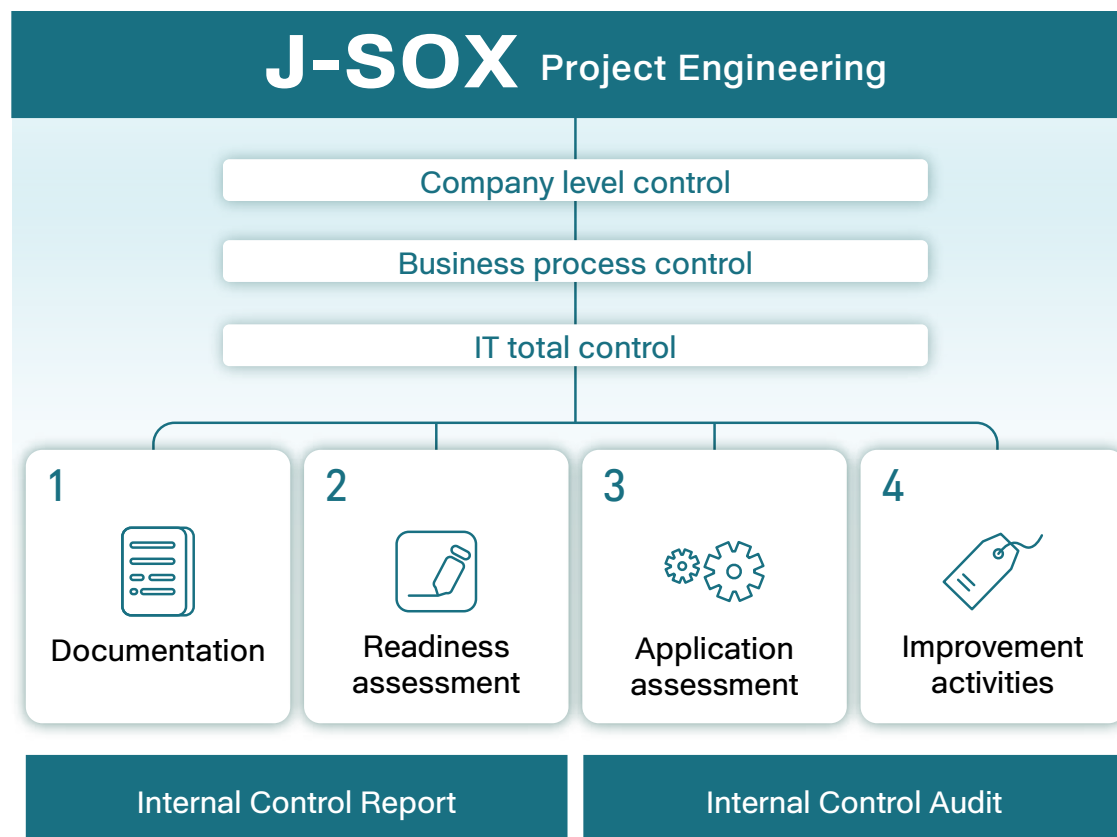
To assist the Board and the managers in checking and reviewing the deficiencies of the internal control system and measuring the effectiveness and efficiency of the operations to ensure the continuous and effective implementation of the internal control system, the Company has set up an internal audit office under the Board to perform internal



audits. Based on the results of the risk assessment, the Internal Audit Office prepares an annual audit plan and submits it to the Board of Directors for discussion. The annual audit plan approved by the Company's Board of Directors is carried out by the Internal Audit Office. The results of the audit and the improvement of internal control system deficiencies and irregularities identified by the internal audit are reported to the Financial Supervisory Commission for inspection in accordance with the regulations.

To put in place a self-monitoring mechanism, to adjust the design and implementation of the internal control system in a timely manner in response to changes in the environment, and to enhance the quality and efficiency of the internal audit office's audits, the Company urges its internal units and subsidiaries to conduct self-assessments annually. A self-assessment is a judgment required by law to determine the effectiveness of the design and implementation of the internal control system. The effectiveness of the internal control system may vary due to changes in circumstances and conditions. However, the Company's internal control system has a self-monitoring mechanism and once deficiencies are identified, the Company will take corrective action. In conjunction with the parent company in Japan, the Company has also completed a self-

assessment in accordance with Japanese regulations and related standards (J-SOX) for the year 2021, which was audited and approved by certified public accountants.





3.10 Taxation Management

The Company has no tax strategy and is subject to business and income taxes under the Value-added and Non-value-added Business Tax Act and the profit-seeking enterprise income tax laws, which are reviewed annually by the head of the finance and accounting department. The Company has a Regulatory Compliance and Risk Management Committee which regularly checks the Company's regulatory compliance. In respect of taxation, the Finance and Accounting Department reviews tax-related regulatory changes on a monthly basis and assesses the impact on the Company.

The Finance and Accounting Department pays business and income taxes under the Value-added and Non-value-added Business Tax Act and the profit-seeking enterprise income tax laws. The Company has formulated standards for tax accounting treatment, whereby the Finance and Accounting Department reviews changes in tax-related regulations on a monthly basis and periodically examines the standards for compliance with current laws and regulations.

The Company handles tax-related issues pursuant to the standards for tax accounting treatment, the Value-added and Non-value-added Business Tax Act and the profit-seeking enterprise income tax laws. The Company communicates with tax authorities on tax issues through an accountant certifying tax returns and reports any significant tax issues to internal stakeholders and, if necessary, notifies external stakeholders through a Market Observation Post System announcement.

The Company's ultimate parent entity, Yodogawa Steel Works. Ltd. is based in Japan, and the Company is exempted from preparing and submitting the Group's master file report under the Ministry of Finance's Tai-Cai-Shui-Zi Order No. 10804651540 dated December 10, 2019, and the parent company is required to submit the country-specific report in accordance with the regulations of the country of residence.

Operating Conditions, Customers/Supply Chain

- 4.1 Operational Performance
- 4.2 Production Flow
- 4.3 Product Sales
- 4.4 Product Applications
- 4.5 Customer Satisfaction & Product Promotion
- 4.6 Supplier/Contractor Sustainability Management





4.1 Operational Performance

Sheng Yu is one of the leading brands of galvanized and pre-painted steel coil products in Taiwan, with its main products being Al-Zn coated steel coils, Zn coated steel coils, Al-Zn steel coils and Zn steel coils, of which approximately 69% were sold domestically and 31% sold overseas. The company continues to win the support and trust of its customers by upholding a corporate image of quality and ethical management that exceeds customer expectations.

With Taiwan's goal of achieving net-zero carbon emissions by 2050, competition in the raw materials market will continue to eliminate low-end capacity that does not meet the net-zero carbon emissions target, and relatively high-priced raw materials may become the new norm. Each company's commitment to climate change is a manifestation of responsibility and value. Therefore, despite an indirect impact on the Company's profitability in the short term, the concept of net zero carbon emissions will continue to be extended to achieve sustainable development.

Condensed Consolidated Income Statement-Consolidated Financial Statements

In NTD K

(Earnings/net loss per share in NTD K)

Item \ Year	Financial Information for the Last Five Years				
	2021	2020	2019	2018	2017
Operating Revenue	14,356,130	9,381,644	9,877,956	11,282,054	13,769,042
Gross Profit	2,148,263	866,935	582,794	707,103	1,751,372
Operating Profit	1,559,632	378,350	72,585	129,896	999,451
Non-operating Income & Expenses	32,327	(49,903)	(12,879)	16,524	(53,380)
Net Profit (Loss) before Tax	1,591,959	328,447	59,706	146,420	946,071
Net Profit for the Period from Continuing Operations	1,281,969	253,371	30,090	97,225	748,979
Loss from Discontinued Operations	0	0	0	0	0



In NTD K

(Earnings/net loss per share in NTD K)

Item \ Year	Financial Information for the Last Five Years				
	2021	2020	2019	2018	2017
Net Profit (Loss) for the Period	1,281,969	253,371	30,090	97,225	748,979
Other Comprehensive Income (Net of Tax) for the Period	(55,769)	(2,185)	41,529	50,574	48,991
Total Consolidated Comprehensive Income for the Period	1,226,200	251,186	71,619	147,799	797,970
Net Profit (Loss) Attributable to Owners of the parent Company	1,264,065	247,248	34,647	107,450	743,605
Net Profit (Loss) Attributable to Non- controlling Interests	17,904	6,123	(4,557)	(10,225)	5,374
Total Consolidated Comprehensive Income Attributable to Owners of the parent Company	1,207,092	243,176	76,844	160,000	788,239
Total Consolidated Comprehensive Income Attributable to Non-controlling Interests	19,108	8,010	(5,225)	(12,201)	9,731
Earnings (net loss) per share	3.94	0.77	0.11	0.33	2.32



Sales Volume/Value for the Last Two Years

Unit: Volume: K metric tonnes; Value: NT\$ million

Year Sales Volume/Value Main Products	2021				2020			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Pickled Steel Coils	0	0	0	0	-	2	0	0
Cold Rolled Steel Coils	-	4	0	0	2	37	0	0
Galvanized Steel Coils	140	4,642	82	2,596	142	2,981	58	1,273
Baked Steel Coils	96	4,432	41	1,652	98	3,527	29	814
Trading	-	-	0	0	5	77	-	1
OEM	45	125	0	2	23	58	0	1
Other	18	199	0	0	17	116	0	0
Total	299	9,402	123	4,250	287	6,798	87	2,089

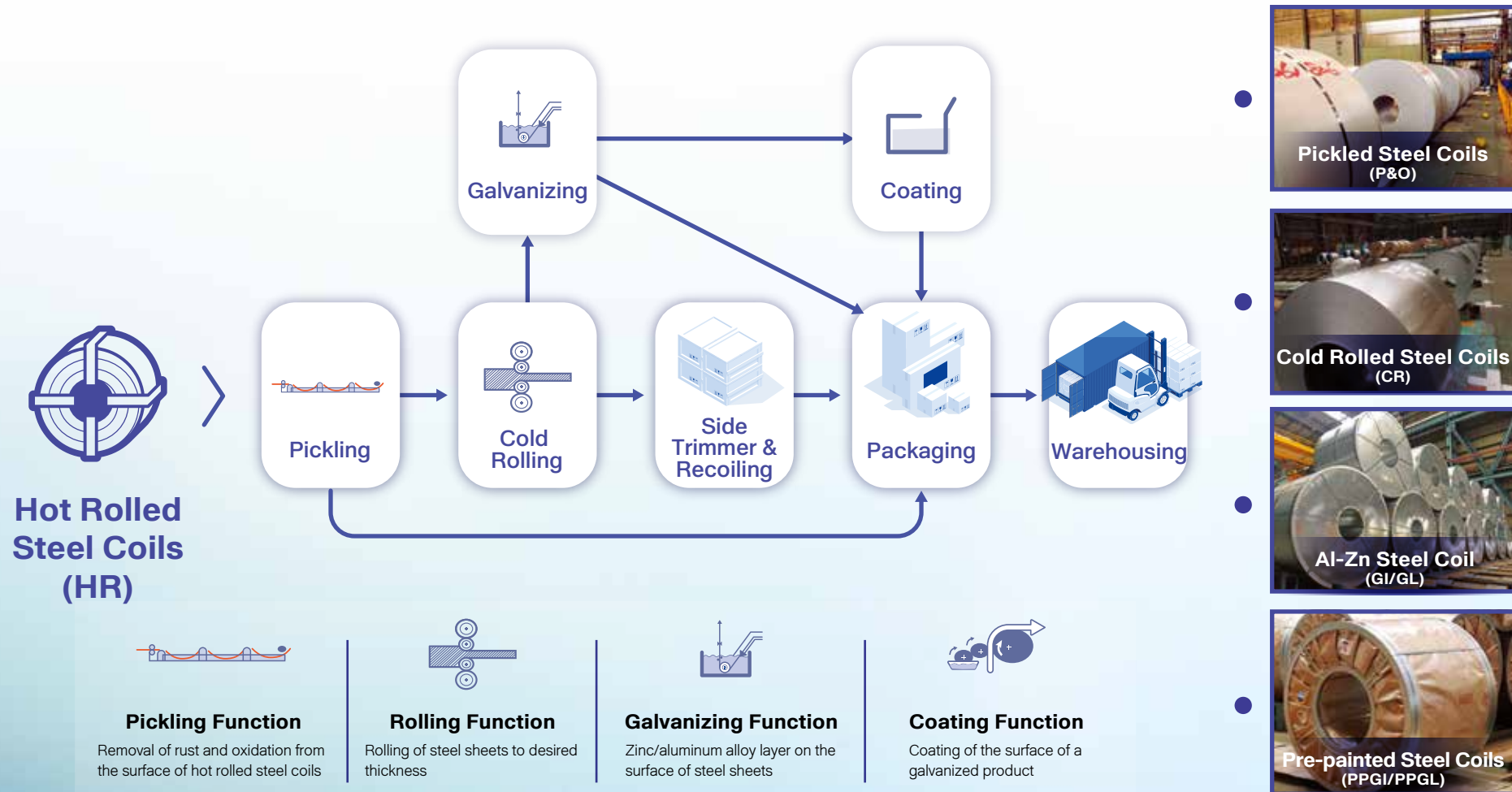
Production Volume/Value for the Last Two Years

Unit: Capacity/output: K metric tonnes; Output value: NT\$ million

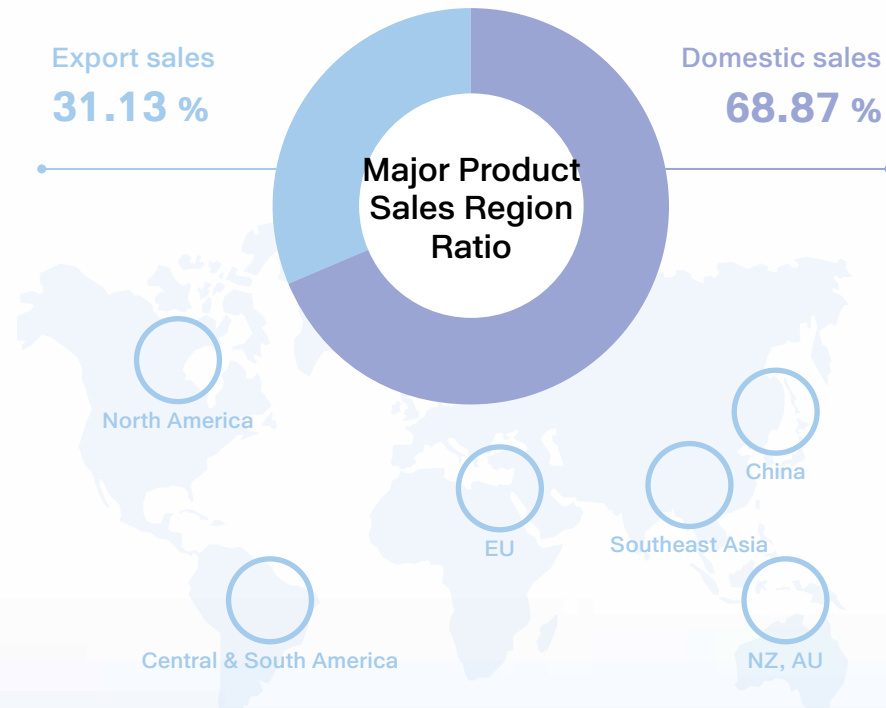
Year Sales Volume/Value Main Products	2021			2020		
	Capacity	Output (*)	Output Value (*)	Capacity	Output (*)	Output Value (*)
Pickled Steel Coils	900	-	-	900	-	2
Cold Rolled Steel Coils	710	-	3	710	2	40
Galvanized Steel Coils	450	231	6,695	450	205	4,220
Baked Steel Coils	200	150	5,564	200	128	3,573
Trading	0	0	0	0	0	0
OEM	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	-	381	12,262	-	335	7,835

(*) : Final output and value of output available for sale.

4.2 Production Flow



4.3 Product Sales

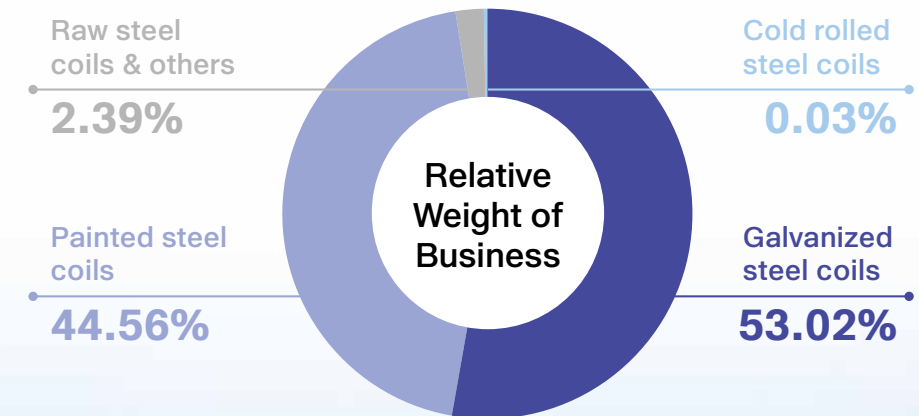


Sheng Yu is the first specialized galvanizing steel mill in Taiwan to produce continuous Al-Zn and coated steel coils, with an output of approx. 380,000 metric tons in 2021, whose main products are Al-Zn coated steel coils, Zn coated steel coils, Al-Zn steel coils and Zn steel coils, of which approx. 68.87% were sold domestically and 31.13% sold overseas. The domestic market share of coated steel coils for local sales was as high as 34.1%, while that of Al-Zn steel coils for local sales was 10.2%. The main regions for export sales were North America, China,

Southeast Asia, the European Union, New Zealand and Australia, and Central and South America.

Market Share (KPI):

Product	2021 Domestic Apparent Consumption	2021 Domestic Sheng Yu Sales	Share
GI & GL	1,298,000t	132,929t	10.2%
PPGI & PPGL	272,000t	92,646t	34.1%



"ColorStrong" is the No.1 brand of Al-Zn coated steel products in Taiwan, providing customers with a wide range of quality and reliable choices. With a strong presence not only in the nation, but also around the world, ColorStrong has earned the support and trust of its customers by always giving priority to their needs.

Technologies or Products Successfully Developed in 2021

To cater for market demand, Sheng Yu continues to develop various special products to meet customer needs, with R&D expenses amounting to NT\$82,759,000 in 2021.



Development of Matte Black Trash Can Shell PCM

Completed: Dec 2021

The product is characterized by the addition of specially lubricated aggregate particles to the coating of the steel sheet, adding to the beautiful texture of the deep black matte appearance and excellent processability. The product is manufactured with a special coating technology that significantly improves the appearance of the coating, and is used for the export of premium rubbish bin shells.



