



永冠集團
YEONGGUAN GROUP

2024

Yeong Guan Group

2024 Sustainability Report





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1 MESSAGE FROM THE CHAIRMAN



Mr. Zhang Xianming, Chairperson of Yeongguan Energy Technology Group Co., Ltd

Reviewing 2024, the global political and economic landscape continued to evolve, exerting significant influence on capital markets and investor confidence. With the return of U.S. President Donald Trump to the White House, the previously relatively stable competitive landscape gradually shifted towards an asymmetrical competition lacking fair value exchange, challenging the business models and strategic deployments of global companies. At the same time, geopolitical risks arising from the Russia-Ukraine conflict and the Israeli-Palestinian conflict further intensified trade barriers, increasing uncertainty in balanced transactions across regional markets. Although disruptions in Red Sea shipping have somewhat eased, persistent regional protectionism continues to pressure the efficiency and stability of global supply chains, undermining sustainable development policies and inflation control measures across various economies.

Meanwhile, climate change has shifted from a long-term risk to a short-term strategic factor, directly affecting opportunities in cross-border resource allocation and green investments. At the same time, the Fed's monetary policy continues to steer global capital flows, while other major economies generally face weak growth momentum or even enter recession, further dampening global demand and corporate profit outlooks. In response to the dual challenges of global political and economic uncertainty and the pressures of energy transition in 2024, Yeong Guan Group has actively enhanced the resilience of its global supply chain. The Group has developed climate adaptation strategies across its three major operational regions to strengthen its risk management capabilities, enabling it to respond flexibly to shifts in global tariffs and policy environments and to mitigate the operational impact of geopolitical risks.

Harnessing Technological Excellence and Sustainability to Capture Long-Term 'Structural' Growth in the Wind Energy Sector

Against the backdrop of global efforts toward net-zero carbon emissions, wind power, as one of the primary renewable energy sources, is experiencing rapid expansion across its value chain. According to a research report by IMARC Group, the global wind power market reached USD 83.2 billion in 2023 and is projected to grow to USD 136.1 billion by 2029, underscoring the sector's long-term structural growth potential. Yeong Guan Energy Technology Group Co., Ltd., guided by its dual-pillar strategy of "Technological Innovation × Sustainable Development", continues to reinforce its position in the wind power sector. Leveraging advanced manufacturing capabilities and a resilient industrial cooperation network, the Group plays a critical role in the global supply chain.

In 2024, the Group further expanded its technological investments in key wind energy components and continued supplying large castings and critical parts to major global manufacturers of wind turbines, injection molding machines, machine tools, and industrial machinery, effectively meeting the growing global demand for high-efficiency and large-scale wind power equipment. By capitalizing on its industry-leading vertically integrated manufacturing system and economies of scale, the Company aims to

drive sustained growth in both revenue and profitability. In the face of a rapidly shifting environment, stakeholders such as investors and customers are expected to take a more cautious approach in assessing risks related to geopolitics, policy shifts, supply chain disruptions, and inflation expectations, while adjusting their asset allocation strategies to capture potential recovery opportunities. Nevertheless, it is worth noting that despite these challenges, most countries are proactively implementing countermeasures to promote economic restructuring and ensure energy supply stability, in order to guard against the recurrence of a global inflation crisis.

ESG Deep Integration: Building a Resilient and Responsible Operational Model

To achieve the objective of sustainable operations, Yeong Guan Group has long been actively implementing ESG governance. On the environmental front, the Group has fully adopted greenhouse gas (GHG) inventory and carbon emission control mechanisms in its production processes. It has also introduced thermal energy recovery systems to effectively convert waste heat generated during production into heating and hot water resources for office spaces, thereby enhancing energy use efficiency. All production equipment has been equipped with high-efficiency motor systems that comply with the latest energy efficiency standards. The Group has also implemented source-level controls for environmental risks such as dust and noise, effectively reducing potential impacts on employee health and the surrounding environment. In terms of raw material usage strategy, the Group is seeking more low-carbon alternative materials, moving toward the use of low-carbon materials that offer significant advantages such as lower processing temperatures and reduced carbon emissions compared with traditional coke-based processes. These efforts further enhance the carbon efficiency and environmental competitiveness of its production system.

Fostering a Collaborative Organizational Culture and Driving Industry-Academia Innovation Collaboration

The Group Convinced talent is the cornerstone of sustainable corporate development and has long been committed to the comprehensive implementation of employee care policies. These include a diversified reward system, regular health check-ups, improved transportation and accommodation resources, and the regular organization of cultural activities such as sports events and consensus-building camps, all aimed at fostering a balanced work-life environment. At the same time, the Group promotes the exchange of best practices and the optimization of operational processes across different regions and functions through its internal mechanism of mutual supervision and learning, thereby enhancing overall organizational agility and collaboration efficiency.

Externally, Yeong Guan actively participates in industry-academia collaboration programs by regularly opening its facilities for factory tours and professional exchanges, deepening young people's understanding of and interest in manufacturing and casting technologies, and injecting innovative thinking and talent into the industry.

High Value-added Manufacturing and Sustainability Strategy

Amid ongoing fluctuations in the global political and economic landscape and the rapid evolution of energy policies, Yeong Guan Group has demonstrated forward-looking risk management and operational resilience planning. In addition to gradually completing flexible adjustments to its production layout, the Group is optimizing resource allocation in real time based on local tariff systems and policy developments. These efforts aim to further strengthen the resilience of customers' global supply chains and effectively reduce the impact of geopolitical and market uncertainties on operational stability. The Group will continue to enhance its vertical integration capabilities, technological leadership, and high-efficiency operational model, progressively expanding its presence in high value-added markets worldwide.

At the same time, Yeong Guan will implement its sustainability policy by integrating environmental protection, corporate governance, talent development, technological innovation, and social responsibility. This approach aims to build a business structure with sustainable competitiveness and reinforce its strategic position in the fields of renewable energy and advanced manufacturing. Looking ahead, the Group will take sustainable development, high value-added growth, and stable expansion as its core operational priorities. It will focus on long-term structural opportunities brought by industrial technological upgrades and the transition to carbon neutrality, while expanding its global market presence and deepening partnerships with long-term value-driven investors to create forward-looking sustainable impact.



2 ABOUT THE REPORT

Report Overview

This report is the fourth sustainability report published by Yeong Guan Energy Technology Group Co., Ltd., intended to maintain open and honest communication with stakeholders regarding the company's governance, practices, and performance in sustainable development.

Scope of Report

This report covers the policies and data of the Company and its subsidiaries, with the reporting scope aligned with that of the annual report. The companies and their abbreviations included in the scope of report are listed in the table below.

Compared with the 2023 Sustainability Report, this year's report newly incorporates Yeong Guan Holdings, with relevant details provided in the main text. Unless otherwise specified, all textual and data information related to 2022 and 2023 does not include Yeong Guan Holdings.

If the scope of specific data differs from the scope of the report, such differences are clearly indicated in the main text.

The names and abbreviations of the Group's main production bases are as follows.

Company Name	Company Address	Abbreviations
Yeong Guan Energy Technology Group Co., Ltd.	4F, No. 93, Xinhu 1st Road, Neihu District, Taipei City, Taiwan	Yeong Guan Group (YGG), the Company, We
Dongguan Yeong Guan Mould Factory Co., Ltd.	Yinquan Industrial Zone, Qingxi Town, Dongguan City, Guangdong Province	Dongguan Yeong Guan
Ningbo Yeong Shang Casting Iron Co., Ltd.	No. 95, Huanghai Road, Beilun District, Ningbo City, Zhejiang Province	Ningbo Yeong Shang
Ningbo Lulin Machine Tool Foundry Co., Ltd.	No. 28, Dinghai Road, Zhenhai Economic Development Zone, Ningbo City, Zhejiang Province	Ningbo Lulin
Jiangsu Bright Steel Fine Machinery Co., Ltd.	No. 9, Yuepeng Road, Tianmu Lake Industrial Park, Liyang City, Jiangsu Province	Jiangsu Bright Steel
Shanghai No. 1 Machine Tool Foundry (Suzhou) Co., Ltd.	No. 999, Laixiu Road, Fenhui High-Tech Industrial Development Park, Suzhou City, Jiangsu Province	Shanghai No. 1 Foundry
Yeong Guan Holdings Co., Ltd. Taiwan Branch (BVI)	No. 168, Huangang Road, Neighborhood 9, Lishui Li, Longjing District, Taichung City, Taiwan	Yeong Guan Holdings, Yeong Guan Holdings Co., Ltd. (Taiwan Branch)

Reporting Period

The reporting period of this report is from January 1, 2024 to December 31, 2024 (the "Reporting Period"), and is consistent with the annual report. This report provides transparent information on Yeong Guan Group's performance in the areas of economy, environment, society, and corporate governance during the Reporting Period. To ensure consistency and comparability, certain content appropriately refers to previous years or includes developments in 2025.

Last report release date:
June 2024.

Current report release date:
August 2025.

Next report release date:
August 2026.

Reporting Standards

This report refers to the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), the Taiwan Stock Exchange's "Guidelines for the Preparation and Filing of Sustainability Reports by Listed Companies", and the Sustainability Accounting Standards (SASB). The appendix provides the GRI Content Index and the SASB Content Index.

Data Source

The financial data in this report has been audited and certified by Deloitte Taiwan in accordance with the International Financial Reporting Standards (IFRS), and is presented in thousands of New Taiwan Dollar. Other data and case studies are primarily sourced from official documents and statistical reports of Yeong Guan Group, and have been reviewed by the relevant departments. The Chinese version of this Sustainability Report shall prevail. The English version is a translation for reference only.

Information Recompilation

Due to differences in statistical sources, the energy consumption data for 2022 and 2023 were recalculated, and the data was based on the company's "2024 Sustainability Report" Book" shall prevail.

Report Acquisition

To support environmental protection, this report is published in electronic format and can be downloaded from the Sustainability Section of the company's website: <https://www.ygget.com/content/zh/565.aspx>.

Contact Us

If you have any comments or suggestions regarding the company's sustainable development affairs, you can contact us through the following channels:

Contact Point: Investor Relations Service

Email: ir@ygget.com

Website: <https://www.ygget.com/contactus/zh.aspx>



3 ABOUT YEONG GUAN GROUP

- 3.1 Company Profile
- 3.2 Corporate Culture
- 3.3 Organizational Chart
- 3.4 Honors
- 3.5 Membership in Industry Associations
- 3.6 Certified Systems

3.1 Company Profile

Yeong Guan Group is a key casting supplier to major global manufacturers of wind turbines, injection molding machines, machine tools, and industrial machinery. The Group is equipped with advanced process technologies and holds expertise in high-end metallurgical and engineering techniques, enabling the delivery of high-quality products with reliable lead times. These strengths have earned it the trust and recognition of its clients. The Group's core competitiveness lies in its industry-leading production scale, sophisticated casting craftsmanship, and vertically integrated capabilities. It remains committed to achieving revenue and profitability growth that exceeds that of its peers and the industry average. Since entering the Chinese Mainland in 1994, Yeong Guan Group has actively aligned with government-driven transformation and upgrading policies, continuously optimizing its production processes and updating its equipment. This has enabled the Group to shift from manufacturing basic products to producing high-end components, thereby moving into the field of high-end equipment manufacturing services.

Headquartered in Ningbo, Zhejiang Province, Yeong Guan Group established its first foundry in Dongguan in 1995. The Group has since expanded to operate six foundries, two machine shops, one steel welding shop, two specialized coating shops, and one scrap steel recycling shop, forming a vertically integrated secondary metal processing group. The Group's designed annual production capacity now exceeds 210,000 tons, with a workforce of over 2,000 employees. In China, Yeong Guan Group has become a benchmark enterprise in the foundry industry.

With over four decades of experience in the casting industry, Yeong Guan's products span across multiple sectors, including the energy industry (wind and thermal power generation), injection molding, industrial machinery (such as air compressors and mining equipment), the vehicle sector (specialty vehicles, high-speed rail, and automobiles), as well as the medical industry. Yeong Guan provides clients with integrated services such as collaborative design, manufacturing, machining, welding, anti-corrosion coating, and product assembly. Looking ahead, Yeong Guan Group will continue to integrate further along the secondary metal processing value chain, both upstream and downstream, to deliver more advanced and innovative total solutions, meeting customer needs for one-stop shop services.

Company Name	Yeong Guan Energy Technology Group Co., Ltd.	
Industry Category	Electrical and mechanical machinery	
Main Business Operations	Hubs, bases, and gearboxes for wind turbine generators; intake and exhaust cylinder housings for thermal power generators; specialized components for injection molding and die casting machines; and precision castings for machine tools and industrial machinery.	
	Current product lines and applications	
	Main products	Application fields
	Low-temperature, high-toughness ductile iron castings and gray iron castings for energy applications	Large wind turbines (hubs, gearboxes, and bases) Steam turbine components for large-scale thermal power plants
	High-grade ductile iron castings for injection molding machines	Plastic injection molding machine
Other applications of high-grade ductile iron and gray iron castings	Large precision machine tools Air compressors Ultra-large high-speed color printers Medical equipment (including cancer treatment systems and Gamma Knife radiosurgery devices)	
Establishment Date	2008/01/22	
President	Hsien-Ming Chang	
General Manager	Rong Li	
Operational Headquarters	No. 95, Huanghai Road, Beilun District, Ningbo City, Zhejiang Province, China	
Corporate Headquarters	4F, No. 93, Xinhua 1st Road, Neihu District, Taipei City, Taiwan	
Registered Capital (Unit: New Taiwan Dollar in thousands)	1331359	

Note: Mr. Xu Qingxiong, the former general manager of the Company, retired on May 31, 2024, and was succeeded by Mr. Li Rong as general manager on September 1, 2024.

3.2 Corporate Culture



Service concept

Actively participate and fully commit, with a service philosophy of smile, enthusiasm, and heartfelt service, striving to be the bridge between customers and the Group.

Carefully listen to the voices and needs of customers, address customer complaints promptly, and actively communicate with technical, quality assurance, and production units.

Create a harmonious working atmosphere to achieve higher value and a win-win situation for the enterprise and customers.