Development of PPSUS for Integrated Solar Substrate

Completed: Dec 2021

PPSUS is a composite substrate for integrated solar modules. The special coating on the composite surface provides excellent adhesion to the module, and the excellent corrosion resistance of stainless steel extends the service life in harsh environments, making it an excellent corrosion resistant material for the development of green solar energy.



Development of Printed Rockwool Composite Panel

Completed: Dec 2021

The product has a highly weather resistant PVDF coating with a hairline printed lacquer finish, giving the metal building material a more beautiful and lively appearance for use in rock wool laminates. The product is manufactured through a multi-stage process to control the shape of the steel sheet, resulting in a good flatness of the steel sheet and the rock wool laminate, making it an aesthetically pleasing and quality weather resistant steel material.

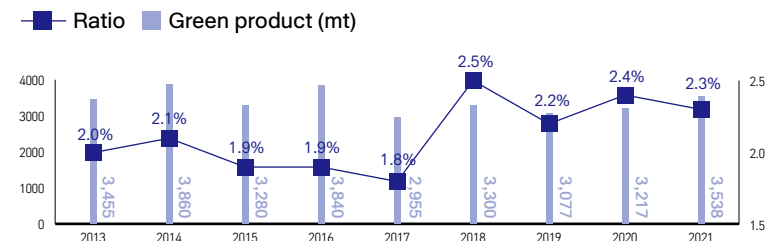
HSF Green Products and High Weather Resistant Products

Sheng Yu produces green products in accordance with the IECQ QC080000 Hazardous Substances Process Management System, which avoids the use of hazardous substances in the manufacturing process and poses no or minimal harm to the environment. In addition to complying with EU RoHS and domestic environmental regulations, the Company also strives to meet customers' individual requirements that go beyond regulations and provides certificates of chemical composition of hazardous substances as proof.

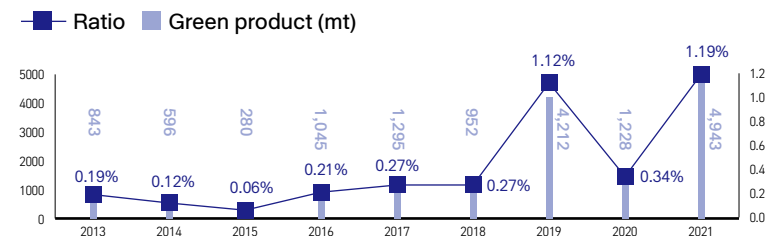
The Company has been developing many green products with environmental characteristics in the fields of building materials, home appliances and consumer electronics, helping customers to raise energy efficiency, lighten the weight of products and extend the life of products in order to achieve the green goal of lessening the load on the environment.

As a result of climate change, the demand for steel materials with high strength and corrosion resistance (high Galvanizing) has increased due to rising expectations for building safety standards. Another important issue in construction safety is the use of flame-resistant materials. Our PE / SMP / PVDF paint products have been approved by the Ministry of the Interior as Class 1 flame-resistant materials in accordance with the construction technical regulations. In addition, the demand for green, non-hazardous products has become a worldwide trend in recent years in order to mitigate the risk to human health and the environment. The statistics for the sales percentages of the above product categories for each year are as follows:

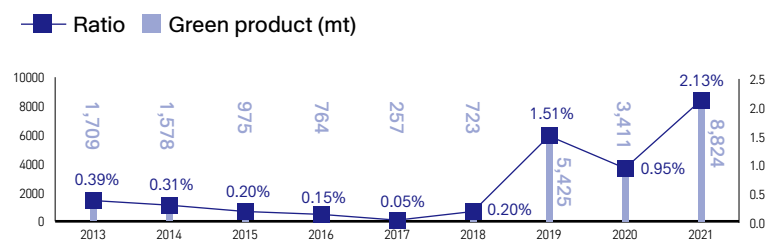
55% Al-Zn coated/ Zn-coated/ stainless steel coated green product order statistics



Order statistics for high strength and high elongation products



Order statistics for high coating products





4.4 Product Applications

In addition to the four main products, namely, Al-Zn coated steel coils (COLORSTRONG), Zn coated steel coils (COLORZINC), Al-Zn steel coils and Zn steel coils, Sheng Yu has developed a variety of special weather-resistant products to cope with the climatic conditions around the world. Each product is described as follows:

Al-Zn coated steel rolls (COLORSTRONG) and zinc coated steel rolls (COLORZINC)

Product characteristics: The corrosion resistance of Zn(Al-Zn) coated steel coils is high. In order to add color to the surface and increase the weather resistance, the surface of the steel coils is painted and coated to produce beautiful and more corrosion resistant Zn(Al-Zn) coated steel coils, which are widely used in household goods and architectural appearance.

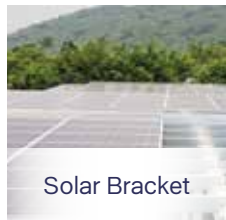
▼ Applications of various types of Zn(Al-Zn) coated steel coils



Al-Zn coated steel coil,Zn coated steel coil

Product Features: The aluminum alloy structure of the "Al-Zn coated steel coil" is made up of 55% aluminum, 43.4% zinc and 1.6% silicon cured at a high temperature of 600°C. The entire structure is composed of aluminum-iron-zinc-silicon forming a dense quadruple crystalloid, which creates a barrier on the steel plate and thus effectively prevents corrosion factors from penetrating. The surface of the Al-Zn steel coil is coated with an Al-Zn layer to protect the steel from atmospheric corrosion, thus ensuring a long service life.

Al-Zn coated products:



Solar Bracket



Washing machine
tank



Refrigerator back
panel



Air conditioning
vent pipe



Cooling fan



Chrome-free fingerprint
resistant zinc-coated
steel sheet



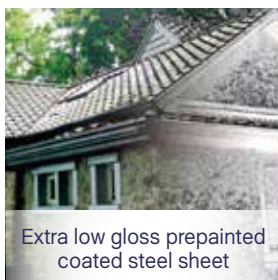
Flooring



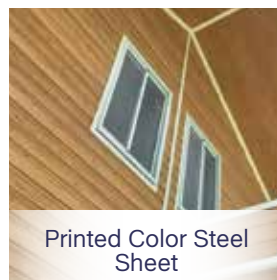
Barrel

Other special products:

Printed color steel sheet, clean energy coated steel sheets, embossed pre-painted steel coils, reticulated coated steel sheets,PVDF clean energy coated steel sheets, chrome-free anti-fingerprint Al-Zn coated steel sheets, anti-static coated steel sheets,extra low gloss prepainted coated steel sheet, high color coated steel sheets, stainless steel PVDF coated steel sheets,high plated coated steel sheets (AZ250, AZ300 for engineering), white boards, black boards.



Extra low gloss prepainted
coated steel sheet



Printed Color Steel
Sheet



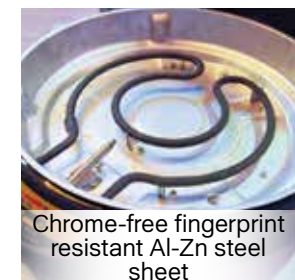
Highly Glossy pearl
pre-painted Steel Coils



Embossed pre-painted
Steel Coils



PVDF clean energy
coated steel sheet



Chrome-free fingerprint
resistant Al-Zn steel
sheet



4.5 Customer Satisfaction & Product Promotion

A Customer Satisfaction Committee has been set up to conduct annual customer satisfaction surveys as a reference for the formulation of business policies. The sales and field unit supervisors carry out interviews according to the needs of the customers in order to quickly understand the problems and needs of the customers.

The Customer Satisfaction Committee will provide the survey results to the head of each responsible unit for reference and as a basis for subsequent improvement. After communicating with our customers, they all agree as to how the Customer Satisfaction Committee operates. We will continue to invite the supervisors of the relevant units on site to visit our customers for domestic and overseas sales in order to address their concerns promptly and improve customer satisfaction.

Kaohsiung International Building Materials Exhibition

Sheng Yu is not only the number one brand of coated steel sheets in Taiwan, but has also developed "Sheng Yu stainless steel PVDF coated steel sheets," "Sheng Yu high plated 55% Al-Zn AZ300 for solar power system bracket" and "Japanese YODOKO storage system," in addition to the original ColorStrong Al-Zn coated products.

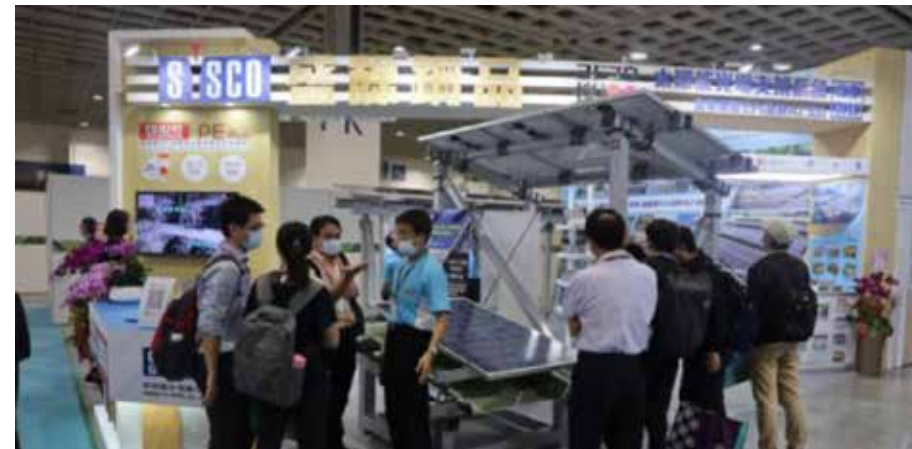




PV Taiwan Exhibition

Like other traditional Taiwanese industries, Sheng Yu has experienced tariff barriers, the US-China trade war, the COVID-19 pandemic and the inability to sign trade agreements with other countries due to the Chinese factor, resulting in low competitiveness in export sales and the Company slimming down to cut costs in an attempt to ride out the downturn. At this moment, we see a ray of light shining on the island of Taiwan, as the government is planning to build a nuclear-free

homeland by 2025 and to develop solar power generation. Sheng Yu's 55% Al-Zn AZ300 extremely corrosion resistant steel is the best choice for solar mounts.



Sheng Yu launches FB /IG marketing to enhance brand exposure

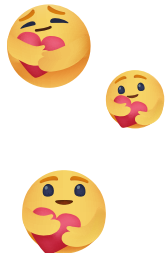
Sheng Yu started its online YouTube platform in July 2019. In order to further increase brand exposure, the Sales Planning Division has set up Facebook & Instagram platforms to engage directly with downstream consumers and convey positive brand impressions through short posts and images. In addition to sharing knowledge and activities, the online platforms will also continue to hold lucky draws, so everyone is welcome to join in.



Sheng Yu Steel Co



https://www.youtube.com/channel/UC_bV5XhQpMRn0Hx9pADi4sg/videos



Sheng Yu Steel Co



<https://www.facebook.com/Shengyusteel>



shengyusteel



<https://www.instagram.com/shengyusteel/>



4.6 Supplier / Contractor Sustainability Management

4.6.1 Supplier and Contractor Management Policy

Suppliers are managed in conformity with Sheng Yu Co's CSR policy, which covers environmental protection, sustainable development, safety and health, human rights protection, ethical conduct and compliance with relevant laws and regulations, as well as the Company's "Procurement and Contracting Management Regulations."

Specific management policies include:

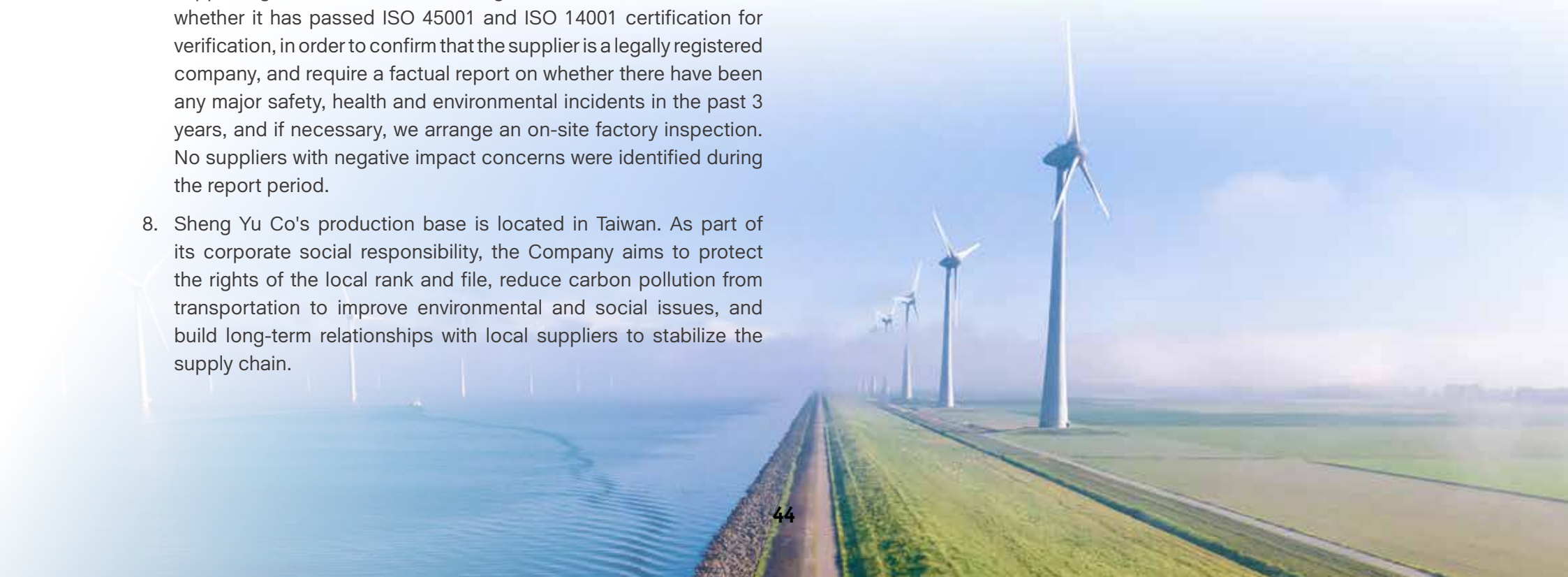
1. Suppliers and contractors are required to comply with Sheng Yu Co's CSR policy, which suspends trading until improvements are made in cases of infringement of environmental protection, industrial safety, labor rights, ethical conduct and labor-related laws. No potential negative impact events were identified in 2021.
2. Contractors are required to pay attention to improving the environmental impact of production or construction processes and to observe regulatory requirements, including proper procedural control of waste disposal, in order to achieve environmental protection and energy performance management objectives.
3. Sheng Yu has established an audit process for qualified suppliers of HSFgreen products. Each year, the supplier's product quality, documentation and third-party test results are reviewed and the results are announced as a basis for procurement.
4. Sheng Yu has a rigorous selection process for waste clearance and disposal contractors. Before signing a contract, we have to check their licenses issued by the government, whether they have any records of non-compliance in the past 3 years, and visit the contractor's factory to conduct on-site inspections, and then enter into a contract after they have passed the assessment. During the term of the contract, waste clearance and disposal procedures are subject to environmental regulations and are audited on an annual basis. The audit rate for the 2021 report period was 100%, with all audit results receiving a pass.
5. In terms of labor safety protection, the contractor is required to attend safety training and hazard communication sessions prior to work. The contractor shall appoint a dedicated safety and health management staff for management under all safety and health management regulations set by Sheng Yu, and in case of



any breach, the contractor shall be fined accordingly, in order to enhance the safety of the contractor's personnel.

6. With regard to the protection of labor rights, the contractor is mandated to insure the workers as stipulated by government regulations, and to take out additional accident insurance of at least NT\$5 million per person to increase the protection of workers in case of accidents. Attendance and wages must also be subject to the relevant labor laws and regulations.
7. When assessing whether to bring in a new contractor, we ask the contractor to fill in a factory survey form and submit relevant supporting information such as registered business items, and whether it has passed ISO 45001 and ISO 14001 certification for verification, in order to confirm that the supplier is a legally registered company, and require a factual report on whether there have been any major safety, health and environmental incidents in the past 3 years, and if necessary, we arrange an on-site factory inspection. No suppliers with negative impact concerns were identified during the report period.
8. Sheng Yu Co's production base is located in Taiwan. As part of its corporate social responsibility, the Company aims to protect the rights of the local rank and file, reduce carbon pollution from transportation to improve environmental and social issues, and build long-term relationships with local suppliers to stabilize the supply chain.

9. The Company pays attention to the human rights situation in the country of origin when purchasing equipment and raw materials abroad, and makes adjustments accordingly, stipulating in the procurement documents and contract terms that no bribery or infringement of rights is allowed.
10. The Company endorses the advocacy of the Global e-Sustainability Initiative (GeSI) by sourcing conflict-free raw materials and not purchasing conflict metals from conflict zones in the Democratic Republic of Congo and its surrounding countries, and the zinc and aluminum ingot raw materials sourced in 2021 were in line with the conflict minerals policy.



4.6.2 Implementation of the Supplier and Contractor Management Policy

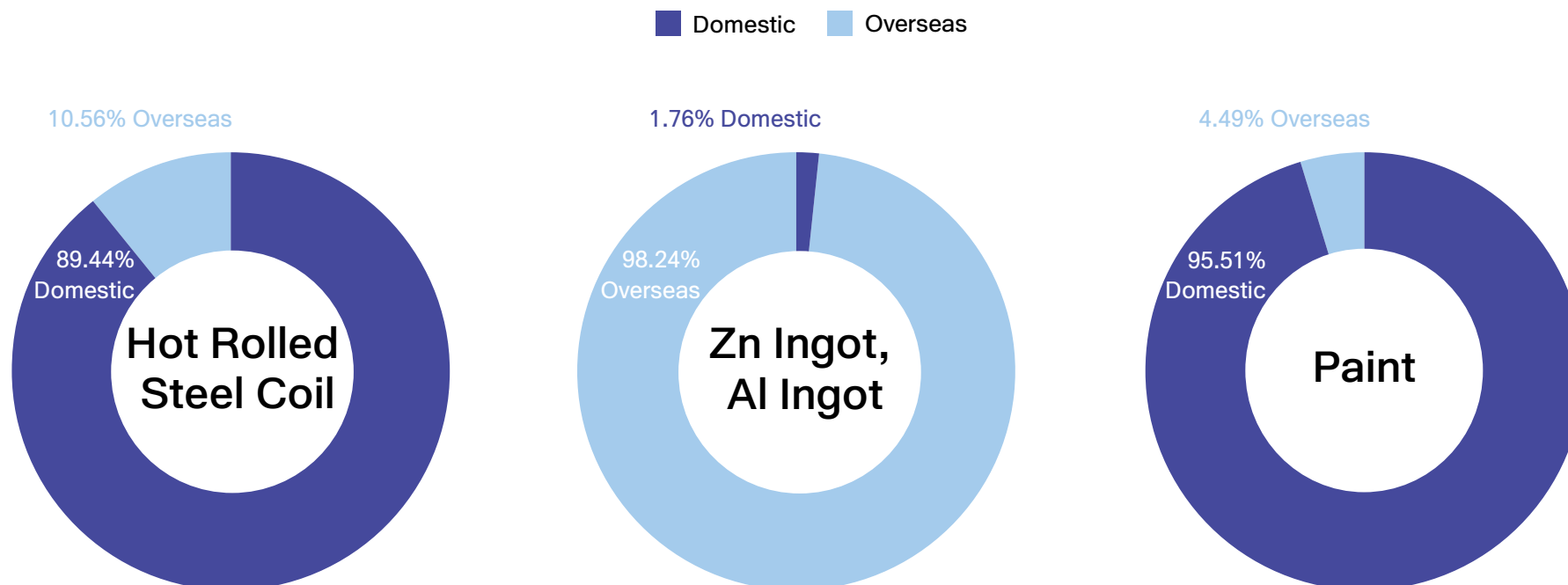
In accordance with Sheng Yu Co's Supplier and Contractor Management Policy and the "Procurement and Contracting Management Regulations," suppliers are assessed annually on their performance indicators as the basis for continued procurement:

1. Comply with the requirements of ISO 9001, QC080000, ISO45001 and ISO14001 management systems, and conduct annual supplier management audits, with no deficiencies identified in 2021.
2. Conduct annual risk identification checks on the environmental aspects of the business in order to implement business risk management and maintain normal operations. In 2021, the results of the indirect environmental assessment of suppliers in the procurement process were below moderate risk.
3. Qualified suppliers of HSF green products, with review completed and results announced in 2021.
4. An operator was contracted in 2021 to carry out waste clearance and disposal in compliance with environmental regulations and no negative impact concerns were identified during the 2021 plant visit.
5. Suppliers and contractors of outsourced processing, encapsulation applicator roll(coating), work roll(grinding), transportation, air conditioning maintenance, forklift maintenance and other outsourced processing work, as well as contractors who are stationed on site, are required to report annually on the Environmental Management System Compliance Survey, so that the Company can understand and manage the contractors' compliance with regulations. No suppliers were found to have any negative impact in the 2021 environmental management compliance survey.
6. Supplier appraisal: The scope includes the delivery performance of suppliers of raw materials, materials and packaging materials directly related to the production of finished products.
7. Contractor appraisal: The scope includes confined space operations, roofing operations, plant construction or repair operations, excavation operations, erection of scaffolding over 5 meters in height, and outsourced processing work, etc. The assessment will be carried out at the time of completion and acceptance of the project.





The Ratio of Domestic and Overseas Purchases of Major Raw Materials in 2021



As zinc ingots and aluminum ingots are not available in the nation, most of the raw materials are sourced from overseas, while other major raw materials are primarily sourced domestically.

The proportion of non-major raw material purchases from local suppliers to Sheng Yu's total purchases in 2021 was approx. 89.68%, with foreign purchases accounting for 10.32%.

Energy Management, Environmental Protection

- 5.1 Environmental Management
- 5.2 Green Energy Development
- 5.3 Climate Change & Air Pollution
- 5.4 Water Efficiency
- 5.5 Waste Management
- 5.6 Toxic Chemical Substances Management
- 5.7 Biodiversity



Responding to climate change is a corporate responsibility for sustainability. In order to strengthen our resilience to climate change and reduce damage and potential impacts, Sheng Yu is committed to energy management and environmental protection. By improving energy efficiency and using renewable energy, we aim to reduce energy consumption, carbon emissions and greenhouse gas emissions.

5.1 Energy Development

5.1.1 Energy Consumption in 2021

It has been certified by SGS Taiwan Ltd, and is now internally certified annually by our ISO 14064-1 qualified inspector.

Raw material inputs for 2021

Hot rolled steel coil input of 368,994 tonnes

Galvanizing Mill

Steel coil input 400,593 mt

Al-Zn output 406,644 mt

Zn ingot input 11,466 mt

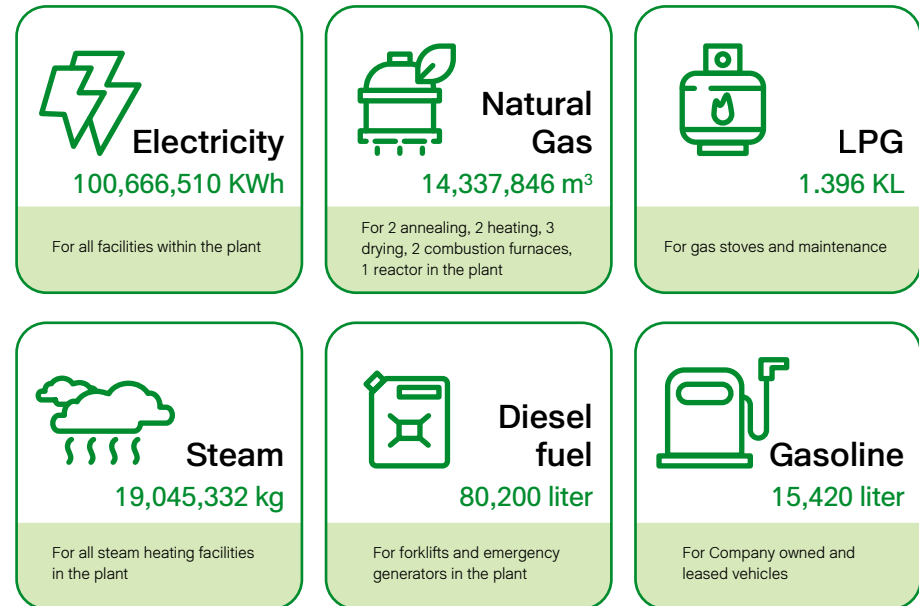
Amount of Al-Zn products used per t 28.62 kg Zn ingot

Al ingot input 6,271 mt

Amount of Al-Zn products used per t 15.65 kg AL ingot

Energy Consumption in 2021

Energy consumption within Sheng Yu in 2021 (direct use in production and ancillary facilities within the plant) as per ISO 14064-1:



Coating Factory

Steel coil input 154,409 mt

Baking varnish output 155,927 mt

Paint input 5,335 mt

Amount of baking varnish used per t 34.55 kg paint

5.1.2 Energy Consumption in Unit Product

The Company keeps regular statistics on energy consumption in unit product and such data for the most recent five-year period is shown in the table below:

Year	2017	2018	2019	2020	2021
Electricity consumption in unit product (kw/mt)	62.2	73.2	73.8	74.4	72.3
Water consumption in unit product (kg/mt)	334	407	414	407	367
Natural gas consumption in unit product (M3/mt)	18.16	19.75	21.09	21.25	21.59

5.1.3 External Energy Consumption in 2021

Results of the inventory as per ISO 14064-1 standard (including external use by personnel required for business purposes)



Electricity

11,729 kWh

Electricity for foreigners in off-site rented accommodation



Natural Gas

294 m

Gas for foreigners in off-site rented accommodation

Current expenditure on energy and environmental protection in the past five years by purpose and amount

In NTD K

Item	2017	2018	2019	2020	2021
Payment of government fees	1,164	5,964	4,298	4,109	4,501
Depreciation expenses	1,756	1,756	10,790	11,552	9,524
Operating & maintenance costs	67,231	68,818	68,331	42,852	30,095

5.1.4 Energy Saving & Carbon Reduction

To achieve our energy saving and carbon reduction targets, Sheng Yu has continued to improve its energy consumption with the management objective of reducing energy consumption and has joined the government's voluntary reduction program, committing to a five-year reduction of 1,250 tonnes of CO₂e, with a cumulative reduction of 15,248 tonnes of CO₂e since 2011.

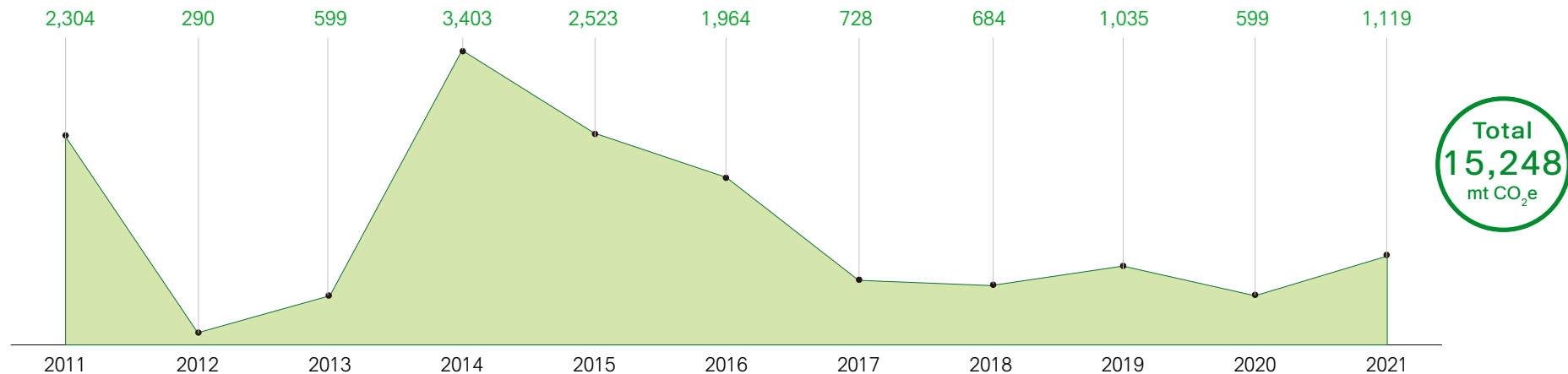
In order to actively implement energy saving and carbon reduction and boost energy efficiency, the Company has established an Energy Resources Management Committee to continuously manage the reduction of energy consumption throughout the Company, set energy management targets and integrate major energy usage action plans to achieve carbon reduction performance.

A total of six energy saving projects were carried out in 2021, saving 2,191,374 kWh of electricity and 4,032 liters of gasoline, and reducing 1,119.43 tonnes of CO₂e.

Major items include: installation of a rooftop solar power system, energy saving improvements to exhaust fan motors, energy saving improvements to cooling fans, improvements to cooling water tower motors, and conversion of fuel sources for company cars from gasoline to a combination of gasoline and electricity.

Voluntary GHG reduction performance statistics over the years

Unit: mt CO₂e



Direct GHG Emissions

According to the results of the 2021 ISO 14064-1 GHG inventory, the direct GHG emissions sources and emissions are as follows:

Scope	Category	Corresponding Activity/Type of Equipment	Emission Source
Scope1 (Direct GHG Emissions)	Stationary combustion sources (refers to the combustion of fuel in stationary equipment)	Burner (annealing, drying, heating)	Natural gas (uncuttable)
		Gas for rented accommodation	Natural gas
		LPG for the Equipment Division	LPG
		LPG for the Administration Building	LPG
		Emergency generators (equipment, fire-fighting power)	Diesel (uncuttable)
	Process emission sources (all owned or controlled)	Waste gas incinerators (waste gas combustion process)	VOCS
		Maintenance (welding and cutting on site)	Acetylene (uncuttable)
	Mobile combustion sources (fuel combustion from transport equipment under control, such as cars, trucks, trains, aircraft and ship transport)	Company vehicles (including owned and leased vehicles)	Gasoline
		Forklifts	Diesel (uncuttable)
		High pressure washers	Diesel (uncuttable)
	Fugitive GHG sources (intentional and unintentional emissions)	Fire protection systems (fire extinguishers, fire suppression equipment)	CO ₂ (ABC dry powder not included)
		Leakage from air conditioning	R-410a
		Refrigerator leakage	R-134a
		Refrigerator leakage	R-600a
		Leakage of company vehicle air-conditioning	R-134a
		Leakage from drinking fountains	R-134a
		Leakage from vending machines	R-134a
		Leakage from vending machines	R-407c
		Fugitive liquid carbon dioxide	CO ₂
		Fugitive gas mixtures	CH ₄
		Leakage from NG piping	CH ₄
		Leakage from high voltage electrical insulation switchgear	Insulating gas (SF ₆)
		Septic tank (biogas)	Excretion (CH ₄)
	(Direct GHG) Scope 1 emissions:	30,830.9534 mt CO ₂ e	
	(Direct GHG) Scope 1, % of total:	35.33%	

Indirect Energy GHG Emissions

According to the results of the ISO 14064-1 GHG inventory for 2021, the indirect GHG sources and emissions are as follows:

Scope	Category	Corresponding Activity / Type of Equipment	Emission Source
Scope 2 (Indirect Energy GHG Emissions)	GHG emissions from imported electricity, heat, steam or other fossil fuel-derived energy	Taipower electricity supply	Purchase of Taipower electricity
		Taipower electricity supply to rented accommodation	Purchase of Taipower electricity
		CSC steam supply	Purchase of CSC steam
(Direct GHG) Scope 2 emissions:		56,436.5992 mt CO ₂ e	
(Direct GHG) Scope 2, % of total:		64.67%	

Other Indirect GHG Emissions

According to the results of the ISO 14064-1 GHG inventory in 2021, as other indirect GHG emissions in Scope 3 were not included in the identification and were not inventoried, only the following emission source information is available:

Scope	Category	Corresponding Activity / Type of Equipment	Emission Source
Scope 3 (Other Indirect GHG Emissions)	Other indirect GHG emissions	Staff commuting (private car, public transport)	Fuel
		Business trip	Fuel
		Outsourced transport (including raw materials, fuel, products, waste)	Fuel
		Outsourced work (repair and maintenance work)	Fuel
		Outsourced landfill / incineration	Fuel, biogas

GHG Emission Reduction

The measures and results of GHG emission reduction in 2020-2021 are as follows:

Environmental Targets Improvement Programs 2020 Compilation

Item	Proposed by	Improvement Program	Cumulative Results (mt CO ₂ e)
1	CPL	Factory exhaust fan energy saving improvements	23.00
2	CG2	Energy saving improvement for factory lights	139.81
3	CC2	Energy saving improvement of pre-treatment equipment exhaust fan	1.87
4	UTL	Installation of additional C-507 inverter air compressor to improve air pressure efficiency	429.73
Total annual benefits:			594.41

Environmental Targets Improvement Programs 2021 Compilation

Item	Proposed by	Improvement Program	Cumulative Results (mt CO ₂ e)
1	PED	Rooftop solar power system installation project	854.77
2	Cold Rolled	CR2 energy saving improvement of exhaust fan motor	12.57
3	Zinc Coating	CG1 1JC cooling fan energy efficiency improvement	3.16
4	Banking	CC1 WATER QUENCH cooling water circulation PUMP electricity consumption improvement project	8.76
5	Administration Dept	Improvement of fuel consumption for company vehicles (replacement of petrol vehicles with hybrid electric vehicles)	19.24
6	UTL	CT-901 cooling water tower pump energy saving improvement	220.93
Total annual benefits:			1,119.43



Rooftop solar power system installation project



CG2 plant light energy saving improvements



CR2 exhaust fan improvement



CG1 1JC cooling fan improvement



Company car oil improvement



UTL CT-901 cooling water tower coolingfan drive motor energy saving

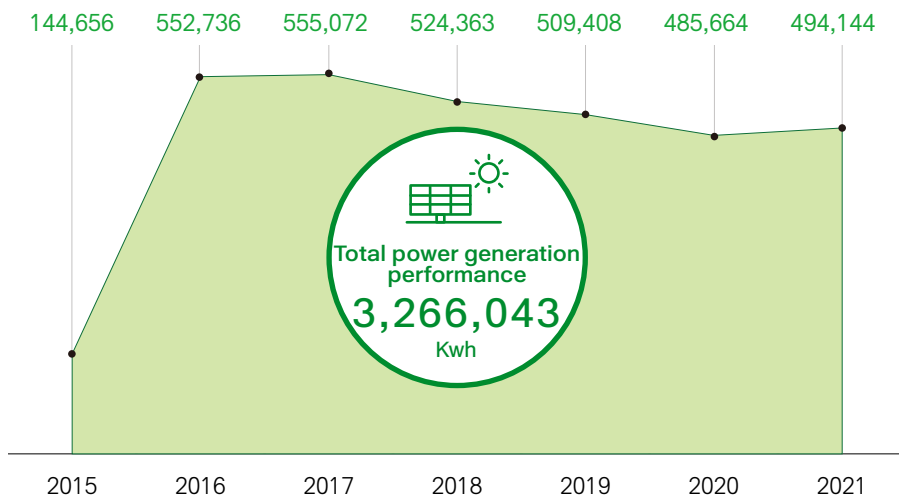
5.2 Green Energy Development

In line with the green energy policy and energy management regulations, Sheng Yu has built a solar power system and sold the generated electricity to Taipower at wholesale, with a total capacity of 3,266,043kwh from 2015-2021.

The Company continues to expand the use of renewable energy in line with the Renewable Energy Development Act, supporting the United Nations' Sustainable Development Goals of "affordable and clean energy" and "climate action," and mitigating the impact of climate change on the environment, with a planned installed capacity of 1,500kWp of solar power by 2022.

Solar Power Performance Over the Years

Unit: Kwh



5.3 Climate Change & Air Pollution

The results of Sheng Yu's identification of the potential regulatory and physical risks associated with climate change are described below:

	Item	Potential Impact	Impact
Regulatory Risks	Carbon tax	Increase in operating costs	Medium - High
	Fuel / energy taxes	Increase in operating costs	Medium
	Total amount control & trading	Increase in operating costs	High
	Product emission standards	Increase in operating costs	Low
	Tightening of legislation and pollutant emission standards	Increase in operating costs	Low
Physical Risks	Changes in frequency of extreme rainfall and droughts	Reduction / discontinuation of production capacity	High

In order to reduce business risks caused by climate change and enhance future competitiveness, Sheng Yu has set the following strategies:

1. Instruct the Energy Resources Management Committee to formulate and implement energy saving and carbon reduction plans.
2. Water recycling: Actively plan and implement water recycling.
3. Regulatory response: Continuously pay attention to international

climate change agreements and government policies and regulations, and actively ask ourselves to fulfill our responsibility of energy saving and carbon reduction, by introducing the best feasible technology for air pollution prevention and integrating with regional energy resources, etc., to boosting carbon reduction performance and bring the carbon emission intensity of our products (mt CO₂e/mt steel coil) to the level of international top steel mills.

The GHG emission intensity in 2021 was 65.6 kg/mt of product, which was 1.34% lower than the GHG emission intensity in 2020 (66.68 kg/mt of product). The main prevention measures include: enhancing equipment maintenance to reduce energy consumption and switching to environmentally friendly refrigerants. CO₂ emissions are calculated based on the environmental load of existing equipment production capacity, and the required reduction measures are planned to improve the overall environmental performance.