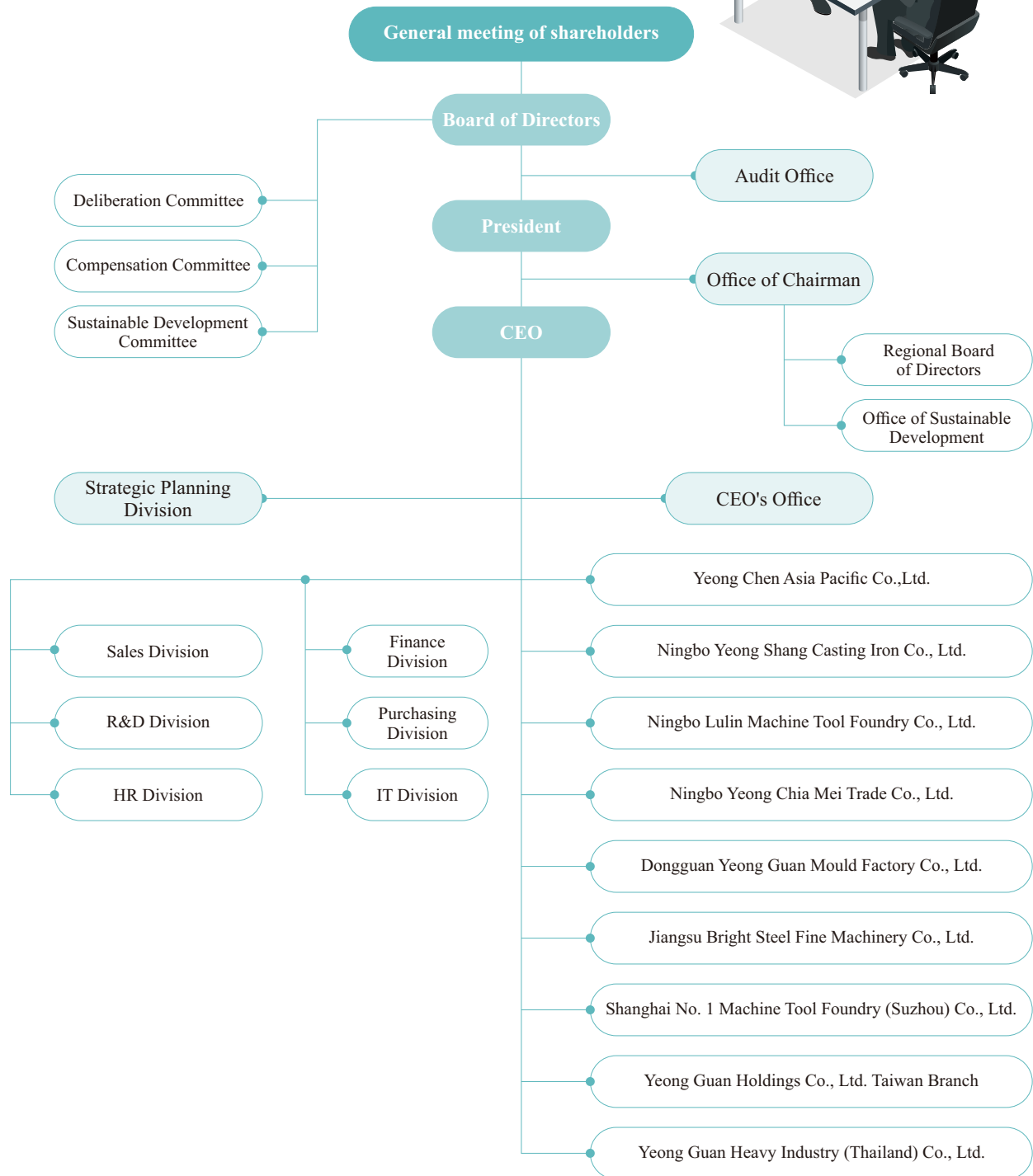
Sales mission

Yeong Guan commits to 100% service and top-quality casting.

Yeong Guan strives for a leading edge and aims to be the world's best.

Yeong Guan ensures the most satisfactory lead time and the most reasonable price with integrity, guaranteeing maximum customer satisfaction.

3.3 Organizational Chart

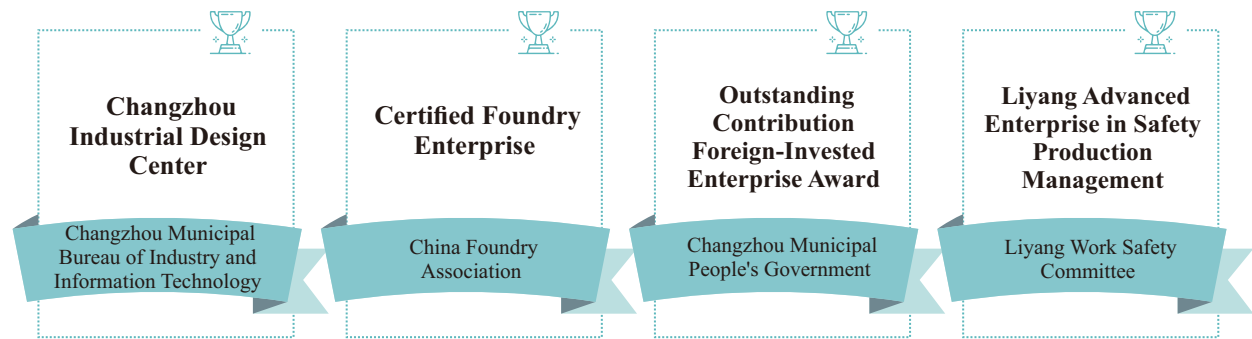


Note: 1. Yeong Guan Heavy Industry (Thailand) Co., Ltd. is not included in the scope of this report, nor in the scope of the company's annual report.

2. In accordance with Taiwan's "Sustainable Development Action Plan for Listed Companies (2023)", listed companies are required to establish a Sustainability Committee. Therefore, Establishment Sustainable Development Committee in 2024 FY, under the Board of Directors, with an Independent Director serving as the convener. Additionally, a Sustainability Office will be established under the Office of Chairman.

3.4 Honors

Jiangsu Bright Steel Fine Machinery Co., Ltd.



Ningbo Lulin Machine Tool Foundry Co., Ltd.



Yeong Guan Holdings Co., Ltd. Taiwan Branch



2024 Outstanding Enterprise Proactively Evaluated for Occupational Health and Safety Performance in the Annual Sustainability Report

Occupational Safety and Health Administration, Ministry of Labor

TCSA Corporate Sustainability Report Bronze Award

Taiwan Sustainability and Energy Research Foundation

Note: All the above awards were received in 2024.



3 ABOUT YEONG GUAN GROUP



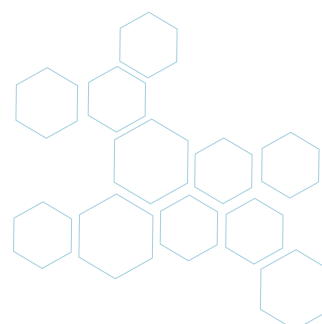
3.5 Membership in Industry Associations

Company Name	Membership in Industry Associations	Company Role
Ningbo Yeong Shang Casting Iron Co., Ltd.	Beilun District Association of Work Safety	Group member
	Ningbo Foundry Industry Association	Group member
	Association of Taiwan Investment Enterprises in Ningbo City	Group member
	Zhejiang Province Foundry Industry Association	Deputy Supervisor Organization
Jiangsu Bright Steel Fine Machinery Co., Ltd.	China Foundry Association	Director
	Jiangsu Province Foundry Association	Executive Director
	Changzhou Foundry Association	Vice President
	Guxian Street Chamber of Commerce	Director
	Taiwanese Business Association of Liyang	Member
	Changzhou Environmental Resource Protection Public Welfare Association	Member
Ningbo Lulin Machine Tool Foundry Co., Ltd.	Ningbo Foundry Industry Association	Member
	Association of Taiwan Investment Enterprises in Ningbo City	Director
	Zhaobaoshan Chamber of Commerce, Zhenhai District, Ningbo	Vice President
Shanghai No. 1 Machine Tool Foundry (Suzhou) Co., Ltd.	Suzhou Foundry Association	Director Unit
	Intelligent Manufacturing Association of Wujiang District, Suzhou	Member unit
Yeong Guan Holdings Co., Ltd. Taiwan Branch	Taiwan Casting Industry Association	Member unit
Yeong Chen Asia Pacific Co.,Ltd.	Taiwan Wind Turbine Industry Association	Member unit

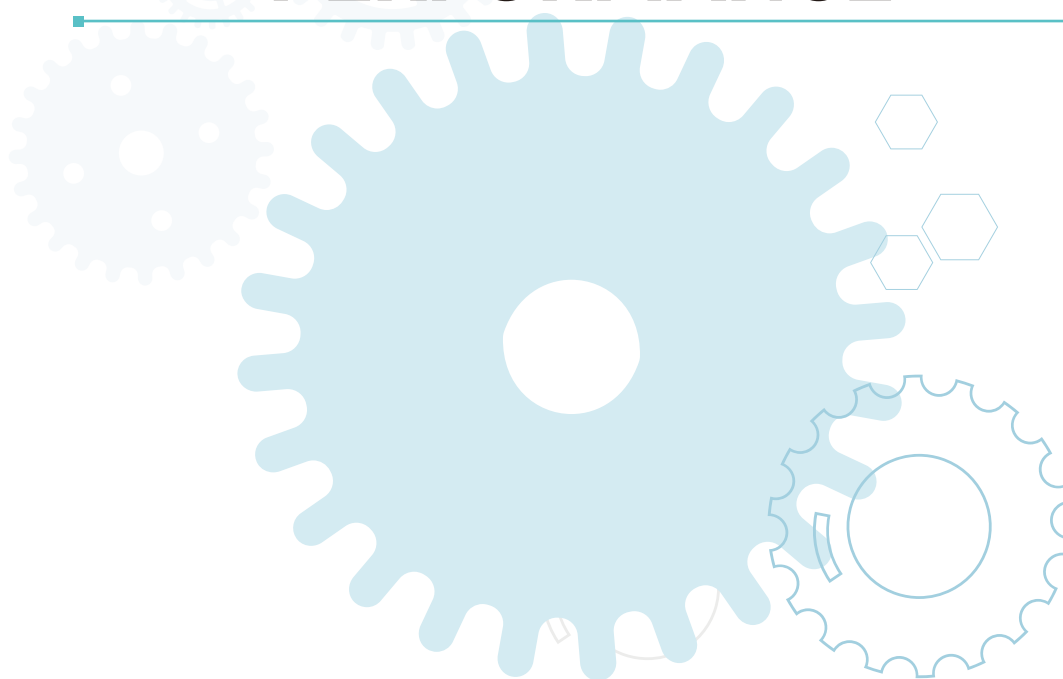


3.6 Certified Systems

Certification Entity	System Name	System Abbreviation
Ningbo Yeong Shang Casting Iron Co., Ltd.	Quality Management System	ISO 9001:2015
	Environmental Management System	ISO 14001:2015
	Occupational health and safety management system	ISO 45001:2018
	Energy Management System	ISO 50001:2018
Dongguan Yeong Guan Mould Factory Co., Ltd.	Occupational health and safety management system	ISO 45001:2018
	Environmental Management System	ISO 14001:2015
	Quality Management System	ISO 9001:2015
Jiangsu Bright Steel Fine Machinery Co., Ltd.	Environmental Management System	ISO 14001: 2015
	Occupational health and safety management system	ISO 45001: 2018
	Quality Management System	ISO 9001:2015
	Energy Management System	ISO 50001: 2018
	Information Security Management System	ISO 27001: 2013
	ABS Factory Approval	T2386555
	Certificate of Grade-3 Enterprise in Work Safety Standardization	-
	The Integration Management System for Informatization and Industrialization	GB/T 23001-2017
	Certificate of Compliance for PED Materials	Pressure Equipment Directive 2014/68/EU EN 764-5:2014