Emissions from stationary sources are monitored and tested regularly. In 2021, a total of 19 stationary sources were under control at the plant, of which 2 (NO_x emissions) are subject to annual testing and the rest are tested once every 5 years.



Sheng Yu Major Air Pollutant Emissions 2021

Particulate Pollutants	Emissions	0.952 MT
Particulate Pollutants	Emissions	26.231 MT
Volatile Organic Compounds	Emissions	30.675 MT

The Company's intranet system is used to transmit information on relevant environmental safety and health regulations to all responsible authorities, to identify the regulations and sites that the Company should comply with, and to respond to them at an early stage.

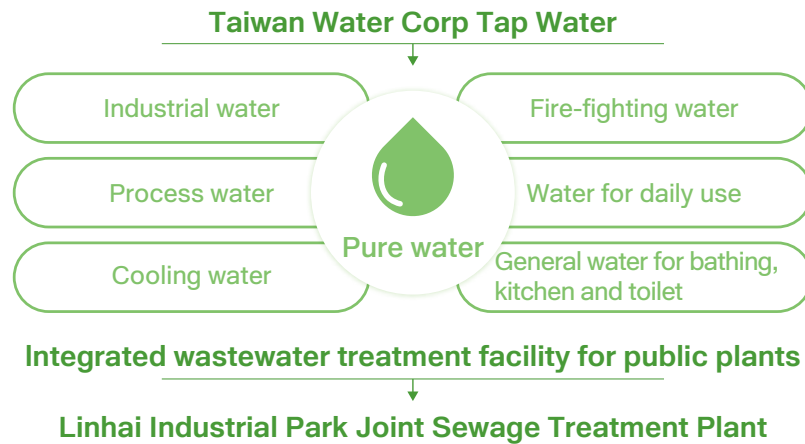
The status of environmental safety and health violations for the past five years is shown in the table below:

Year	Complainant	Number of penalties / Total fines
2017	Kaohsiung Environmental Protection Bureau	2 violations of the Air Pollution Control Act / NT\$200,000
2018	Nil	0
2019	Kaohsiung Environmental Protection Bureau, Labor Standards Inspection Office	2 environmental protection cases, 1 public safety case / NT\$318,000
2020	Kaohsiung Environmental Protection Bureau	2 environmental protection cases / NT\$186,000
2021	Nil	0

5.4 Water Efficiency

5.4.1 Shared Water Resources

1. The Company obtains tap water from Taiwan Water Corp. via a pipeline for daily use and process applications. Daily domestic water includes general water for bathing, kitchen and toilets, while process water includes industrial water for general cleaning, fire-fighting water, cooling water and pure water for processes. Wastewater produced is collected at the wastewater treatment facility of the public plant and treated to meet the standard before being discharged to the Linhai Industrial Park Joint Sewage Treatment Plant via a pipeline. The joint sewage treatment plant sends staff to sample and test the effluent from time to time once a month and records the amount released as the basis for charging wastewater discharge.



2. The Company uses the corporate business risk management system to assess the environmental impacts associated with each water use and reports the monthly volumes of tap water, pure water, recycled water and discharged water at monthly environmental safety meetings. Each department reviews the pure water status of each production line unit product during monthly cost review meetings, and the improvement measures to be taken in case of anomalies. The Company reports water consumption statistics to the Water Resources Agency annually for the previous year and, in the event of poor water conditions, to the Linhai Industrial Park Service Center on a weekly basis to keep track of the water consumption situation in the region.
3. Each production line prepares water consumption for unit product for the following year's production and reports it at the budget review meeting for the approval of the supervisor, and compares the actual water consumption with the budgeted water consumption at the cost review meeting in the current year.

5.4.2 Water Recycling and Wastewater Treatment

Sheng Yu purchases hot rolled steel coils and produces painted steel coils after metal surface cleaning, hot dip galvanizing and metal surface coating, using raw water for cooling, pickling, rolling and lubrication and environmental protection purposes. The total water intake in 2021 was 485,498 tonnes, supplied by the Kaohsiung Fengshan



Reservoir, with a daily industrial water supply capacity of approximately 1,387 tonnes. To reduce the amount of raw water used, the Company recycles the SKP process wastewater and reuses it as cooling water in the cooling water tower after the process of oil removal and filtration to achieve water conservation.

According to 2021 data, the process water recovery rate (formula: recovery rate = ((total recycled water + total reused water) ÷ total plant water consumption) x 100%) was 98.77%.

Process Water Recovery Rate

Process water recovery rate $[(\text{total recycled water(b)} + \text{total reused water(c)}) \div \text{total plant water consumption (a+b+c)}] \times 100\%$.

Year	2021
a. Original water intake (M ³)	488,144
b. Recycled water volume (including cooling and process) (M ³)	39,072,272
c. Recovered water volume (M ³)	90,272
Plant-wide recovery rate (%)	98.77

Sheng Yu has sewage treatment facilities with a capacity of 1,440 (m³/day). After the process wastewater is treated until it reaches the industrial park sewage treatment limit, it is discharged via sewer to the industrial park joint sewage treatment plant for treatment.

The annual effluent discharge for 2021 was 266,511 m³ million liters. The chemical oxygen demand (COD) of the discharge water was 80.84mg/L and the suspended solids (S.S) was 34.13mg/L, which was much better than the standard of the sewage treatment plant.

5.5 Waste Management

In line with our corporate responsibility to care for the earth and protect the environment, we follow the Waste Disposal Act and manage our industrial waste clearance in compliance with the relevant management rules and guidelines set by the Environmental Protection Administration.

According to the requirements of environmental protection laws and regulations, the Company has formulated a waste disposal plan to sort, manage and store the industrial waste generated from the production process, and has selected a qualified waste clearance operator to carry out the disposal.

For the management of waste disposal plants, site visits are conducted prior to contracting to confirm eligibility. Before removal, a report is filed on the EPA's industrial waste management website as required by law. Regular annual visits are made to the waste treatment plant to understand the waste storage, removal, treatment and reuse operations commissioned to ensure that waste is properly disposed of and prevented from being illegally dumped to the detriment of the environment.



Sheng Yu produces several types of general industrial wastes and three types of hazardous industrial wastes from its production activities, which have to be disposed of at an EPA-approved facility. Not properly disposing of the wastes will result in soil and groundwater contamination. Failure to properly dispose of the waste from the downstream treatment plant will also have a direct impact on the disposal of the waste from the upstream business, which in turn will affect production activities.

In compliance with the law, a number of waste storage sites have been set up at the plant and treatment has been entrusted to a facility approved by the EPA. In order to verify that the waste is properly disposed of by the treatment facility, Sheng Yu conducts annual visits to the premises and requires it to provide documentation of proper disposal on a batch-by-batch basis. The waste is weighed by the Sheng Yu weighbridge when it leaves the site and is used as the basis for weight declaration.

During the report period, no violations were found and denounced to the environmental authorities.

The main types and weights of waste disposal outsourced in the last five years are listed below:

Waste	Produced by	2017 Volume(mt)	2018 Volume(mt)	2019 Volume(mt)	2020 Volume(mt)	2021 Volume(mt)	Treatment
Grinding sludge	Grinding Section	56.52	61.86	34.32	48.03	41.08	Burial
Inorganic sludge	Utilities Section	2,665.44	1,622.24	1,438.65	1,429.65	1,478.63	Burial, reuse
Sludge containing chromium	Utilities Section	148.1	77.98	81.66	14.36	4.59	Solidification
Waste solvents	Coating Factory	118.12	152.66	128.34	125.97	185.76	Incineration
Waste oil sludge	Utilities Section	333.76	322.14	240.88	310.07	285.82	Burning, heat treatment
Refractory materials	Galvanizing Plant	12.36	36.93	8.73	71.03	34.58	Physical treatment
Waste wood	General Affairs Office	109.38	64.76	51.06	51.71	75.88	Reuse

The reused waste in 2021 is listed below:

Waste	Produced by	Reuse Volume (mt)	Waste Type	Reuse Method
Grinding sludge	Utilities Section	273.10	General industrial waste	As cement feedstock
Waste acid	Utilities Section	1,997.95	General industrial waste	Reuse in the production process
Waste wood	General Affairs Office	75.88	General industrial waste	Off-site reuse

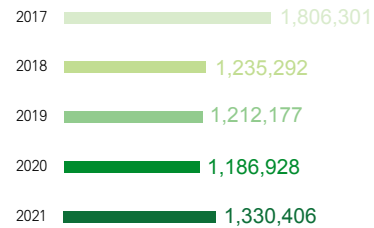
All recyclable waste published by the EPA (e.g. waste paper, waste plastics, waste batteries, waste wood, etc.) is included in the EPA's recycling system and is collected and recycled by cleaners.

The recycling volumes over the years are shown in the table below:

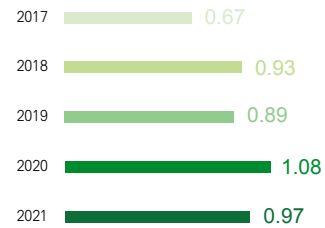
Year	2017	2018	2019	2020	2021
Recycling Volume (mt)	109.4	95.76	70.65	83.33	98.18

Environmental performance *CO₂e emissions are converted from electricity, heavy oil, LNG and LPG use.

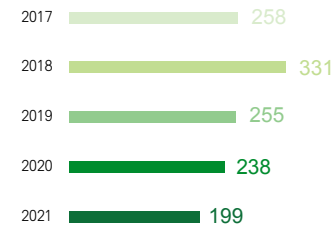
Total Output Unit: mt



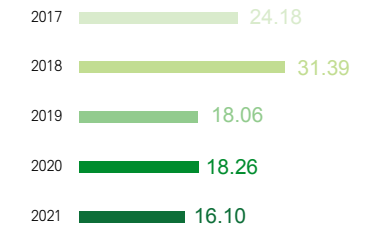
Sludge Volume Unit: kg/mt



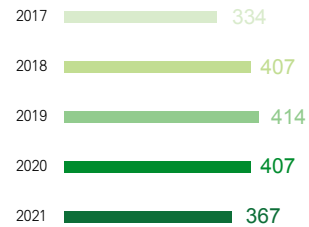
Waste Water Volume Unit: kg/mt



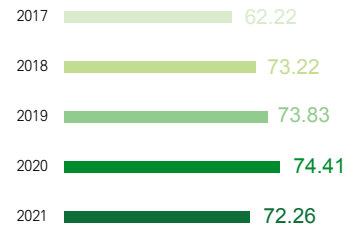
COD Emissions Unit: g/mt



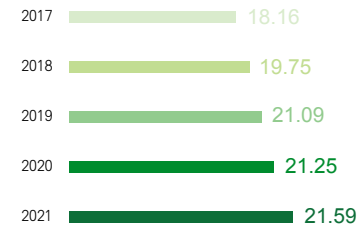
Water Consumption Unit: kg/mt



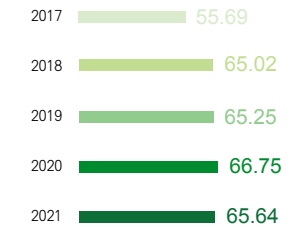
Electricity Consumption Unit: kw/mt



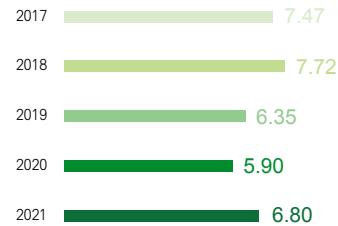
Natural Gas Consumption Unit: m³/mt



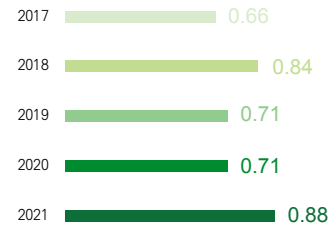
CO₂e Emissions Unit: kg/mt



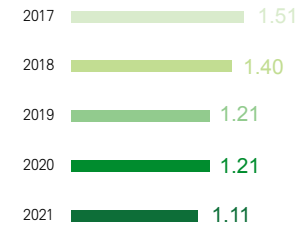
Suspended Solids Emissions Unit: g/mt



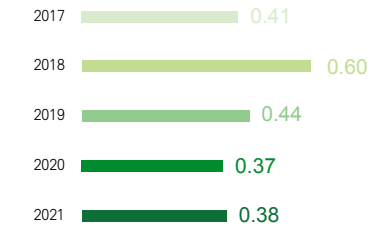
Volume of Waste Solvents Unit: kg/mt



Sludge Volume Unit: kg/mt



Copy Paper Use Unit: pc/mt



5.6 Toxic Chemical Substances Management

There are two types of toxic chemicals used in the Company in 2021, with chromium trioxide and ammonium dichromate widely used in the manufacturing process and for coating the surface of steel plates. The amounts used in the last five years are shown in the table below:

Control No.	Toxic Chemicals	Operation	2017 Operational Volume(mt)	2018 Operational Volume(mt)	2019 Operational Volume (mt)	2020 Operational Volume (mt)	2021 Operational Volume (mt)
055-01	Chromium trioxide (chromic acid)	Purchased for coating the surface of steel sheets	230.100	160.310	161.555	98.300	116.900
055-04	Ammonium dichromate	Purchased for coating the surface of steel sheets	4.480	2.325	1.650	1.775	1.850

The Company has obtained registration and approval documents for toxic chemicals as required by law, and regularly files the amount used and released to the EPA. To prevent harm to the environment and personnel caused by toxic chemicals, the Company held toxic disaster prevention and rescue drills at its operation sites, and no toxic disasters or spills occurred in 2021. In addition, the Company has joined the Kaohsiung City Toxic Disaster Joint Defense System and participated in relevant courses and activities to bolster its toxic disaster prevention and response capabilities. During the report period, no violations of external regulations occurred.

5.7 Biodiversity

Sheng Yu is located in the Linhai Industrial Park with no significant direct or indirect impacts on biodiversity, no impacts on protected or restored habitats and no habitats affected by operations.

Employee Relations

- 6.1 Human Resources
- 6.2 Remuneration & Benefits
- 6.3 Communication Channels
- 6.4 Human Rights Policy
- 6.5 Occupational Safety & Health Management



6.1 Human Resources

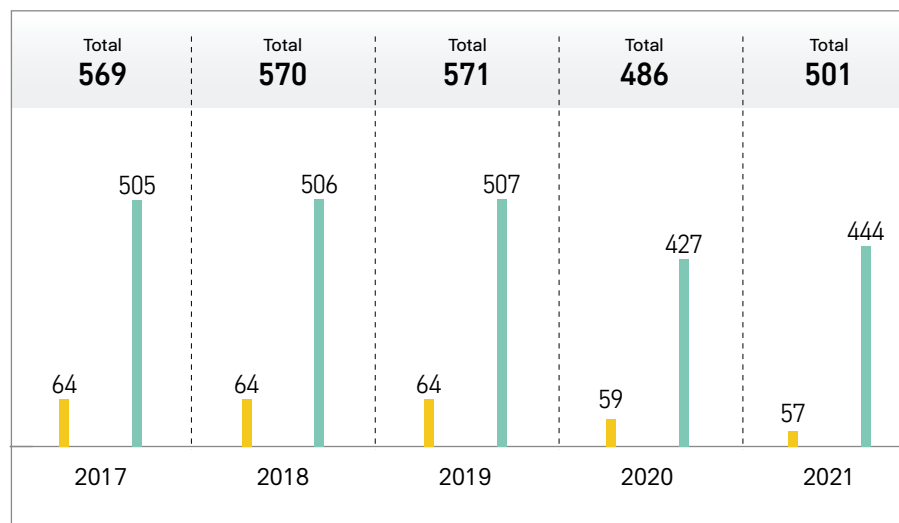
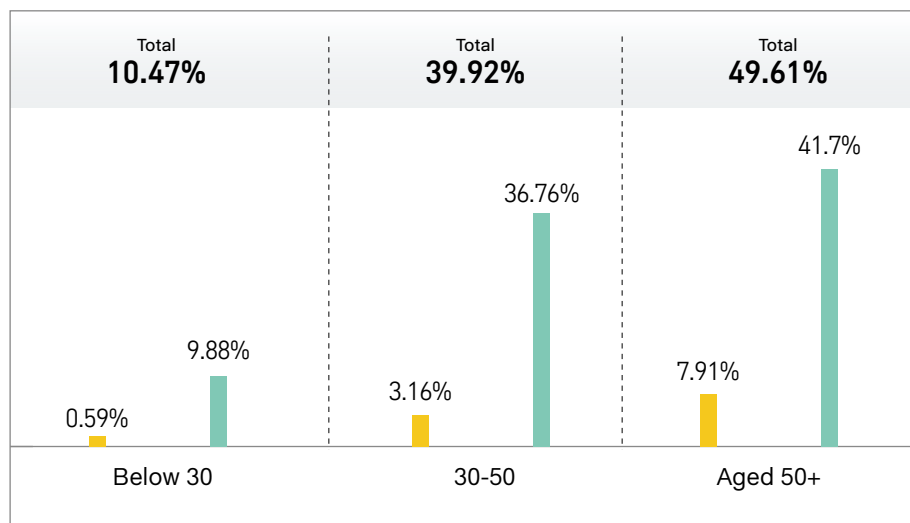
6.1.1 Recruitment and Training

Sheng Yu has established rules and systems pursuant to the government's labor laws and regulations, and upholds the principles of fair treatment of and respect for its employees. Given the basic human right to equal employment opportunities, we hire employees based on their professional ability and experience, and do not discriminate on the basis of race, ideology, religion, party affiliation, nationality, age, place of birth, gender, sexual orientation, marriage, physical appearance, physical or mental disability, or previous union membership. The Company abides by the provisions of the Labor Standards Act and other laws and regulations and has never employed child workers, nor has it ever committed any human rights violations or discrimination in the recruitment of its employees.

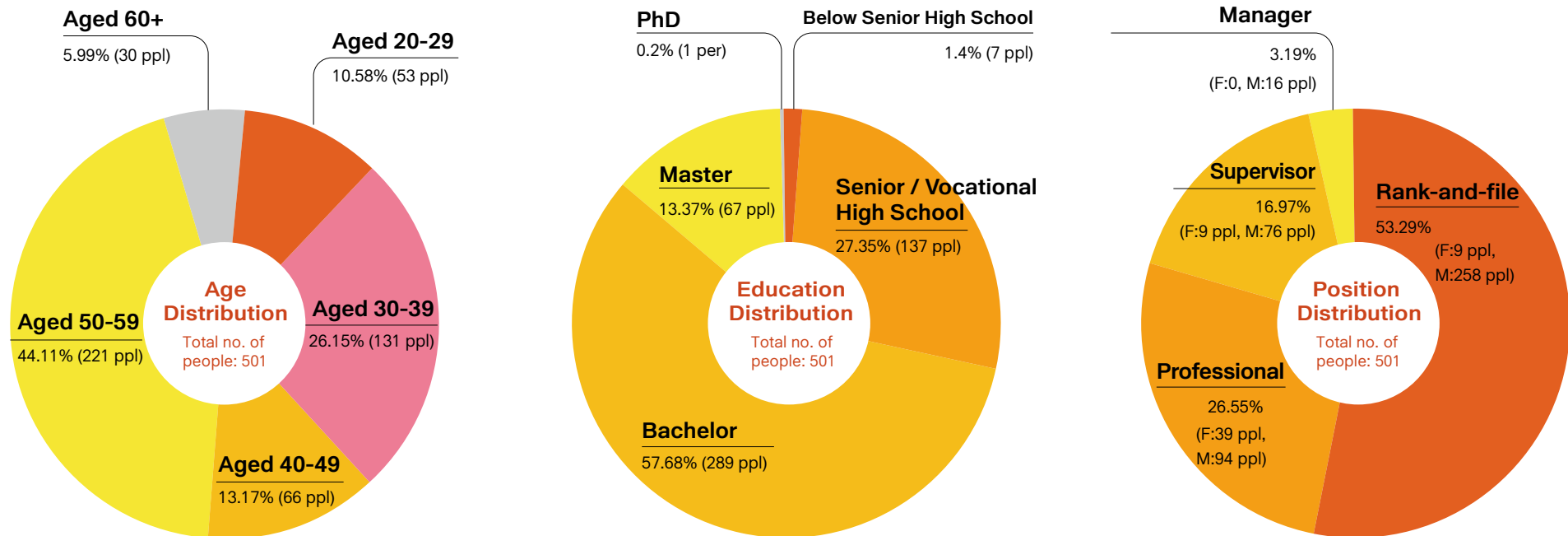
A total of 51 new staff were recruited in 2021, making a total of 501 employees. Apart from the three managerial staff appointed by the parent company in Japan, all other staff were employed locally in Taiwan and no foreign staff were engaged. The average age of the workforce was 46 years old and the average length of service was 19.23 years. 331 employees, representing 65.94% of the total employees, were members of the enterprise union. Due to the nature of Sheng Yu's industry, where production is conducted round-the-clock, manpower requirements do not vary by season.

Gender Ratio of Company Members

Female Male



6.1.2 Manpower Structure



Despite being more than half-owned by foreign investors, Sheng Yu has for many years aimed to become a local enterprise, with a 2.8% employment rate of local people at the top management level. As for the hiring of people with physical and mental disabilities, we have recruited 12 people by the end of December 2021, constituting 2.10% of the workforce, which exceeds the 1% of the workforce stipulated in the People with Disabilities Rights Protection Act. In 2021, the ratio of the standard salary to the salary calculated by the Directorate-General of Budget, Accounting and Statistics was 1.2:1.

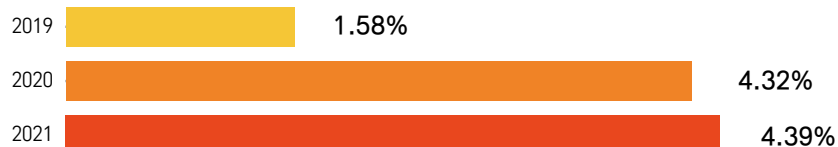


6.1.3 Manpower Mobility

Employee Resignation & Dismissal

Sheng Yu saw 13 applicants for retirement and 22 applicants for resignation in 2021, with a departure rate of 1.58%, 4.32% and 4.39% for 2019-2021 respectively.

Departure Rate for 2019-2021



The number of new recruits at Sheng Yu in 2021 stood at 46. The average percentage of new recruits over the past three years was 6.36%, and the percentage of new recruits in 2019-2021 was 4.55%, 5.76% and 9.18% respectively.

Age of new recruits	20-29	30-39	Over 40
No of ppl	20	26	0

The number of Sheng Yu retirees in 2021 was 13, including 2 females and no female resignees.

Age of leaving staff	20-29	30-39	40-49	Retirement
No of ppl	11	9	2	13

Staff parental leave application

Item	Total Ppl	Male	Female
Total number of staff eligible for parental leave in 2021	12	11	1
Number of staff applying for parental leave in 2021	1	0	1
Number of staff returning from parental leave in 2021	1	0	1
Number of staff staying on for more than one year after returning from parental leave in 2021	1	0	1
Proportion of staff who return from parental leave to those who remain in post in 2021	1:1		

6.2 Remuneration & Benefits

6.2.1 Remuneration System

Sheng Yu's staff remuneration system is composed of basic salary and bonuses. The basic salary includes base pay, meal allowance, supervisory differential pay, various ranks' differential pay, environmental allowance and technical allowance, etc. The bonuses consist of monthly performance bonuses and annual year-end bonuses, as well as a mid-year operating efficiency bonus for all staff, which is distributed equally among all employees. The Company pays employees according to their duties and responsibilities and sets salary standards with reference to market rates, the Company's financial position and organizational structure. The basic salary of female employees/executives is the same as that of male employees/executives at the same rank, and there is no difference in salary standards according to gender. A performance appraisal system is in place to regularly assess the performance of all employees and to review their ability, performance and ethical conduct for the purpose of promotion and bonus payments.

Salary Ratio of Male to Female Staff by Rank

Salary ratios by rank	Female	Male	Ratio of female to male staff
Supervisor	1	1.2	9: 76
Professional	1	1.1	39: 94
Junior	1	1.1	9: 259

The difference in average pay between junior male and female employees is primarily due to wide disparities in the number of males and females at that rank, with the latter heavily outnumbered by the former who are mostly senior employees, resulting in a significant differential in average pay.

The salary scale for new employees of Sheng Yu is based on the supply and demand situation in the labor market and the salary market. The Company adopts a basic salary that is better than that stipulated in the Labor Standards Act of Taiwan, and takes into consideration the work they intend to do after joining the Company, their education and experience, their length of service, the market demand for human resources, as well as the salary standards of the Company's existing employees of the same rank, position or length of service. The ratio of the annual total remuneration of the highest paid individual in the Company to the median annual total remuneration of other employees was 3.62:1.

6.2.2 Employee Benefits

Sheng Yu advocates a safe and pleasant workplace, providing quality transportation, flexible leave system and subsidies, as well as setting up a shareholding committee and a welfare committee to create a quality benefit regime and a secure working environment for every employee to work together to create good results for the Company.

Shuttle Bus

Sheng Yu has partnered with an external bus company to provide a three-route bus service to encourage staff to use public transport and has set up shuttle stops at MRT stations to take staff traveling by MRT to and from work, in line with the environmental protection policy, to do our part in protecting the planet.





Leave of Absence and Subsidies

Sheng Yu has established a humane policy that allows employees to take leave in half-hour increments, with flexibility to take time off to attend to personal matters, as well as emergency relief loans and educational subsidies for employees' children. The Company has also established a scheme to take care of the family members of deceased employees. All regular employees (including those on probation) who die in illness or accident (not on duty) during their employment and have children under the age of 20 who are still in school are eligible for an education grant.

In response to the COVID-19 outbreak, Sheng Yu has issued an "Application for Working from Home to Prevent COVID-19 Cluster Infections" to curb the spread of the virus and to avoid the suspension of business due to excessive staff leave. The following rules and regulations governing leave of absence from work during the epidemic have been developed as follows:

Description of Staff as Confirmed Cases and Close Contacts

Staff	Definition	Measures	Leave of Absence by Staff	Remark
Confirmed Case	Staff who test positive using rapid test kits and confirmed by medical personnel (doctor) or positive with PCR tests and notified by the health authorities as a confirmed case.	- Upon receipt of a text message from the public health bureau confirming the positive result, the confirmed case should voluntarily inform the contact tracing system of relevant information. - If the employee applies for home care, the day following the day of onset of illness or the day of sampling is counted (7 days of isolation + 7 days of self-health management).	- If an employee is diagnosed with the disease for personal reasons, he/she may request for sick leave or annul leave. - If an employee is diagnosed to have contracted the disease while on business within or outside the Company, he/she will be considered as having suffered an occupational accident and will be granted occupational sickness leave (during home care).	Occupational hazard determination is the responsibility of the Industrial Safety Office
Close Contact	If a staff member has had face-to-face contact with a confirmed case for a total of more than 15 minutes in a 24-hour period without proper protection, the head of the unit will identify potential close contacts according to the nature of the work.	If an employee identified as a close contact has suspected symptoms*: - In case of suspected symptoms, he/she should undergo a rapid test immediately and the rapid test kit will be issued to the unit head by the Industrial Safety Office for follow-up and reporting. If an employee identified as a close contact has no suspected symptoms: - Those who have received the third dose of COVID-19 vaccine for more than 14 days (fully vaccinated): they can go to work and perform self-health monitoring for 7 days. - Those who are not fully vaccinated: 3 days of home isolation and 4 days of self-health management (rapid test kits are available for use in the industrial safety office, those testing negative can go to work).	An employee is placed in home isolation because he/she has been classified as a close contact in the workplace and is granted official leave by the Company during the home isolation period.	The Company may require employees to work from home during home isolation

*Suspected symptoms: Cough, sore throat, runny nose, stuffy nose, fever, fatigue, headache and other cold-like symptoms.

Shareholding Committee

Sheng Yu has a shareholding trust incentive scheme. Employees are free to apply for membership and make monthly contributions from their salaries to purchase shares, with 15% of the contribution being credited by the Company as an incentive, and the entire amount is held in a segregated trust account with a financial institution.

Employee Welfare Committee

The Sheng Yu Employee Welfare Committee consists of 3 management members and 9 labor members. The welfare committee has 8 clubs offering a wide range of activities, both active and sedentary. To encourage the development of these clubs, the Company has granted a subsidy of NT\$215,400 to clubs in 2021. About 501 staff members have participated in these clubs and their family members have been invited to join the activities of the Sheng Yu family, so that they can have fun with their family, and spend more time interacting with each other after work.

Sheng Yu's welfare system does not vary by rank or job title. All full-time staff enjoy the same benefits and various welfare measures. Through the welfare committee, we organize various activities to encourage staff and their family members to participate in social gatherings to foster their solidarity with the Company.

Welfare Program	Consolation Benefit	Other
Club Activities	Wedding Subsidy	Meal Allowance
Group Insurance	Childbirth Subsidy	
Holiday Bonuses	Funeral Subsidy	
Birthday Cash Gift	Hospitalization Subsidy	
Children's Scholarship		

Club Activities Sharing

Types of Clubs		
Hiking Club	Two Wheel Club	Softball Club
Basketball Club	Badminton Club	Fishing Club
Charity Club	Handicraft Club	



Two Wheel Club



Hiking Club



Softball Club



Badminton Club



Basketball Club



Fishing Club



Staff Recreation Center

The Sheng Yu Recreation Center is equipped with a library, fitness facilities, a recreation classroom, and an indoor sports court with a range of equipment for ball games. A variety of ball games are organized from time to time, as well as club recreational activities and social gatherings. Moreover, to provide staff with a better environment for club activities in early 2022, the Sheng Yu Recreation Center commenced a refurbishment of the wooden flooring of the court in order to attract more staff to participate in club activities and to enhance mutual friendship and camaraderie.



6.2.3 Retirement Protection

In view of a retirement wave and the principle of taking care of employees, Sheng Yu has established a retirement scheme for its employees:

Defined Contribution Plan

The Company's pension system under the Labor Pension Act is a government-administered defined contribution pension scheme that contributes 6% of an employee's monthly salary to a personal pension account at the Bureau of Labor Insurance.

Defined Benefit Plan

The Company's pension system under the Labor Standards Act is a defined benefit pension plan administered by the government. Employees' pension payments are calculated based on years of service and the average salary for the six months prior to the approved retirement date. The Company contributes a certain percentage of the employees' monthly salaries to the employees' retirement fund, which is deposited by and in the name of the Labor Retirement Reserve Supervisory Committee in a special account with the Bank of Taiwan. If, before the end of the year, the balance in the account is estimated to be insufficient to pay for workers who are expected to meet the retirement requirements in the following year, the difference will be transferred in one lump sum by the end of March of the following year.

6.3 Communication Channels

It is Sheng Yu's business philosophy to set up multiple channels of communication and to listen to the voices of its employees. The Company's policies are communicated to the public through our website, annual reports and other public information. To respect and listen to our employees, we have established a comprehensive system of work rules and regulations, as well as internal consultation and communication channels, such as the president's mailbox, employee grievance system, Occupational Safety and Health Committee meetings, labor meetings and industrial safety rooms.

Employees may express their views through the above channels or formal meetings and reflect constructively on corporate governance or their own rights. In addition, the quarterly Sheng Yu newsletter is an important channel for employees to express their diverse voices, and serves as a communication link between the Company and its staff through a variety of contributed articles. Finally, the annual year-end performance appraisal interview and advice to the Company is also an important communication channel between junior staff and supervisors.

6.4 Human Rights Policy

Human Rights and Data Privacy

Sheng Yu has set up a personal data management team, which meets annually to discuss and review the management of the "Personal Data Inventory and Risk Assessment Form," "Personal Data Officer Inventory" and "Personal Data Usage Record Form" of the relevant units, as well as creating a personal data management section where announcements and minutes of meetings are posted. The Company also publishes its personal data protection policy on the Company's website. Personal data is used only after each employee has completed the "Consent Form for Collection, Processing and Use of Personal Data."

6.5 Occupational Safety & Health Management

6.5.1 Occupational Safety and Health Management System

The Occupational Safety and Health Management System (OSHMS) covers staff, temporary workers and contract-based employees. A sound occupational safety and health management system can provide a good and safe working environment for employees, which serve as a reliable backing for their health and an important indicator for the development of the national workforce.

To enhance the management of occupational safety and health, Sheng Yu has introduced an occupational safety and health management system to achieve the management objectives through planning, implementation and improvement.

OSHMS Introduction Timeline

2004

Introduced OSHMS

2005

Passed OHSAS 18001 Certification

2009

Passed TOSHMS Certification

2020

Passed ISO45001: 2018 & CNS45001: 2018 Certification



ISO 45001 Occupational Safety and Health Audit, Spot Inspection and Improvement:

The current system is managed in accordance with the issued operating procedures and work instructions. If the current management system does not meet the requirements, the Occupational Safety and Health Management Representative will convene the relevant departments to prepare a written plan to satisfy the requirements of the management system.

The principles and tasks of the Occupational Safety and Health Committee are as follows:

The Occupational Safety and Health Committee is the highest level of deliberation and coordination for the implementation of occupational safety and health related activities. The number of members is 9 on the employer side and 5 on the employee side (at least one third of the members are representatives elected by the trade unions or employees), totaling 14 members, and both management and employees work together to monitor and propose occupational health and safety related plans.

The chairperson of the Committee shall appoint a secretary to assist him/her in the management of its affairs. Representatives elected by trade unions or workers shall constitute at least one-third of the members.

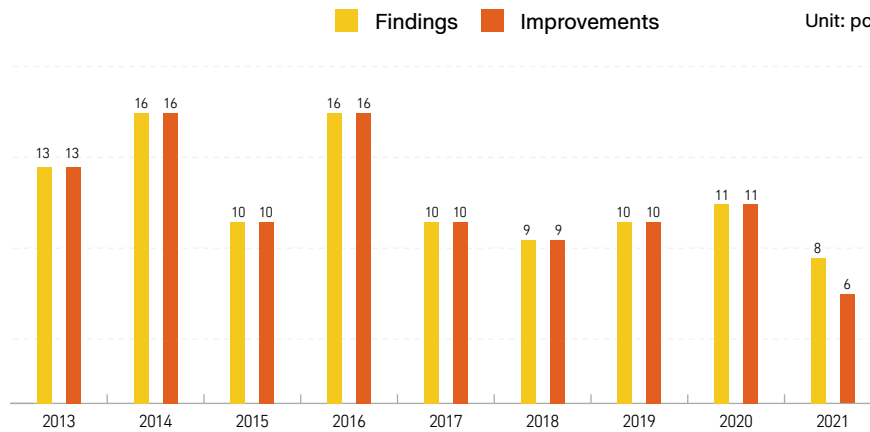
The main task of the Committee is to discuss, co-ordinate and advise on matters relating to occupational safety and health.

The Committee shall meet once every three months to discuss and keep records of the following matters: The Committee shall meet once every three months to discuss and keep records of the following matters:

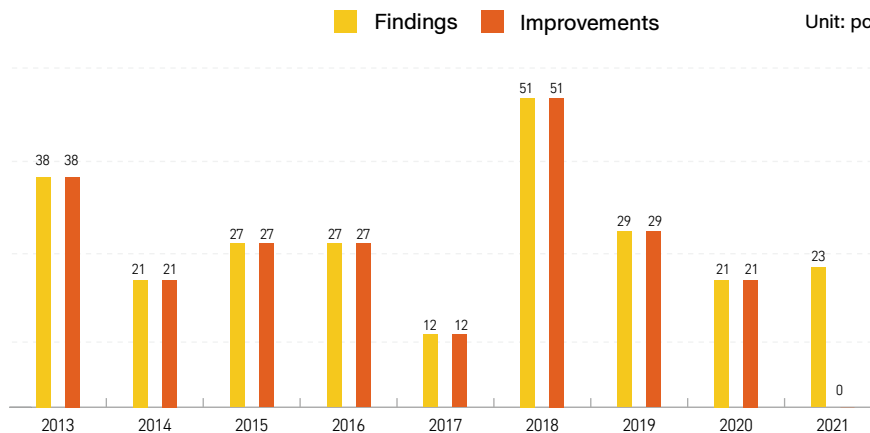
1. Make recommendations on occupational safety and health policies formulated by employers.
2. Co-ordinate and recommend occupational safety and health management plans
3. Review the implementation plan of safety and health education and training, and review the evaluation of the results.
4. Review workplace monitoring plans, results and measures taken.
5. Review health management, occupational disease prevention and health promotion issues.
6. Discuss all safety and health proposals. (Change application [preliminary risk assessment form] to Level 1 that should be included in the description)
7. Review automatic inspections and safety and health audits by business entities.
8. Review hazard prevention measures for machinery, equipment, raw materials and materials.
9. Review occupational hazard investigation reports.
10. Examine the performance of on-site safety and health management.
11. Examine the safety and health management of contracted business.
12. Other matters related to occupational safety and health management.

To maintain the continued effectiveness of the system, internal and external audits are conducted annually and in 2021, internal and external audits were performed to check for deficiencies and improvements as shown in the table below:

ISO45001 Internal Audit (Provisions - Deficiencies/Improvements) Statistics



2021- ISO45001 External Audit (Provisions Deficiencies/Improvements) Statistics



6.5.2 Risk Management

Risk Assessment Controls and Processes

To ensure the safety of our employees, Sheng Yu implements various risk management measures. The Company's risk assessment covers all management activities, operational processes, employee behavior and environmental facilities. All potential risk factors (management, occupational safety and health, environment) are included and reported based on information from competent authorities, inspection bodies and service providers. All identified hazards are assessed for their risk level and screened for unacceptable risks in order to set management objectives and plan risk control measures.