4 SUSTAINABILITY PERFORMANCE



4 SUSTAINABILITY PERFORMANCE




Environment

<p>In 2024, the Company's expenditure on environmental protection totaled RMB 1.923 million.</p>	<p>Energy efficiency and usage management systems were established, with 4 subsidiaries certified under the ISO 50001 Energy Management System.</p>
<p>Third-party carbon verification audits were conducted at operating sites, providing a solid basis for formulating more scientific and effective carbon reduction strategies.</p>	<p>Based on the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Company actively managed climate-related risks and participated in voluntary GHG emission reductions.</p>
 <p>Jiangsu Bright Steel Plant conducted product carbon footprint accounting.</p>	<p>All production bases installed solar power generation equipment, with total photovoltaic electricity consumption in 2024 reaching 5,570,356.1 kWh, reducing carbon emissions by 2,989.05 tCO₂e.</p>

Society

<p>In 2024, the Company's expenditure on work safety totaled RMB 6.0881 million.</p>	<p>Funds allocated to public welfare and charitable activities amounted to RMB 250,400 in 2024.</p>	<p>Female employees accounted for more than 14% of the workforce.</p>
 <p>Employees received an average of 13.9 training hours per person in 2024.</p>	<p>The Company successfully hosted the 2024 Sustainable Supply Chain Conference.</p>	<p>No supply chain disruptions occurred due to major violations by suppliers related to social responsibility, environment, human rights, or occupational safety regulations.</p>

Governance

<p>The Company established a Sustainable Development Committee to oversee sustainability-related affairs.</p>	<p>The Board includes 1 female director and 4 independent directors, one of whom resigned on November 30, 2024, leaving 3 independent directors currently serving.</p>
<p>Ningbo Yeong Shang participated in the Ecovadis assessment, scoring 40 points.</p>	 <p>Jiangsu Bright Steel participated in the Ecovadis assessment, scoring 69 points.</p> 
 <p>Ningbo Lulin participated in the Ecovadis assessment, scoring 40 points.</p>	<p>Among the consolidated operating income of Yongguan Energy Technology Group Co., Ltd. and its subsidiaries in 2024, the income from renewable energy products accounted for 45.14% of the annual operating income, and the income from major renewable energy customer products accounted for 93.80% of the annual renewable energy income.</p>

Note: The above expenditures on environmental protection, safety, and charitable contributions include only subsidiaries located in the Chinese Mainland.



5 SUSTAINABILITY STRATEGY

- 5.1 Sustainable Development Governance
- 5.2 Sustainable Development Mechanism
- 5.3 Stakeholder Engagement
- 5.4 Identification of Material Topics
- 5.5 Responding to United Nations Sustainable Development Goals (SDGs)

5.1 Sustainable Development Governance

To advance its sustainability goals, Yeong Guan Group has strengthened its governance of sustainable development. In accordance with Article 27, Paragraph 3 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Article 9, Paragraph 1 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the Board of Directors approved the Sustainable Development Management Framework on November 7, 2024. A Sustainable Development Committee was established to formulate, supervise, and review sustainable development policies, systems, and related management guidelines, and to report regularly to the Board of Directors on implementation progress and outcomes. The Sustainable Development Committee is supported by the Sustainable Development Office, a dedicated (or part-time) unit responsible for sustainability-related initiatives. The office consists of three functional groups: Corporate Governance Group, Sustainable Environment Group, Social Responsibility Group. These groups assist the Committee in executing various sustainability initiatives and regularly report on implementation status to the Committee.

Sustainable Development Management Structure



Responsibilities of the Sustainable Development Committee:

- Develop, implement, and enhance the Company's sustainable development policies, annual plans, and strategies.
- Monitor, review, and revise the implementation and effectiveness of sustainability initiatives.
- Supervise sustainability disclosures and review the Company's sustainability reports.
- Oversee the implementation of the Company's Sustainable Development Code and any other sustainability-related matters as resolved by the Board of Directors.

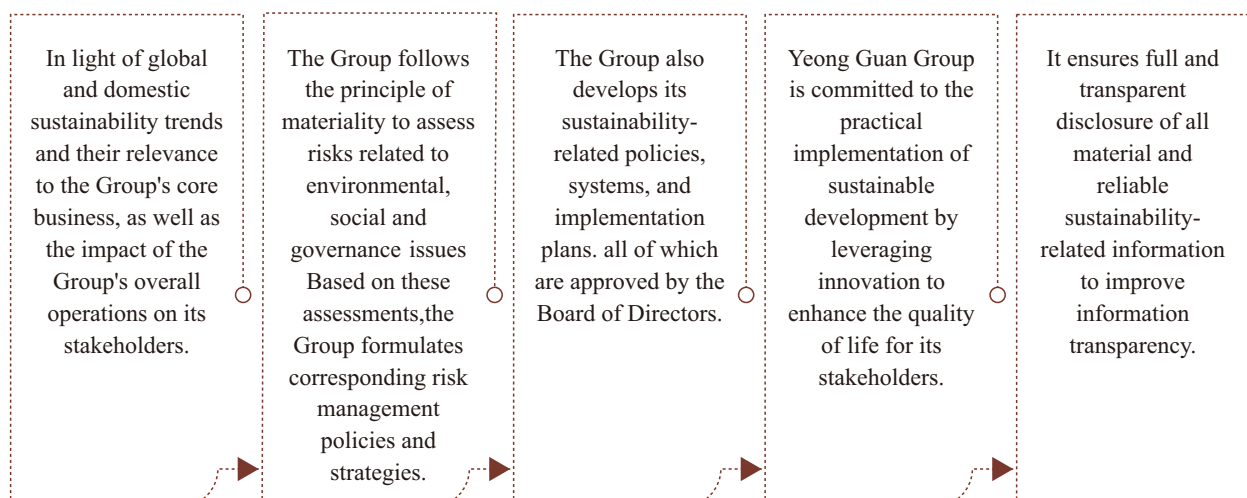
Responsibilities of the Sustainable Development Office:

- **Corporate Governance Group:** Responsible for ensuring legal compliance in corporate governance, establishing reasonable compensation policies and employee performance evaluation systems, providing training programs, and implementing stakeholder communication mechanisms to achieve the Company's sustainability goals.
- **Sustainable Environment Group:** Responsible for the environmental management system, compliance with relevant environmental laws and international standards, assessing the Company's sustainable transition, improving resource efficiency, implementing climate change response mechanisms, and designating dedicated environmental management personnel or units to achieve environmental sustainability goals.
- **Social Responsibility Group:** Responsible for formulating human rights management policies and procedures, ensuring compliance with human rights laws and international standards, establishing internal and external communication mechanisms for all organizational members (e.g., employees, subsidiaries, joint ventures) and key stakeholders in the value chain, assessing related risks and establishing appropriate risk management mechanisms, and promoting community development and cultural initiatives to support long-term sustainable operations.