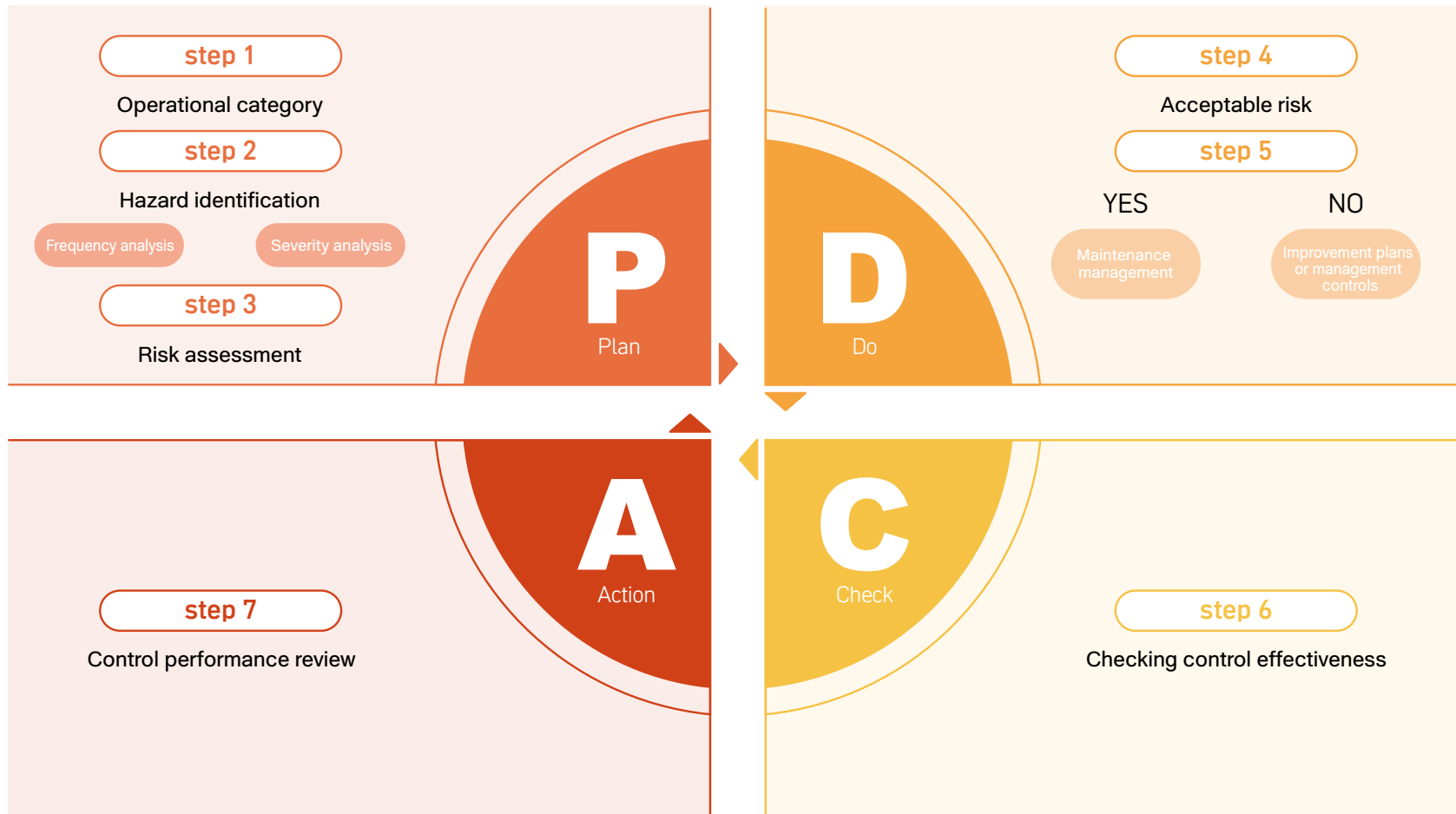
The approach to operational analysis and risk assessment is pre-emptive, proactive, preventative and timely, in conjunction with change management, and is regularly reviewed to ensure it is correct.

Risk control measures should be considered in the following order to reduce risk:

- Elimination;
- Substitution;
- Engineering controls;
- Marking/warning and/or management control measures;
- Personal protective equipment.

Sheng Yu implements the Taiwan's occupational safety and health management system through the P-D-C-A management cycle and the mechanism of hazard identification, risk assessment and risk control, with a view to achieving the goal of "zero disaster in industrial safety" under the safety and health policy.

Potentially Hazardous Equipment Identification and Improvement (Risk Assessment and Control) Process



6.5.3 Operational Safety

Sheng Yu requires its employees to implement safety practices and to ensure that they comply with all operating procedures and enhance safety measures to achieve safety in their own environment.

The Impact of Occupational Safety and Health

1. Establish an occupational safety and health assessment system for suppliers as a reference for the selection of contractors.
2. Inform the outsourced service provider of the possible risks of the operation to reduce safety risks.

Tool Box Meeting (TBM)

The Tool Box Meeting (TBM) is held prior to non-ordinary operations, such as maintenance work, troubleshooting, etc., and includes a health check for the team members and information on possible hazards and protective measures for each operation to ensure that all possible hazards and risks are identified and eliminated.

**工具箱會議(TBM)
&
自問自答預知危險**

【實施步驟】

SHENG YU STEEL CO., LTD.

TBM(Tool Box Meeting)

作業前透過小組會議進行健康觀察與詢問及危害告知，降低災害發生的風險。

實施步驟：

- 一、健康觀察&詢問
 - ① 觀察組員的精神狀態是否異常。
 - ② 詢問組員的身體狀況是否不適。
- 二、危害告知
 - ① 依照作業程序逐一說明其可能發生的危害。
 - ② 提出避免發生危害的防護措施。
 - ③ 確認告知與簽名。
- 三、防護具確認
 - ① 確認組員所穿戴的防護具是否符合要求。

健康觀察&詢問 三步驟

- 一、自我健康確認
 - ① 會頭痛、頭暈、耳鳴、胸悶痠痛嗎？
 - ② 會胸悶(悶)、腰痛、痠痛嗎？
 - ③ 會發燒、咳嗽、流鼻涕、噁心、腹瀉、倦怠嗎？
 - ④ 會手腳麻木、痠痛嗎？
- 二、健康觀察
 - ① 神態表情是否異常？
 - ② 動作是否異常？
 - ③ 講話情形是否異常？
- 三、健康詢問
 - ① 是否睡得不安穩？
 - ② 是否有身體不舒服？
 - ③ 是否有暈眩/發燒？
 - ④ 是否有生病就診？
 - ⑤ 是否有服藥？

◎發現問題應立即採取適當之處置。

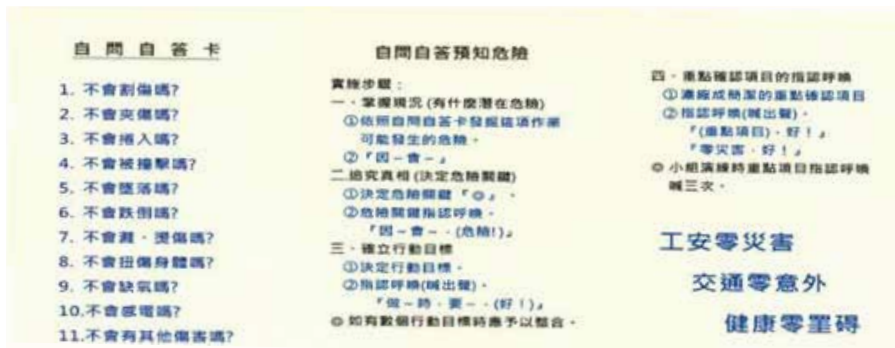


Anticipating Hazardous Activities and Enhancing Safety

1. Risk assessment of each unit's operation – The key operation items are selected by internal assessment and spread to the unit, each unit records them by photographing them, and other unit members discuss and analyze the hazards of the operation steps and propose risk improvement plans.
2. KY Predictable Hazardous Activity Implementation Management – Visual management by setting up "Predictable Hazardous Activity Boards" at each section of the production line or at the work preparation site.

Self-questioning to Anticipate Hazards

To prevent the occurrence of disasters, we use the “Self-Questioning Card: 11 Questions” to conduct a self-safety check on work procedures and the working environment before work to identify key hazards. We also carry out pointing and calling for key items to achieve the goal of zero disaster safety at work.



Construction of a Somatosensory Classroom for Industrial Safety

For more than 40 years, Sheng Yu has spared no effort in educating its employees and subcontractors on workplace safety and has maintained its workplace safety performance at a level above that of the manufacturing industry, but it is still a long way from the goal of zero disasters. Nevertheless, under the guidance of its parent company Yodogawa Steel Works, Ltd. in Japan, the Company has introduced somatosensory education to raise employees' awareness of personal safety.

After considering the possible hazards of in-plant process equipment and exchanging experience with domestic manufacturers with excellent industrial safety performance, 13 somatosensory projects were planned for 2019 as follows:

1. Pointing and calling	8. Impact-heavy object impact (200kg)
2. Steel plate cuts	9. Fall prevention (for full-body harnesses)
3. Pinch injury (cable)	10. Fall (different floor materials)
4. Manual roll-in	11. Sprain (holding heavy objects)
5. Power roll-in	12. Electric shock (wet and dry shock)
6. Belt roll-in (manual triangular belt)	13. Spark (short-circuiting of wires)
7. Impact-small object fall (helmet)	

The number of somatosensory training participants in 2021 was 49 for staff and 93 for contractors, making a total of 142. Four additional somatosensory training programs are expected to be conducted as follows:

- 1). Respiratory protection
- 2). Noise
- 3). Rollers rolled in at high speed
- 4). Correct wearing of various protective equipment

Workplace Safety and Somatosensory Education Training





Near Miss Reporting

Identify potential hazards in the workplace environment, equipment and facilities and make recommendations for improvement to prevent occupational hazards. In the event of a near miss, report the incident in the Near Miss System and implement hazard identification and OJT training. A total of 322 near misses were reported in 2021 and 277 were reviewed and improved through prevention to forestall injuries.

Emergency Response Drills

Each unit has established an emergency response plan - based on the results of risk assessment to address potential hazards and prioritize high-risk issues for drills. In 2021, a total of 10 emergency preparedness drills were conducted, with each unit/section scheduled to execute at least one drill per shift each year to enhance the effectiveness of emergency response.

Working Environment Inspection

Sheng Yu commissions a qualified testing body to conduct regular working environment tests and to correct any abnormalities immediately in order to protect the health of our personnel. In the year 2021, the operating environment tests were carried out as scheduled, including noise, nuisance dust, high temperature operation, carbon dioxide concentration, organic solvents and specific chemical substances.

Operating Environment Checklist

Serial No.	Location	Chemical Substances	Monitoring Point
※1	Utility plant iron oxide powder packaging area upper level CC1	Type IV respirable dust	1 point
※2	Utility plant iron oxide powder packaging area lower level CC2	Type IV respirable dust	1 point
◎1	Baking Section 1 2F upper level coating area	Xylene, cyclohexanone, 2-ethoxyethyl acetate, isobutanol, ethylene glycol monobutyl ether, butanone	1 point each
◎2	Baking Section 1 2F lower level coating area		1 point each
◎3	Baking Section 1 3F entrance coating area		1 point each
◎4	Baking Section 1 3F exit coating area		1 point each
◎5	Baking Section 2 1F printing area		1 point each
◎6	Baking Section 2 2F west side coating area		1 point each
◎7	Baking Section 2 2F east side coating area		1 point each
◎8	Baking Section 2 3F printing area		1 point each
◎9	Baking Section 2 3F west side coating area		1 point each
◎10	Baking Section 2 / Lab		1 point each
●1	Galvanizing Section 1 CG1 chromic acid treatment area	Chromic acid	1 point each
●2	Galvanizing Section 2 B1F chromic acid tank area		
●3	Baking Section 1 east side chromic acid treatment area		
●4	Baking Section 1 west side chromic acid tank area		
●5	Baking Section 2 chromic acid tank area		
●6	Baking Section 2 2F chromic acid treatment area		
○1	Rolling Section 1 workplace	Noise	2 points each in region
○2	Rolling Section 2 workplace	Noise	2 points each in region
○3	Galvanizing Section 1 POT work area	Noise	2 points each in region
		High temperature	1 point
○4	Galvanizing Section 2 POT work area	Noise	2 points each in region
		High temperature	1 point
○5	Baking Section 1 workplace	Noise	2 points each in region
○6	Baking Section 2 workplace	Noise	2 points each in region
○7	Utility Section ARP 1F	Noise	1 point each in region
○8	Utility Section Air Compressor Room	Noise	1 point each in region
○9	Utility Section Wastewater Treatment Area	Noise	1 point each in region
★1	Administration Building	Carbon dioxide	4 points
★2	Production Department Office	Carbon dioxide	5 points

6.5.4 Working Environment Inspections

Industrial Safety Inspections

To maintain a high level of safety awareness at all times and to enhance management's understanding of safety work on site, the Company conducts regular or irregular inspections to reduce unsafe practices.

1. Work safety inspection at chief level (once/month)
2. Work safety inspection at plant (division) manager level (once/quarter)
3. Supervisory team inspection (once/month)
4. Work safety inspection at managerial level and above led by the President (once/half-year)



5S Inspections

Indirect unit safety and 5S inspection activities include environmental safety and environmental 5S, which includes sorting, setting in order, shining, standardizing and other actions:

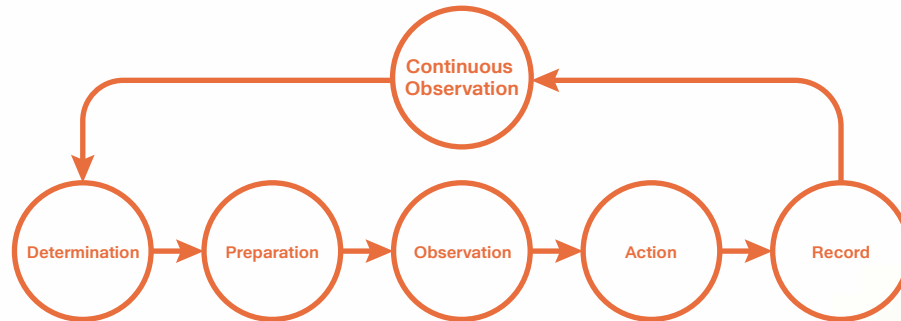
1. Sorting: Sorting out what is needed and what is not needed on site and disposing of unnecessary items. Examples include the removal of unwanted equipment, pipework, tools, models and personal items.
2. Setting in order: Placing the items to be used separately according to their frequency of use, so that frequently used items can be taken out in a timely and accurate manner, remain ready for immediate use and be quickly accessible to anyone. For example, putting up signs in specific places and aisles, placing signs for items and their managers, etc.
3. Shining: Removing dirt, rubbish and stains from the site, cleaning and inspecting it regularly so that a system is in place to eradicate them, such as by improving equipment leaks, oil and gas leaks and dust.
4. Standardizing: Keeping sites, posts and equipment in a clean and hygienic condition at all times. For example, regular inspections are carried out to prevent pollution, noise and vibration and to brighten up the site.

Operational Safety Observation and Interviewing

Supervisors observe the working environment, work procedures, inspect unsafe equipment and analyze potential hazards, and discuss and rectify them. If employees' unsafe practices are found, correction and interview will be carried out immediately to prevent possible hazards, and timely encouragement will be given to those who comply with safety regulations to achieve a positive and safe workplace.

In 2021, the number of reports on operational safety observation and interview records was 344, and the content is regularly reviewed on a monthly basis to reflect the actual operational safety situation on site and to enhance the ability of supervisors to observe safety.

Operational Safety Observation Procedures



6.5.5 Absence & Incapacity Injury

The actual total number of hours worked in 2021 was 993,984, equivalent to 124,248 days, with the absence rates given as follows:

Leave	Occupational Sickness Leave		Sick Leave	
	Female	Male	Female	Male
Days of Absence	0	90	0	83.69
Absence Rate (AR)	0	163.47	0	152.01
Absence Rate (AR)	144.87		134.71	
Absence Rate (AR)	279.59			

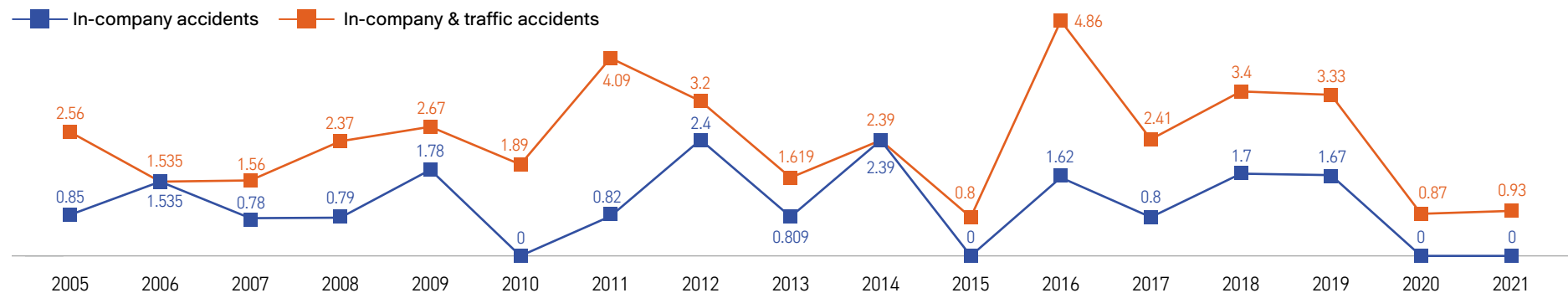
Note: Absence rate (AR) = Total days of absence in the report period / Total days of work in the report period x 200,000



Statistics on occupational hazards in 2021 are as follows:

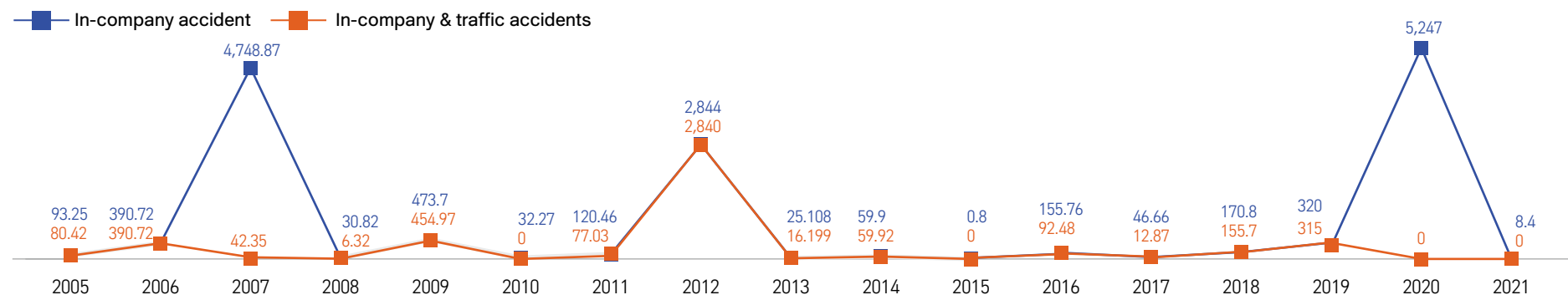
1 incapacity from commuter transport, 0 incapacitating injuries, 0 minor injuries, 3 traffic accident involving property damage, no fatalities or occupational diseases.