5.2 Sustainable Development Mechanism

Yeong Guan Group has consistently upheld a business model centered on sustainable development. It has formulated the Sustainable Development Best Practice Guidelines, the Charter of the Sustainable Development Committee, the Sustainability Information Management Procedures, and the Procedures for the Preparation and Assurance of Sustainability Reports. The Group has put forward four principles: implementing corporate governance, developing environmental sustainability, safeguarding social welfare, and enhancing sustainability information disclosure. These principles are deeply integrated into the Group's strategy, embedding economic, environmental, and social responsibilities into its operations, and establishing a sustainability mechanism for Yeong Guan Group. Acting as a corporate citizen, the Group focuses on the rights and interests of stakeholders and promotes the alignment of business value with social value.



"Sustainable Development Practice Code"





5.3 Stakeholder Engagement

Yeong Guan Group proactively engages with stakeholders through a variety of communication channels to ensure timely and transparent updates on the Company's operations. These interactions enable the Group to better understand stakeholders' expectations and concerns and to respond accordingly. This approach helps ensure that the Company's sustainability disclosures address the diverse interests of stakeholders, thereby strengthening stakeholder trust and support. The Group's key stakeholders include employees, customers, suppliers and contractors, investors, government authorities, and local communities. The Company reports annually to the Sustainable Development Committee on stakeholder engagement activities and outcomes.

Key Stakeholders	Importance to the Company	Key Concerns	Communication Channel/Frequency
Employees 	<p>Employees are the indispensable foundation of the Company's operations. The Company is committed to providing a workplace environment that supports employees' physical and mental well-being while encouraging diverse development, ensuring that all colleagues can work free from concerns.</p>	<ol style="list-style-type: none"> 1. Occupational health and safety 2. Compensation and benefits 3. Talent development 4. Ethical Integrity 5. Labor-management relations 6. Employee equality and diversity 7. Human rights protection 8. Talent recruitment and retention 	<p>Corporate Sustainability Survey / Annually</p> <p>Stakeholder Section on the Official Website / Real-time</p> <p>Labor-Management Meetings / Quarterly</p> <p>Internal Communication Mailbox / Real-time</p> <p>EHS (Environment, Health and Safety) Meetings / Regularly</p> <p>Internal Publications / Regularly</p> <p>Taiwan, China: Employee Welfare Committee</p> <p>Chinese Mainland: Labor Union / Regular</p> <p>Internal Communication / Irregularly</p> <p>Safety Advocacy Campaigns / Irregularly</p> <p>Occupational Safety Training / Regularly</p> <p>Area Meetings / Weekly</p> <p>Affairs Meetings / Regularly</p> <p>On-site Physician Consultations (Taiwan) / Quarterly</p> <p>On-site Nurse Services / Monthly</p>
Customers 	<p>Customers are the primary source of the Company's revenue. The Company regards product quality, safety, and after-sales service as its highest commitment to customers. Maintaining high customer satisfaction contributes to sustained customer recognition and long-term partnerships.</p>	<ol style="list-style-type: none"> 1. Customer relationship 2. Operational performance 3. Ethical integrity 4. Climate change and carbon management 5. Energy management 6. Innovation and R&D 7. Raw material management 8. Product responsibility /product safety 9. Information security 	<p>Corporate Sustainability Survey / Annually</p> <p>Stakeholder Section on the Official Website / Real-time</p> <p>Customer Meeting / Irregularly</p> <p>Customer Satisfaction Surveys / Annually (or Semi-annually)</p> <p>Phone or Communication Software Communication / Real-time</p> <p>External Communication Mailbox / Real-time</p> <p>Customer On-site Plant Audits / Irregularly</p>

Suppliers/ Contractors



Suppliers are key partners of the Company. Maintaining long-term, positive relationships with supply partners is essential. The Company's products and services rely on numerous suppliers to ensure the stable provision of raw materials and components. Furthermore, by leveraging its influence within the industry, the Company works closely with supply partners to prevent environmental pollution and violations of labor and human rights. Through such collaboration, both parties aim to achieve sustainable growth and long-term business development.

1. Sustainable supply chain
2. Waste management
3. Occupational Health and Safety
4. Ethical Integrity
5. Operational performance

Corporate Sustainability Survey / Annually
Seminars and Training Sessions / Irregularly
Supplier Evaluation Questionnaires / Regularly
Official Website Stakeholder Section / Real-time
External Communication Mailbox / Real-time
Direct Communication / Real-time
Phone, Communication Software / Real-time
Industry Association Meetings / Irregularly

Investors



Investors are key operational supporters of the Company. The Company is committed to safeguarding shareholder rights and treating all shareholders equally, ensuring fair access to operational results and relevant information.

1. Corporate governance
2. Operational performance
3. Ethical integrity
4. Climate change and carbon management
5. Energy management
6. Air pollution management
7. Water resources management
8. Waste Management

Corporate Sustainability Survey / Annually
Stakeholder Section on the Official Website / Real-time
External Communication Mailbox / Real-time
Direct Communication / Real-time

Government Agencies



Government agencies oversee and audit the Company's compliance with various regulations. The Company engages in two-way communication with government authorities to earn their trust, support, and cooperation, thereby facilitating corporate development and sustainability.

1. Corporate governance
2. Operational performance
3. Ethical integrity
4. Energy Management
5. Climate change and carbon management
6. Air pollution management
7. Water resources management
8. Waste Management

Corporate Sustainability Survey / Annually
External Communication Mailbox / Real-time
Direct Communication / Real-time

Community



By establishing local operations and facilities, the Company recognizes local residents as partners in development and as a vital force in regional progress. Through community involvement and engagement, the Company aims to better understand local concerns and build harmonious relationships.

1. Community engagement
2. Air pollution management
3. Waste Management
4. Biodiversity

Corporate Sustainability Survey / Annually
Stakeholder Section on the Official Website / Real-time
External Communication Mailbox / Real-time
Neighborhood and community visits / Real-time
Direct Communication / Real-time



5.4 Identification of Material Topics

5.4.1 Major Topics Analysis Process

Yeong Guan Group has established the "Sustainability Report Preparation and Assurance Procedures", following the GRI Standards 2021 and Stakeholder Engagement Guidelines, to formulate a structured material topic analysis process. This process identifies sustainability topics across environmental, social, and governance (ESG) aspects, analyzes their actual and potential positive and negative impacts, and produces a Material Topic Matrix along with nine material topics for the reporting year. It also discloses the management approach and relevant reporting items for these identified economic, environmental, and social topics.

Identifying Sustainability Topics

Based on the Company's business model and value chain, existing sustainability strategies and goals, industry disclosures and trends, the concerns of key stakeholders, and emerging ESG topics, reporting standards, laws, and regulatory developments, 26 ESG-related sustainability topics were identified for 2024.

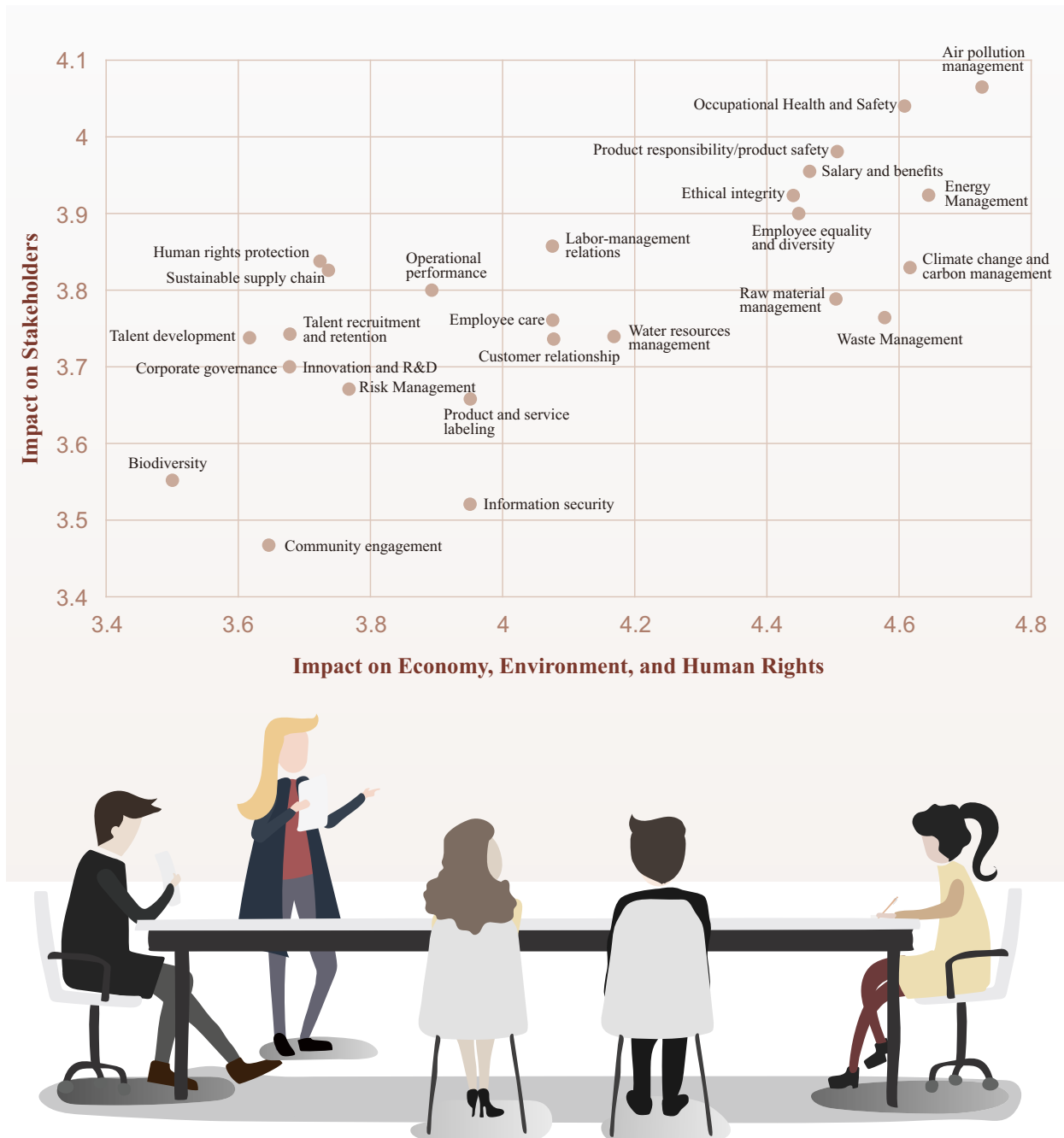
Conducting Questionnaire Survey

Stakeholders were invited to complete an online questionnaire to evaluate the impact of sustainability topics from two dimensions: their influence on stakeholders, and their impact on the economy, environment, and human rights. Based on stakeholders' ratings of their level of concern regarding sustainability topics, the influence on stakeholders was assessed. A total of 877 questionnaires were collected, covering employees, customers, suppliers/contractors, investors, government agencies, communities, as well as industry peers, media, and partners. The impact of each sustainability issue on Yeong Guan Group was evaluated based on ratings from 24 senior executives (assistant managers and above). These ratings assessed the degree of impact on the economy, environment, and human rights, taking into account both the likelihood and magnitude of positive and negative effects.

Identifying Material Topics

The results of the questionnaire survey were compiled and then reviewed and refined through discussions by the Sustainable Development Committee and expert consultations, resulting in the Sustainability Issue Analysis Matrix. The top three sustainability issues in each of the environmental, social, and governance categories were identified as the material topics for the year. Yeong Guan Group prioritized disclosure of nine material topics: Air Pollution Management, Energy Management, Climate Change and Carbon Management, Occupational Health and Safety, Product Responsibility/Product Safety, Salary and Benefits, Ethical Integrity, Customer Relations, and Operational Performance.

Material Topic Matrix



ESG Dimensions

Environmental Aspect

Social Aspect

Governance Aspect

Major Topics (Positive Impact / Negative Impact)

Air pollution management, energy management, and climate change and carbon management

Occupational health and safety, product responsibility/product safety, and salary and benefits

Ethical Integrity, customer relations, and operational performance

5.4.2 Management Approach to Major Topics

Major Topic	Scope of Impact				Description of Impact	Management Strategy	Goals	Corresponding GRI Topic	Corresponding Section
	Suppliers	Corporate Operations	Customers	Community					
Air pollution management		●		●	<p>Positive benefits: Strict control over air pollutant emissions can ensure environmental safety and regulatory compliance, reduce legal risks, and enhance the Company's environmental reputation.</p> <p>Negative Impact: If air pollutant emissions are not properly managed, it may result in severe environmental pollution and financial penalties. This not only increases compliance costs but may also lead to customer loss and community complaints, causing extensive damage to the Company.</p>	Strengthen production process control and adopt environmentally friendly technologies to reduce harmful gas emissions, protect the planet, and promote sustainable development.	<p>Short-term: 100% compliance rate for exhaust emissions.</p> <p>Mid- to long-term: Continuously improve environmental performance and reduce harmful gas emissions (achieving an exhaust gas collection and treatment efficiency of over 95%).</p>	GRI 305 Emissions	6.4 Air Pollution Management
Energy Management		●		●	<p>Positive benefits: Improving energy efficiency can support the Company's green transition, reduce operational costs, enhance market competitiveness, and contribute to global climate goals.</p> <p>Negative Impact: Failure to implement effective energy management may lead to high energy taxes or pollution fees and cause damage to ecosystems.</p>	Establish the ISO 50001 Energy Management System, using energy consumption per ton of product (GJ/t) as a management indicator. With electricity as the primary energy source, the Company aims to optimize electricity use by improving processes, increasing material yield and hot metal utilization efficiency, and reducing overall energy consumption.	<p>Short-term: Energy consumption per ton of casting ≤ 4.20 GJ/t; per ton of machining ≤ 0.5 GJ/t; per ton of coating ≤ 0.3 GJ/t.</p> <p>Mid-to long-term: Improve energy efficiency continuously, reduce energy consumption per ton of product, and expand the installation of solar power systems.</p>	GRI 302 Energy	6.3 Energy Management
Climate change and carbon management	●	●	●	●	<p>Positive benefits: Proactively addressing climate change and carbon management can reduce the Company's carbon footprint, lower climate-related risks, and enhance its environmental reputation.</p> <p>Negative Impact: Failure to take effective measures against climate change may lead to regulatory compliance pressure, supply chain disruptions, and production losses caused by extreme weather, ultimately affecting brand reputation and long-term development.</p>	Conduct in-depth analysis of potential risks and opportunities posed by climate change to the business; formulate and implement a transition plan to reduce carbon emissions during production and strengthen the sourcing of low-carbon materials across the supply chain.	<p>Short-term: Reduce Scope 1 and Scope 2 emissions by 1% (compared with 2024).</p> <p>Mid-to long-term: Achieve peak carbon emissions by 2030 and carbon neutrality by 2050.</p>	<p>GRI 302 Energy</p> <p>GRI 305 Emissions</p>	6.2 Climate Change

Major Topic	Scope of Impact				Description of Impact	Management Strategy	Goals	Corresponding GRI Topic	Corresponding Section
	Suppliers	Corporate Operations	Customers	Community					
Occupational Health and Safety	●	●			<p>Positive benefits: Complete occupational health and safety management system can reduce employee accident rates, ensure employee health and safety, and minimize compensation costs caused by work-related injuries and occupational diseases.</p> <p>Negative Impact: Occupational health and safety management not strict enough, injuries or more serious accidents, posing risks to employee health and safety. This could lead to legal liabilities, fines, and reputational damage to the Company.</p>	All subsidiaries have obtained ISO 45001 Occupational Health and Safety Management System certification, and some have received Safety Standardization Certification. The Company regularly conducts occupational health and safety hazard identification and risk assessments, implements by step inspections of potential on-site safety risks, and requires production bases to prepare emergency response plans. In accordance with standard requirements, employees are provided with free personal protective equipment. The Company also carries out three-tier safety training and promotes safety culture initiatives.	<p>Short-term: 100% signing rate of Employee Safety Responsibility Statements; 100% completion rate of three-tier safety training for new hires and external personnel.</p> <p>Mid- to long-term: Improve high-risk process engineering and eliminate hazardous chemicals used in processes; reduce the Lost Time Injury Frequency Rate (LTIFR) by 2030 to 5% lower than the 2023 level.</p>	GRI 403 Occupational Health and Safety	7.4 Occupational Health and Safety
Product responsibility/product safety	●	●			<p>Positive benefits: High-quality products can earn customer trust and recognition, helping the Company build long-term and stable partnerships.</p> <p>Negative Impact: To ensure product quality, the Company must invest significant resources in quality control and testing. Market misunderstandings and competitive pressure may also impact market share.</p>	Apply innovative technologies to improve product quality and implement stringent full-process quality inspections to ensure product quality. Carry out technological innovation, by adopting various new technologies during the R&D stage to enhance product quality and safety performance.	<p>Short term: Enhance employee training and strengthen product quality control.</p> <p>Mid-to-long term: Optimize production processes, prioritize equipment upgrades, cultivate a culture of excellence in quality, and advance green and sustainable development.</p>	GRI 416: Customer Health and Safety	8.3 Product Services
Salary and benefits	●				<p>Positive benefits: The compensation and benefits system directly affects employee satisfaction and loyalty. Fair and reasonable pay combined with comprehensive benefits significantly enhance employee motivation and sense of belonging.</p> <p>Negative Impact: Unreasonable compensation and benefits arrangements can lead to higher employee turnover, as well as increased recruitment and training costs.</p>	Sign formal labor contracts with employees, provide salary, benefits, social security, working hours, rest time, holidays, and paid leave in compliance with laws and regulations; ensure gender equality in salary and benefits policies.	<p>Short term: Adjust key position salaries based on market research and optimize benefits to improve satisfaction.</p> <p>Mid-to-long term: Establish a scientific dynamic adjustment mechanism, create a comprehensive benefits system, and build an industry benchmark-level salary and benefits system.</p>	GRI 401 Employment	7.2.2 Compensation and Benefits