Employee Disabling Frequency Rate



Disabling Frequency Rate (F.R.) means the number of disabling events per 1 million man-hours. The formula is: $\text{Disabling injuries} \times 1,000,000 \div \text{Total hours worked}$.

Employee Disabling Severity Rate



Disabling Severity Rate (S.R.) refers to the number of days lost due to disabling injuries per 1 million man-hours. The formula is: $\text{Disabling days} \times 1,000,000 \div \text{Total hours worked}$.

6.5.6 Investigation and Analysis of Disasters and Accidents:

1. After a disaster or accident has occurred, the site must not be damaged except as necessary for the safety of personnel or to prevent further damage. Photographs shall be taken, if necessary, for the purpose of investigation by the inspection body.
2. After the occurrence of a disabling disaster, the unit concerned shall immediately notify the industrial safety management unit and other relevant units to participate in the investigation of the incident together with representatives of the trade unions, and promptly go to the scene of the incident to inspect the equipment, machinery and environment in which the incident occurred, and jointly examine the cause of the incident in order to formulate preventive measures.
3. In the event of a disabling injury, minor injury and non-injury property damage (loss of machinery and equipment, property) in the plant, an improvement plan must be submitted and relevant risk assessment or major energy use identification data must be established and the results tracked.

6.5.7 Health Management

Sheng Yu upholds the safety and health policy of "Zero Health Risk" and implements a health management system of employee health monitoring, health management practices, health risk assessment and analysis, health guidance and health risk factor intervention, and provides a comprehensive health promotion program to maximize health outcomes with limited resources.

Health Surveillance

1. General Health Check for Workers

All workers are required to undergo a general health check and a health check for special health hazards once a year, and if there is a special health need, an ad hoc application can be made. The Company pays the full cost of the health check (including items other than those required by law).

2. Health Check for Special Hazards

Health check items and number of people tested for special hazards: noise (124), dust (15), chromic acid (92), and ionizing radiation (131).

3. Nine-item Cancer Screening (Nine Items Tabulated)

Screening items are better than those prescribed by law. The following cancer screening items have been added: CA-125 (marker for ovarian cancer), AFP (alpha-fetoprotein), CEA (carcinoembryonic antigen), PSA (marker for prostate cancer) and CA-199 (antigen for pancreatic cancer). For workers who are eligible for cancer screening, they may be screened for oral cancer, colorectal cancer, female cervical cancer and female breast cancer with their consent during labor health screening.



Waist measurement



Blood pressure measurement



Measurement of intraocular pressure



Consultation with a doctor

Health Management System Platform

It provides employees with feedback services such as access to historical health examination results, self-health management records, disease prevention and health and medical care knowledge, health risk prediction, health consultation and healthy diet and food calorie information.

It provides personal health information access control, health management and health check information. Employees can access the Company's HRIS system and enter their personal username and password to check their health information over the years.

Health Risk Assessment and Analysis

1.Special Hazards Health Classification Management

The following table shows the results of the special health review and follow-up in 2021:

Health Management Levels Special Screening Items	Level 1 Management (Headcount)	Level 2 Management (Headcount)	Level 3 Management (Headcount)	Level 4 Management (Headcount)
Noise (124 ppl)	56	67	0	1
Dust (15 ppl)	15	0	0	0
Chromic acid(92 ppl)	92	0	0	0
Ionizing radiation(131 ppl)	60	71	0	0

2.Health Management Protection Measures

Item	Content	Unit / Object
1. Health check for personnel with special operations	- Health review and follow-up, health management level re-evaluated by occupational medicine specialists - Implementation of workplace inspections and workflow improvements	1. Noise management level 3 personnel 2.Noise hazard workplace personnel
2. Monitoring of health hazards and protection of personnel health	- Ensuring that personal protective equipment is worn and in the correct manner. - Providing a list of health abnormalities to the site supervisor for health care and safety observation. - Arranging for occupational medicine specialists, if necessary - Visits to the workplace by medical practitioners to assess exposure to hazards - Conducting education and health talks on occupational injury and disease prevention and control	Cold rolling, galvanizing, Coating
3. Health services and care	- Occupational medicine specialist on-site health service - Assessing the relevance of labor health problems to the workplace - Employee health risk classification and recommendations for management measures - Care and follow-up of employees with health abnormalities - Planning and implementation of health promotion activities to control the three highs and reduce weight among employees - Health counseling and work suitability assessment for sick and injured employees	For employees with health problems, abnormalities in medical check-ups and the need for health advice

3. General Worker Health Risk Classification

To improve the health of employees and prevent the diseases, the Company has established the "Health Risk Management Monitoring Items and Grading Scale" by referring to relevant laws and regulations and the recommendations of occupational medicine specialists, which is implemented after the Occupational Safety and Health Committee has reached a consensus and approval from the labor and management members.

For those with a high health risk level, they should exercise personal health management and supervisors will track health care and fill in the "Self-Health Risk Management and Supervisors' Care Record," control work and overtime hours, and regularly track health implementation and improvement.

4. Health Risk and Attendance Control

The Company has developed its own "Health Risk Management Monitoring Items and Grading Scale," which classifies health risks into four levels and tracks and controls Level 3 and Level 4 risks.

Health Risk Level 3: Work and overtime hours control (within 30 hours/month), with supervisor tracking health and filling in the "Self-health risk management and supervisor care record," quarterly tracking health implementation and improvement.

Health Risk Level 4: Work and overtime hours control (within 20 hours/month), with supervisor tracking health and filling in the "Self-health risk management and supervisor care record," monthly tracking health implementation and improvement.

Health Guidance and Health Risk Factor Intervention

1. Health Consultation



2. Health Promotion Activities

Sheng Yu places great importance on the health of its staff by improving their health and preventing illnesses through health education, physical fitness exercises and health service consultation.

- (1) The Company is concerned about the health of its employees and encourages them to develop regular exercise habits to improve work stress, concentration and energy.
- (2) To take action against the problem of obesity among employees, we have mounted health promotion campaigns for weight prevention and control. Starting from January 13 to April 30, 2020, we launched the "Health Promotion Campaign - Weight Loss Battle," targeting employees with BMI $\geq 24-27$ (encouraged to participate) and BMI ≥ 27 (all required to participate) in the 2019 health check, and conducted it in the form of an individual competition.



3. Providing Healthy Sports and Recreational Facilities

The Recreation Center, built on a site of over 600 ping, is equipped with 17 kinds of sports and recreational facilities for employees to use after work, with a view to increasing physical fitness, releasing work pressure and enhancing the friendship among colleagues through moderate exercise.



Fitness Equipment



Dance Exercise

Healthy Workplace Certification

Sheng Yu provides group insurance and a comprehensive health plan to build a healthy lifestyle for its employees. In addition to the factory nurse, we also arrange regular on-site visits by professional doctors, annual health check-ups for all staff, physical and mental health seminars (health education on the three highs and cancer prevention diet), physical fitness training activities, health consultation and hypertension testing services. We are also committed to promoting the "Prevention of Smoking and Health Promotion in the Workplace" campaign, actively implementing smoke-free and health promotion measures, and establishing an excellent healthy working environment. The Company's efforts have been awarded the "Healthy Workplace Self Certification - Health Promotion Label" by the Bureau of Health Promotion, Department of Health.



Education Training

7.1 Training by Level

7.2 Environmental Safety and Health Education Training

7.3 Quality Training

7.4 Honorary Achievements





At Sheng Yu, we believe that our people are our most important asset and we are devoted to creating an environment of lifelong learning and offering staff education and training in a systematic, organized and planned manner. We are striving to push the work style of reporting, contacting and talking to each other, and to make good use of the QQRTRR (Quantity, Quality, Resource, Timeframe, Reason, Repeat) two-way negotiation step for work assignment. The Company puts a premium on employee learning and career development, and conducts course design and training planning according to the needs and functional gaps of the organization, organizes training on hierarchy, occupational safety and environmental protection, TQM and skills upgrading, encourages employees to attend relevant training courses outside the Company, and provides subsidies for on-the-job training to enable employees to fulfill the management philosophy of "self-improvement through work challenges." To keep up with the learning trend and the pace of digital learning, the e-Learning system was built to strengthen employees' motivation to learn independently, so that learning is no longer limited by space and time, and learners can turn passive into active. In 2021, the e-Learning system had a cumulative total of 1,186 online learners and an aggregate of 716 hours of class time.

The Company's policy of making human resources an important asset is to enhance the performance and potential of our employees, strengthen their employability and develop their skills. In 2021, the total number of training hours reached 12,063.23, with an average of 24 hours of training per employee and a total expenditure of NT\$952,907 on staff training.

Average man-hours by training program in 2021:

Training Programs	Number of Sessions	Total Participants	Total Hours	Total Fee (NT\$)
Group Training (Note 1)	17	1,413	4,841	505,997
External Training	1,287	179	1,858	428,910
On-the-Job Training (OJT)	1,026	4,985	5,423	0
In-service Training	3	3		18,000
Newcomer Training	16	45	720	0
Total	1,190	6,625	12,842	952,907

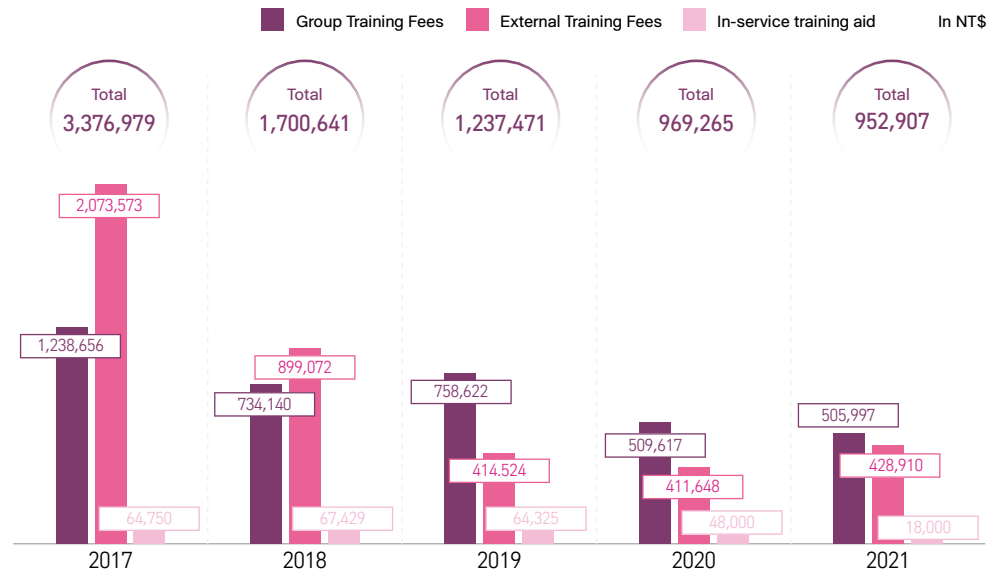
Total hours of training	Number of employees in 2021	Average number of hours of staff training
12,063.23	501	24

Note 1: Group training statistics by level for 2021



Level	Male Trainees				Female Trainees				Total number of trainees			
	No. of ppl	Person-time	Person hour	Average person hour	No. of ppl	Person-time	Person hour	Average person hour	No. of ppl	Person-time	Person hour	Average person hour
Junior Staff (General)	160	1,949	3,908	26.23	6	58	97	16.11	166	2,007	4,005	24.13
Junior Staff (Divisional)	144	1,646	3,482	25.79	35	413	627	17.92	179	2,059	4,109	22.95
Junior Staff (SubsectionHead)	57	747	1,666	29.75	2	11	16	8	59	758	1,682	28.51
Specialist, Senior Specialist	12	126	195	15.04	7	56	111	18.5	19	182	306	16.13
Chief	50	650	1,312	26.78	7	68	152	21.65	57	718	1,464	25.68
Plant Manager	25	221	450	18.02	2	24	47	46.79	27	245	497	18.42
Deputy Manager or above	16	79	318	19.87	0	0	0	0	16	79	318	19.87
Total	464	5,418	11,332	24.42	59	630	1,049	17.78	523	6,048	12,381	23.67

Education & Training Fees



Self e-Learning

Year	No. of participants who have completed a digital course	No. of ppl (below Plant Manager)	Achievement rate
2017	507	552	91.85%
2018	552	553	99.82%
2019	539	555	97.12%
2020	440	471	93.42%
2021	463	482	96.06%



In November 2021, Sheng Yu was again presented with the TTQS (Talent Quality Management System) Gold Award for the Corporate Edition, making it seven consecutive TTQS Gold Awards for Sheng Yu.

The TTQS is a training quality certification system in Taiwan. The Workforce Development Agency of the Ministry of Labor, in order to enhance the quality of manpower training in enterprises or training organizations, appoints professional assessors to conduct on-site examinations to confirm that the training system of the applicant organization meets all the indicators of the TTQS system in terms of Plan, Design, Do, Review and Outcome.



Talent Training - TTQS Gold

7.1 Training by Level

To enhance the professional capabilities of our staff, create the necessary career development for our staff and build a supply chain of talents, Sheng Yu has introduced various training courses for different levels, including junior staff, supervisors at the level of section chief, supervisors at the level of plant manager and supervisors at the level of deputy manager or above.

The year 2021 marked the "First Year of Reform" for Sheng Yu. To fulfill the Chairman's vision, the President arranged a course on "New Thinking and Challenges in the First Year of Sheng Yu Reform" for managerial and non-managerial staff to explain and build consensus on common projects for the year.



New Thinking and Challenging course in the first year of reform

Executive Training (1): Through the course "Understanding Financial Statements, Identifying and Solving Problems," participants would master the key interpretation and analysis skills of the four major financial statements to help them quickly understand and apply financial management knowledge and skills to improve business performance.



Executive Training (1): The "Understanding Financial Statements, Identifying and Solving Problems" course

Executive Training (2): The course "Steel Industry Trends and Challenges" provided an understanding of the changes and future trends in the global and domestic steel markets so as to grasp opportunities and adjust strategies.



Executive Training (2): The "Steel Industry Trends and Challenges" course

Subsection Head Training: The "Training Within Industry For Supervisors" (TWI) course was a practical training course for supervisors to learn training techniques and apply them to their supervisory work.



Subsection Head Training: The "Training Within Industry For Supervisors" (TWI) course

The "Reporting, Contacting and Communication Training" course was designed to improve the work quality and efficiency of new employees through the flexible use of reporting, contacting and communicating on all matters.



Newcomer Training: The Reporting, Contacting and Communication Training course



7.2 Environmental Safety and Health Education Training

Safety and Health Education and Training

The purpose of safety and health education and training is to inform workers of the hazards that may exist in the work environment, to teach them the correct and safe working methods, to instill the concept of safety and health, to build up safety awareness and to promote safe and efficient production activities.

The industrial safety training courses offered and trainees in 2021 were as follows:

Course Title	No. of Ppl	Training Hours	Training Dates
1.Somatosensory Training for Employees	166	3 hrs x 16 sessions	1/6, 1/7, 1/13, 1/14, 2/23, 2/25, 3/9, 3/10, 8/11, 8/23, 9/8*2, 10/6, 10/29, 11/23, 12/17
2.How to Anticipate and Respond to Hazards (Zero Hazards / Danger Prediction Training)	39	6.5 hrs	11/22
3.Three Hours of Education on Radiation Protection	87	3 hrs x 2 sessions	8/9, 8/23
4.In-service Training on Safety and Health for Sales Officers at All Levels of Management, Command and Supervision	24	3 hrs x 2 sessions	8/31, 9/15
5.Oxygen Deficiency Training for Officers	35	6 hrs x 2 sessions	9/3 - 9/14
6.Training for Forklift Operators	231	3 hrs x 4 sessions	3/11, 3/16, 3/26, 3/30
7.Safety Training for Acetylene Welding Operators	45	3 hrs x 2 sessions	5/10, 8/13
8.Fire-fighting Training	16	4 hrs x 1 session	8/27
9.Long Term Contractor Somatosensory Course	93	3 hrs x 9 sessions	9/6*2, 10/6, 10/14, 10/29, 11/18, 11/23, 12/8, 12/17

Somatosensory Training for Industrial Safety



In-service Training on Safety and Health for Sales Officers at All Levels of Management, Command and Supervision



Zero Hazards / Danger Prediction Training



Oxygen Deficiency Training for Officers



Radiation Protection Education Training



Training for Forklift Operators



Security Staff Training

Sheng Yu selects security companies with professional management systems and enthusiasm to carry out security operations. All security personnel are trained in the Company's operational control and environmental safety and health education to ensure safety in the execution of their duties.

7.3 Quality Training

The so-called "company product quality" is the face of a company. To extend the concept of quality improvement factory-wide, Sheng Yu trains professional internal quality auditors by explaining the key points of auditing and practicing case studies, strengthening the auditors' skills of auditing breadth and depth, enabling them to have a clearer understanding of the requirements and execution of various quality standards. In addition to assisting the Company to effectively carry out internal quality auditing, it can also internalize the correct implementation guidelines into the organizational system, analyze and solve problems, and continuously improve to enhance the competitiveness of the Company.



QC080000 Hazardous Substances Management Training



ISO9001 Quality Management Training



ISO45001 Occupational Safety and Health Management Training Review



7.4 Honorary Achievements

Through the efforts of our staff, Sheng Yu received awards at the "Taiwan Continuous Improvement Competition" organized by China Surgical Dressings Center Co and the "Greater China TPM Conference" organized by the Chinese Total Productivity Management Association.



Wins the "Silver Tower Five Star Award" in the Continuous Improvement Competition



Wins "Excellent Award" in the TPM Improvement Case - Individual Improvement

Social Inclusion

8.1 Community Benefit

8.2 Industry Exchanges



8.1 Community Benefit

Sheng Yu's philosophy of "Taking it from society, giving it back to the community" is to actively participate in local charity activities, hoping to fulfill our corporate responsibility to the community, whether by adopting the Zhongshan Road flower beautification project, sponsoring the arts and culture activities at the Siaogang Social Education Center, or donating safety products to community schools.