5 SUSTAINABILITY STRATEGY

Major Topic	Scope of Impact				Description of Impact	Management Strategy	Goals	Corresponding GRI Topic	Corresponding Section
	Suppliers	Corporate Operations	Customers	Community					
Ethical integrity	●	●			<p>Positive benefits: The Company operates with integrity and ethics, encouraging customers to establish long-term cooperative relationships. Investors are more willing to invest in companies with strong ethical integrity records.</p> <p>Negative Impact: The Company needs to allocate additional resources to ensure compliance, which may involve hiring professional legal advisors, auditors, and compliance teams, thereby increasing operating costs in the short term. The management may also face short-term performance pressure from shareholders.</p>	Continuously revise and improve its systems. The Audit Office is responsible for promoting the Group's corporate governance practices related to integrity management, anti-corruption, anti-bribery, and legal compliance, and reports the implementation status to the Company's Board of Directors annually. Regularly and irregularly promote the code of business integrity.	<p>Short term: No incidents of violations related to integrity management occurred.</p> <p>Mid-to-long term: Continue to build a corporate culture of integrity and improve its related systems.</p>	<p>GRI 205: Anti-corruption</p> <p>GRI 206: Anti-competitive Behavior</p>	8.1 Corporate Governance
Customer relationship		●	●		<p>Positive benefits: By continuously maintaining customer relationships, the Company can establish long-term and stable partnerships. It can also obtain customer feedback in a timely manner to understand the performance and issues of products in actual use, thereby carrying out targeted product improvements and optimizations.</p> <p>Negative Impact: Through high-quality customer relationship management, customers' expectations of the Company may continue to rise. If the Company is unable to consistently meet these expectations, customer satisfaction may decline.</p>	The Company maintains regular communication with customers through visits or video conferences to understand their current business challenges, goals, and plans, ensuring that the latest customer needs are always well understood. A smooth complaint-handling channel is maintained to efficiently respond to customer feedback at the earliest opportunity.	<p>Short term: Achieve an average customer satisfaction rate above 85%; respond to complaints within 5 working days.</p> <p>Mid-to-long term: Prioritize customer requirements for product quality and delivery time to ensure maximum satisfaction, with satisfaction scores exceeding the average target. Customer complaint response time shall not exceed five working days.</p>	/	8.3 Product Services
Salary and benefits	●	●	●		<p>Positive benefits: Strong operational performance can enhance the Company's production efficiency and product quality, thereby increasing market share and sales revenue. It can also provide the Company with more resources and time to invest in research and innovation, enabling the launch of new products and services and maintaining a leading position in the market.</p> <p>Negative Impact: To enhance operational performance, the Company may need to make decisions in various areas such as production process optimization and supply chain management. The complexity of these decisions may increase management difficulty and lead to decision-making errors.</p>	The management formulates annual targets based on the Group's objectives and requires each department to prepare corresponding annual budgets. Each department breaks down the annual targets into monthly targets and plans budgets accordingly. Monthly targets must then be further translated into weekly and daily work plans at the section and team levels to clarify specific tasks. Supervisors at all levels are required to verify in a timely manner whether the established phased targets have been achieved. If the targets are not met, they must analyze the causes and propose improvement plans and remedial measures.	<p>Short term: Reach a shipment volume of 190,000 tons in 2024; Thailand Plant to start production and Taichung Plant to enter mass production in 2025.</p> <p>Mid-to-long term: Over 5 to 10 years, adjust the supply industries and regions in response to overall market conditions. After the Taichung and Thailand plants both reach mass production, the annual production capacity is expected to exceed 350,000 tons. Deepen environmental, social, and corporate governance practices and fulfill corporate responsibilities.</p>	GRI 201: Economic Performance	8.2 Operational Performance

5.5 Responding to United Nations Sustainable Development Goals (SDGs)



1. Ningbo Yeong Shang organized a used clothing donation activity to bring warmth to the elderly at the Beilun District Central Welfare Home and actively participated in local community development.
2. Jiangsu Bright Steel carried out public welfare activities on Guxian Sub-district, including book donations, warmth-giving activities at the nursing home, and providing relief from the heat to local firefighters.
3. Ningbo Lulin organized 16 employees to participate in a local voluntary blood donation activity.
4. Yeong Guan Holdings organized local charity donation activities.

7.5 Social Welfare



1. The Company has developed a safety emergency plan and provided personal protective equipment to employees free of charge in accordance with standard requirements.
2. The Company has organized health checkups for employees and occupational health examinations for employees in special positions.
3. Workers identified with occupational health damage are promptly transferred from their original positions and properly accommodated.
4. The Company has actively conducted emergency drills and safety education to raise employees' awareness of the importance of safety.

7.4 Occupational Health and Safety



1. The Company has developed a training system and training plan, and conducted training based on the Company's actual conditions and employees' needs.
2. The average training hours per employee per year was 13.9 hours.

7.2.3 Human Resource Development



1. The Company is committed to creating a non-discriminatory work environment and corporate culture, treating employees equally regardless of gender.
2. proportion of female employees has exceeded 14% over three years.
3. In 2024, the Company has one female director.

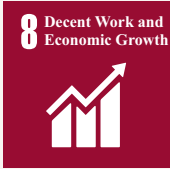




7.1.2 Employee Diversity



1. The Company has implemented a solar photovoltaic installation plan, adding solar power generation facilities.
2. The Company has established an ISO 50001 energy management system to effectively carry out energy management and achieve energy saving, carbon reduction, and continuous improvement goals.
3. The Company has provided castings to internationally renowned large wind power manufacturers and supported the use and development of clean energy such as wind power.

6.3 Energy Management

5 SUSTAINABILITY STRATEGY

	<ol style="list-style-type: none"> 1. The Company has adjusted employee salaries appropriately based on the Company's profitability to enhance employees' loyalty. 2. The Company respects labor rights, including prohibiting child labor and any form of workplace discrimination. 3. Implemented the ISO 45001 occupational health and safety management system to effectively improve workplace safety for employees. 	<p>7.1 Human Rights Protection</p> <p>7.2.2 Compensation and Benefits</p> <p>7.4 Occupational Health and Safety</p>
	<ol style="list-style-type: none"> 1. The Company's recruitment, evaluation, and promotion mechanisms do not consider employees' physical or mental differences. 2. Employee benefits are consistent regardless of nationality. 3. A diverse and inclusive environment is maintained. 	<p>7.1 Human Rights Protection</p> <p>7.2.2 Compensation and Benefits</p> <p>7.4 Occupational Health and Safety</p>
	<ol style="list-style-type: none"> 1. Reduced the generation of general industrial waste; replaced hazardous chemicals in processes and strengthened employees' environmental awareness. 2. 100% of general solid waste is entrusted to qualified vendors for recycling and comprehensive utilization; 100% of hazardous solid waste is disposed of by qualified treatment facilities. 3. All wastewater is effectively treated to meet discharge standards; water-saving technologies and equipment are applied to promote water conservation and recycling, improve water use efficiency, and reduce water waste. 	<p>6.5 Waste Management</p>
	<ol style="list-style-type: none"> 1. The Company uses scenario analysis to assess resilience to climate change risks. 2. The Company has developed and implemented a series of transformation plans focusing not only on reducing carbon emissions but also on improving resource use efficiency and promoting green technology innovation. 3. Clarify annual carbon emission reduction and energy conservation targets. 	<p>6.2 Climate Change</p>
	<ol style="list-style-type: none"> 1. The Company implements corporate governance, develops a sustainable environment, and maintains social welfare while analyzing the risks and impacts on its operations and financial status. 2. The Company communicates with stakeholders to understand their requirements and expectations and regularly reports to the Sustainable Development Committee. 	<p>5.1 Sustainable Development Governance</p> <p>5.2 Sustainable Development Mechanism</p> <p>5.3 Stakeholder Engagement</p>