8.1.1 Environmental Charity - Long-term Adoption of Kaohsiung City Zhongshan Road Greening and Beautification Projects

The Company has invested in long-term landscaping and construction activities in Kaohsiung City, with planting and maintenance costs of approx. NT\$1.15 million in 2021.



8.1.2 Sponsorship - Donation of Safety Supplies to Schools in Siaogang District

In 2021, we donated a variety of school safety supplies, including safety flags, reflective raincoats, umbrellas, “No Parking” barricades, traffic cones, traffic cone links, etc. We hope that these supplies can be used effectively in traffic safety maintenance to enhance the safety of school children and traffic supervisors.



8.1.3 Arts and Cultural Activities Organized by the Kaohsiung Municipal Social Education Center

Despite the severe impact of the COVID-19 pandemic in 2021, the Company and Kaohsiung Municipal Social Education Center jointly organized 129 events, 109 classes of lifelong learning/children's camp courses, 355 venue loans, with 191,500 participants, and the number of visitors to the center reached 1.2 million in the year.

Grass Picnic Concert



Between Near and Far - Southeast Asian Film Festival 2021 - Opening Event



Ribbon-cutting for the Youth Talent Show



8.1.4 Donation to Siaogang Hospital the “Positive-Pressure COVID-19 Testing Booths” Developed by Yodoko International Ltd, a Subsidiary of Sheng Yu, to Enhance Epidemic Prevention Capacity



8.2 Industry Exchanges

8.2.1 External Exchanges

Sheng Yu has been actively involved in external social organizations in the industry for many years to maintain a good relationship with the industry through information exchange and cooperation activities. The Company participates in industry-related associations to keep abreast of international market trends and connect closely with the world through mutual exchange and cooperation activities.

External Entities for Exchange

Entity	Positionheld
1.Taiwan Steel & Iron Industries Association	Member
2.Kaohsiung Chamber of Industry	Member
3.Kaohsiung International Steel & Iron Association	Member
4.Kaohsiung Personnel Representative Association (KPA)	Member
5.Kaohsiung City Linhai Industrial Park Manufacturers Association	Member
6.Taiwan Wave Steel Plate Industry Association	Member
7.Industrial Safety and Health Association of the ROC	Member
8.Chinese Society for Quality	Member
9.Kaohsiung City Police Officer's Friends Association, Siaogang Office	Member
10.Chinese Institute of Mining and Metallurgical Engineers	Member
11.Japanese in Taiwan Association, Kaohsiung Branch	Member
12. Pingtung County Industrial Association	Member
13. Steel Worldwebsite	Member
14. US Steel Market Updatewebsite	Member
15. MySteelwebsite	Member
16. Steelnews (SNN) website	Member

8.2.2 Industry Promotion and Observation

With the change in the environment and the rise of green energy, energy conservation, electricity saving and carbon reduction have become hot topics in the market, especially with the popularity of the solar power, the development and application of green energy steel has also become the focus of steel mills' efforts. In this regard, the Industrial Technology Research Institute (ITRI) held a seminar to promote the "Sheng Yu long-lasting 55% Al-Zn steel sheet solar mounting," which allowed for businessmen to exchange with each other and create new opportunities.

The AZ300 rectangular (square tube) tube bundle locking screwless solar mount from Sheng Yu was on display and a number of customers were invited to visit and exchange views (Fig. 1).

8.2.3 Industry Networking Events

The Sheng Yu softball team invited their peers to join forces with the financial industry to promote friendship through recreational sports (Fig. 2).



(Fig. 1)



(Fig. 2)

Appendix

Appendix 1 : Global Reporting Initiative (GRI)
Guideline Comparison Table





Appendix 1: Global Reporting Initiative (GRI) Guideline Comparison Table

Type of Indicator	Indicator	Item of Disclosure	Reference
GRI102 General Disclosures			
Organizational profile	GRI 102-1	Name of the organization	3.1 About the Company
	GRI 102-2	Activities, brands, products, and services	4.3 Product Sales
	GRI 102-3	Location of headquarters	3.1 About the Company
	GRI 102-4	Location of operations	3.1 About the Company
	GRI 102-5	Ownership and legal form	About this Report
	GRI 102-6	Markets served	4.3 Product Sales
	GRI 102-7	Scale of the organization	4.1 Operational Performance
			6.1.1 Recruitment and Training
	GRI 102-8	Information on employees and other workers	6.1.1 Recruitment and Training
	GRI 102-9	Supply chain	4.6 Supplier/Contractor Sustainability Management
	GRI 102-10	Significant changes to the organization and its supply chain	3.3 Corporate Organization
	GRI 102-11	Precautionary Principle or approach	3.3 Corporate Organization
	GRI 102-12	External initiatives	None
	GRI 102-13	Membership of associations	2.1 Stakeholder Identification & Communication
			8.2 Industry Exchanges
	GRI 102-41	Collective bargaining agreements	6.5.1 Occupational Safety and Health Management System
Strategy and analysis	GRI 102-14	Statement from senior decision-maker	Message from Management
	GRI 102-15	Key impacts, risks, and opportunities	3.4 Medium-term Corporate Business Plan
Ethics and integrity	GRI 102-16	Values, principles, standards, and norms of behavior	3.8 Ethical Management
	GRI 102-17	Mechanisms for advice and concerns about ethics	3.8 Ethical Management



Type of Indicator	Indicator	Item of Disclosure	Reference
Governance	GRI 102-18	Governance structure	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-19	Delegating authority	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-22	Composition of the highest governance body and its com	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-23	Chair of the highest governance body	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-24	Nominating and selecting the highest governance body	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-25	Conflicts of interest	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee



Type of Indicator	Indicator	Item of Disclosure	Reference
Governance	GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-27	Collective knowledge of highest governance body	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-28	Evaluating the highest governance body's performance	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-29	Identifying and managing economic, environmental, and social impacts	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-30	Effectiveness of risk management processes	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-31	Review of economic, environmental, and social topics	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-32	Highest governance body's role in sustainability reporting	About this Report
			3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee



Type of Indicator	Indicator	Item of Disclosure	Reference
Governance	GRI 102-33	Communicating critical concerns	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-34	Nature and total number of critical concerns	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-35	Remuneration policies	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-36	Process for determining remuneration	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-37	Stakeholders' involvement in remuneration	3.5 Board of Directors
			3.6 Remuneration Committee
			3.7 ESG Sustainability Executive Committee
	GRI 102-38	Annual total compensation ratio	6.2.1 Remuneration System
	GRI 102-39	Percentage increase in annual total compensation ratio	None
Stakeholder engagement	GRI 102-40	List of stakeholder groups	2.1 Stakeholder Identification & Communication
	GRI 102-42	Identifying and selecting stakeholders	2.1 Stakeholder Identification & Communication
	GRI 102-43	Approach to stakeholder engagement	2.1 Stakeholder Identification & Communication
			4.5 Customer Satisfaction & Product Promotion
	GRI 102-44	Key topics and concerns raised	4.5 Customer Satisfaction & Product Promotion



Type of Indicator	Indicator	Item of Disclosure	Reference
Reporting practice	GRI 102-45	Entities included in the consolidated financial statements	About this Report
			3.2 Affiliated Companies
			3.3 Corporate Organization
	GRI 102-46	Defining report content and topic Boundaries	2.1 Stakeholder Identification & Communication
	GRI 102-47	List of material topics	2.2 Collection of Concerns
	GRI 102-48	Restatements of information	About this Report
	GRI 102-49	Changes in reporting	About this Report
	GRI 102-50	Reporting period	About this Report
	GRI 102-51	Date of most recent report	About this Report
	GRI 102-52	Reporting cycle	About this Report
	GRI 102-53	Contact point for questions regarding the report	About this Report
	GRI 102-54	Claims of reporting in accordance with the GRI Standards	About this Report
	GRI 102-55	GRI content index	9. Appendix
	GRI 102-56	External assurance	About this Report
GRI103 Management Approach 2016			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	The material topics
	GRI 103-2	The management approach and its components	The material topics
	GRI 103-3	Evaluation of the management approach	The material topics
GRI 200 Economic			
GRI 201 Economic Performance 2016 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	6.2 Remuneration & Benefits
	GRI 103-3	Evaluation of the management approach	6.2 Remuneration & Benefits



Type of Indicator	Indicator	Item of Disclosure	Reference
Economic performance	GRI 201-1	Direct economic value generated and distributed	6.2.1 Remuneration System
			6.2.2 Employee Benefits
			8.1.1 Environmental Charity
	GRI 201-2	Financial implications and other risks and opportunities due to climate change	4.3 Product Sales
			5.3 Climate Change & Air Pollution
	GRI 201-3	Defined benefit plan obligations and other retirement plans	6.2.2 Employee Benefits 6.5.7 Health Management
	GRI 201-4	Financial assistance received from government	7. Education Training
GRI 202 Market Presence 2016 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	6.1.2 Manpower Structure
	GRI 103-3	Evaluation of the management approach	6.1.2 Manpower Structure
Market presence	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6.1.2 Manpower Structure
	GRI 202-2	Proportion of senior management hired from the local community	6.1.2 Manpower Structure
GRI 203 Indirect Economic Impacts 2016			
Indirect Economic Impacts	GRI 203-1	Infrastructure investments and services supported	8.1 Community Benefit
	GRI 203-2	Significant indirect economic impacts	4.1 Operational Performance
GRI 204 Procurement Practices 2016			
Procurement Practices	GRI 204-1	Proportion of spending on local suppliers	4.6 Supplier/Contractor Sustainability Management
GRI 205 Anti-corruption 2016 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	3.8 Ethical Management
	GRI 103-3	Evaluation of the management approach	3.8 Ethical Management



Type of Indicator	Indicator	Item of Disclosure	Reference
Anti-corruption	GRI 205-1	Operations assessed for risks related to corruption	3.8 Ethical Management
	GRI 205-2	Communication and training about anti-corruption policies and procedures	3.8 Ethical Management
	GRI 205-3	Confirmed incidents of corruption and actions taken	3.8 Ethical Management
GRI 206 Anti-competitive Behavior 2016			
Anti-competitive Behavior	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such event has occurred.
GRI 207 Tax 2019			
Tax	GRI 207-1	Approach to tax	3.10 Tax Management
	GRI 207-2	Tax governance, control, and risk management	3.10 Tax Management
	GRI 207-3	Stakeholder engagement and management of concerns related to tax	3.10 Tax Management
	GRI 207-4	Country-by-country reporting	3.10 Tax Management
GRI 300 Environmental			
GRI 301 Materials 2016			
Materials	GRI 301-1	Materials used by weight or volume	5.1.1 Energy Consumption in 2021
	GRI 301-2	Recycled input materials used	None
	GRI 301-3	Reclaimed products and their packaging materials	None
GRI 302 Energy 2016 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	5.1 Energy Management
	GRI 103-3	Evaluation of the management approach	5.1 Energy Management
Energy	GRI 302-1	Energy consumption within the organization	5.1.1 Energy Consumption in 2021
	GRI 302-2	Energy consumption outside of the organization	5.1.3 External Energy Consumption in 2021
	GRI 302-3	Energy intensity	5.1.2 Energy Consumption in Unit Product



Type of Indicator	Indicator	Item of Disclosure	Reference
Energy	GRI 302-4	Reduction of energy consumption	5.1.4 Energy Saving & Carbon Reduction
	GRI 302-5	Reductions in energy requirements of products and services	5.1.4 Energy Saving & Carbon Reduction
GRI 303 Water and Effluents 2018			
Water and Effluents	GRI 303-1	Interactions with water as a shared resource	5.4 Water Efficiency
	GRI 303-2	Management of water discharge-related impacts	5.4.2 Water Recycling and Wastewater Treatment
	GRI 303-3	Water withdrawal	5.4.2 Water Recycling and Wastewater Treatment
	GRI 303-4	Water discharge	5.4.2 Water Recycling and Wastewater Treatment
	GRI 303-5	Water consumption	5.4.2 Water Recycling and Wastewater Treatment
GRI 304 Biodiversity 2016			
Biodiversity	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5.7 Biodiversity
	GRI 304-2	Significant impacts of activities, products, and services on biodiversity	5.7 Biodiversity
	GRI 304-3	Habitats protected or restored	5.7 Biodiversity
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	5.7 Biodiversity
GRI 305 Emissions 2016 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	5.1.4 Energy Saving & Carbon Reduction
	GRI 103-3	Evaluation of the management approach	5.1.4 Energy Saving & Carbon Reduction
	GRI 305-1	Direct (Scope 1) GHG emissions	5.1.4 Energy Saving & Carbon Reduction
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	5.1.4 Energy Saving & Carbon Reduction
	GRI 305-3	Other indirect (Scope 3) GHG emissions	5.1.4 Energy Saving & Carbon Reduction



Type of Indicator	Indicator	Item of Disclosure	Reference
Emissions	GRI 305-4	GHG emissions intensity	5.3 Climate Change & Air Pollution
	GRI 305-5	Reduction of GHG emissions	5.1.4 Energy Saving & Carbon Reduction
	GRI 305-6	Emissions of ozone-depleting substances (ODS)	5.3 Climate Change & Air Pollution
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.3 Climate Change & Air Pollution
GRI 306 Waste 2020 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	5.5 Waste Management
	GRI 103-3	Evaluation of the management approach	5.5 Waste Management
Waste	GRI 306-1	Waste generation and significant waste-related impacts	5.5 Waste Management
	GRI 306-2	Management of significant waste-related impacts	5.5 Waste Management
	GRI 306-3	Waste generated	5.5 Waste Management
	GRI 306-4	Waste diverted from disposal	5.5 Waste Management
	GRI 306-5	Waste directed to disposal	5.5 Waste Management
GRI307 Environmental Compliance 2016 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	5.5 Waste Management
	GRI 103-3	Evaluation of the management approach	5.5 Waste Management
Environmental Compliance	GRI 307-1	Non-compliance with environmental laws and regulations	5.5 Waste Management
GRI 308 Supplier Environmental Assessment 2016			
Supplier	GRI 308-1	New suppliers that were screened using environmental criteria	4.6.1 Supplier and Contractor Management Policy
Environmental Assessment	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	4.6 Supplier/Contractor Sustainability Management



Type of Indicator	Indicator	Item of Disclosure	Reference
GRI 400 Social			
GRI 401 Employment 2016			
Employment	GRI 401-1	New employee hires and employee turnover	6.1.3 Manpower Mobility
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2.2 Employee Benefits
	GRI 401-3	Parental leave	6.1.3 Manpower Mobility
GRI 402 Labor/Management Relations 2016 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	None
	GRI 103-3	Evaluation of the management approach	None
Labor/Management Relations	GRI 402-1	Minimum notice periods regarding operational changes	There is no collective bargaining mechanism during the reporting period. However, in the event of significant operational changes, the provisions of the advance notice period in the Labor Standards Act will be followed.
GRI 403 Occupational Health and Safety 2018 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	6.5.1 Occupational Safety and Health Management System
	GRI 103-3	Evaluation of the management approach	6.5.1 Occupational Safety and Health Management System
Occupational Health and Safety	GRI 403-1	Occupational health and safety management system	6.5.1 Occupational Safety and Health Management System
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	6.5.2 Risk Management
	GRI 403-3	Occupational health services	6.5.7 Health Management
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	6.5.1 Occupational Safety and Health Management System
	GRI 403-5	Worker training on occupational health and safety	7.2 Environmental Safety and Health Education Training
	GRI 403-6	Promotion of worker health	6.5.7 Health Management
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.5.3 Operational Safety
	GRI 403-8	Workers covered by an occupational health and safety management system	6.5.1 Occupational Safety and Health Management System



Type of Indicator	Indicator	Item of Disclosure	Reference
Occupational Health and Safety	GRI 403-9	Work-related injuries	6.5.5 Absence & Incapacity Injury
	GRI 403-10	Work-related ill health	6.5.1 Occupational Safety and Health Management System
GRI 404 Training and Education 2016			
Training and Education	GRI 404-1	Average hours of training per year per employee	7. Education Training
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	7. Education Training
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	6.2.1 Remuneration System
GRI 405 Diversity and Equal Opportunity 2016			
Diversity	GRI 405-1	Diversity of governance bodies and employees	6.1.1 Recruitment and Training
Equal Opportunity	GRI 405-2	Ratio of basic salary and remuneration of women to men	6.2.1 Remuneration System
GRI406 Non-discrimination 2016	GRI 406-1	Incidents of discrimination and corrective actions taken	No discrimination event has occurred.
GRI 407 Freedom of Association and Collective Bargaining 2016			
Freedom of Association and Collective Bargaining	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No such event has occurred in the disclosure period.
GRI408Child Labor2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	6.1.1 Recruitment and Training
GRI 409 Forced or Compulsory Labor 2016			
Forced or Compulsory Labor	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No such event has occurred in the disclosure period.
GRI 410 Security Practices 2016			
Security Practices	GRI 410-1	Security personnel trained in human rights policies or procedures	7.2 Environmental Safety and Health Education Training
GRI 411 Rights of Indigenous Peoples 2016			
Rights of Indigenous Peoples	GRI 411-1	Incidents of violations involving rights of indigenous peoples	None
GRI 412 Human Rights Assessment 2016			
Human Rights Assessment	GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	None
	GRI 412-2	Employee training on human rights policies or procedures	6.4 Human Rights Policy
	GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	4.6 Supplier/Contractor Sustainability Management



Type of Indicator	Indicator	Item of Disclosure	Reference
GRI 413 Local Communities 2016			
Local Communities	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	None
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities	None
GRI 414 Supplier Social Assessment 2016			
Supplier	GRI 414-1	New suppliers that were screened using social criteria	None
Social Assessment	GRI 414-2	Negative social impacts in the supply chain and actions taken	4.6.1 Supplier and Contractor Management Policy
GRI 415 Public Policy 2016			
Public Policy	GRI 415-1	Political contributions	None
GRI 416 Customer Health and Safety 2016			
Customer Health and Safety	GRI 416-1	Assessment of the health and safety impacts of product and service categories	4.3 Product Sales
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such event has occurred.
GRI 417 Marketing and Labeling 2016			
Marketing and Labeling	GRI 417-1	Requirements for product and service information and labeling	100%
	GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	None
	GRI 417-3	Incidents of non-compliance concerning marketing communications	No such event has occurred.
GRI 418 Customer Privacy 2016			
Customer Privacy	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such event has occurred.
GRI 419 Socioeconomic Compliance 2016 (Material Topic)			
Management approach	GRI 103-1	Explanation of the material topic and its boundary	2.2 Collection of Concerns
	GRI 103-2	The management approach and its components	None
	GRI 103-3	Evaluation of the management approach	None
Socioeconomic Compliance	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	No such event has occurred.



SHENG YU STEEL CO., LTD.

If you have any suggestions or questions about the report, please feel free to contact us and let us know.

The electronic file of the report is also provided on the official website of the Company.

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