6 SUSTAINABLE ENVIRONMENT

- 6.1 Environmental Management
- 6.2 Climate Change
- 6.3 Energy Management
- 6.4 Air Pollution Management
- 6.5 Circular Economy
- 6.6 Water Resources Management

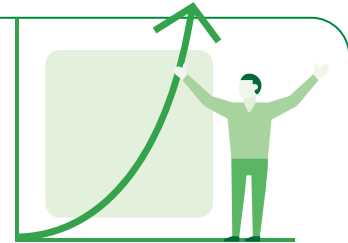


6.1 Environmental Management

Yeong Guan Group adheres to the environmental policy of "full participation, cherishing the Earth community, energy conservation and consumption reduction, and protecting the beautiful nature", striving to minimize environmental impact during production and operations. The Company strictly complies with national and local environmental laws and regulations, continuously improves the environmental management system, and regularly identifies and assesses environmental factors such as water, air, noise, soil pollution, resources, and energy in the production process. Targeted improvement measures are formulated and implemented to reduce energy consumption and pollutant emissions, promoting the efficient use of resources. At the same time, the Company actively participates in environment-related industry activities and standard-setting externally, playing a leading role in green manufacturing. Internally, through training, awareness campaigns, and employee participation, the Company advocates green office practices and a low-carbon lifestyle, collectively contributing to building a sustainable development-oriented ecological environment. In 2024, all Yeong Guan Group operational sites passed the ISO 14001 environmental management system audit, with no ecological environment penalty incidents.

Our commitment

01. Be responsible for the effectiveness of the Environmental Management System (EMS).
02. Ensure the establishment of environmental policy and objectives that are aligned with the organization's strategic direction and its operating context.
03. Ensure the integration of environmental management system requirements into the organization's business processes.
04. Ensure the availability of resources required for the environmental management system.
05. Communicate the importance of effective environmental management and of complying with environmental management system requirements.
06. Ensure that the environmental management system achieves its intended outcomes.
07. Guide and support employees in contributing to the effectiveness of the environmental management system.
08. Promote continuous improvement.
09. Support other relevant managers in demonstrating leadership within the scope of their responsibilities.
10. Strictly comply with national and local environmental laws and regulations, and fulfill compliance obligations.
11. Use environmentally friendly products for the production of raw and auxiliary materials, and ensure pollution prevention throughout the full lifecycle. Explore environmentally friendly production processes and pursue continuous improvement. Implement "three wastes" (wastewater, waste gas, and solid waste) management and pollution prevention measures; adopt low-pollution or pollution-free and low-energy-consumption technologies. Control energy and resource consumption, and actively respond to national carbon peaking and carbon neutrality policies.
12. Strengthen management in accordance with ISO 14001 standards, enhance fire safety management, improve environmental performance, and achieve environmental objectives.
13. Promote the environmental protection concept, raise environmental awareness, ensure full participation in system operation control, and create an excellent working and living environment.



Annual environmental goals and achievement status

100% compliance rate for wastewater, air pollution

100% compliance rate for air, water and industrial pollutants

No environmental pollution incidents

No ecological environment penalty incidents

100% training coverage rate on environmental protection for relevant personnel

The above goals have been achieved in 2024 FY

Environmental Factor Identification

In accordance with the Environmental Factor Identification and Evaluation Procedure and the List of Significant Environmental Factors and Control Plans, Yeong Guan Group regularly conducts comprehensive identification and updates of environmental factors associated with production processes. These factors include water, air, noise, soil pollution, resources, and energy.

Environmental Factor Evaluation

Environmental factors are evaluated using methodologies such as the physical balance method and the product life cycle method. Factors are categorized, e.g., water, air, noise, soil pollution, resources, energy, and others, and scored to determine their significance.

Environmental Factor Control

The results are consolidated into the Summary Table of Environmental Factor Identification and Evaluation Results and the List of Significant Environmental Factors and Control Plans. Control of objectives, indicators, plans, and implementation is carried out in accordance with the Operational Planning and Control Procedure for Objectives and Indicators.

CASE**Ningbo Yeong Shang Participates in Drafting the National Greenhouse Gas Emission Accounting Standard**

As global climate Change intensifies, Foundry industry chain is facing the dual challenge of reducing carbon emissions while pursuing high-quality development. Ningbo Yeong Shang, as a member of the foundry sector, actively participated in the drafting of the "GB/T 32151.21-2024 Requirements for Greenhouse Gas Emission Accounting and Reporting – Part 21: Foundry Enterprises". Drawing on its years of practical experience, the company worked alongside more than 50 enterprises and institutions to propose an industry-tailored carbon accounting framework. It contributed to the formulation of key technical provisions, including the calculation of carbon emission factors for foundry processes and data quality control requirements, thereby providing a systematic carbon management tool for the industry. By standardizing accounting methods, the industry will be able to more accurately identify high-emission areas, thereby promoting technological upgrades and optimizing energy structures. Ningbo Yeong Shang has also leveraged the standard to further enhance its internal carbon management system. Moving forward, the company aims to play a leading role in standard implementation, supporting upstream and downstream partners through technological contribution and knowledge sharing and build a green foundry industry ecosystem.

CASE**Hazardous Waste Knowledge Training**

Jiangsu Bright Steel conducted a dedicated environmental training session for all outsourced personnel. The training covered the classification and characteristics of hazardous waste, as well as the proper procedures for collection, storage, and disposal. Based on actual spray coating production scenarios, the session focused on common hazardous materials such as waste paint, waste solvents, and paint sludge. It emphasized their potential risks and key identification features, helping strengthen employees' understanding of hazardous waste and its environmental impacts. Jiangsu Bright Steel will continue to improve its environmental training system, contributing to the protection of the ecological environment and advancing the industry's green transformation. wnstream partners through technological contribution and knowledge sharing and build a green foundry industry ecosystem.



CASE • Tree Planting Activity by Shanghai No. 1 Foundry

In response to China's green development initiatives and to promote ecological civilization, Shanghai No. 1 Foundry launched a themed tree planting event titled "Spring Breeze Ten Miles, 'Planting' with You" on March 12, 2024. Through this hands-on activity, the company contributed to increasing urban greenery and demonstrated its commitment to building a greener and more sustainable future.



6.2 Climate Change

Climate change and reducing carbon emissions are not only focal points of global cooperation but also central to achieving sustainable operations. As a company committed to technological innovation and efficient resource utilization, Yeong Guan Group recognizes the potential impact of climate change on its business operations. In alignment with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company addresses climate-related matters from four key perspectives: governance, strategy, risk management, and targets and indicators. Yeong Guan Group conducts in-depth analysis of the risks and opportunities posed by climate change, implements governance mechanisms and response strategies, and promotes green technologies, circular economy initiatives, and the development of sustainable products. These actions aim to safeguard production efficiency while effectively mitigating climate-related risks, enabling the Company to achieve sustainable development within a low-carbon economy and contribute to global climate action.

6.2.1 Governance

Yeong Guan Group has incorporated climate governance functions into its sustainable development management framework, establishing a climate governance mechanism with the Board of Directors as the top-level decision-making body, systematically enhancing climate governance capabilities and providing support for the implementation of climate actions.

The Sustainable Development Committee is responsible for the overall planning and execution of climate-related issues. Under the committee, a Sustainable Development Office and dedicated working groups have been established, covering areas such as climate risk management, carbon emission management, resource efficiency, and supply chain collaboration, to ensure the effective implementation of various sustainability strategies and actions, with regular progress and outcome reports submitted to the Board of Directors.

6.2.2 Strategy

In assessing its resilience to Climate Change Risks, Yeong Guan Group actively adopts scenario analysis to anticipate and prepare for the potential impacts of different climate change scenarios on its business operations.

Scenario Analysis 1: Extreme Weather

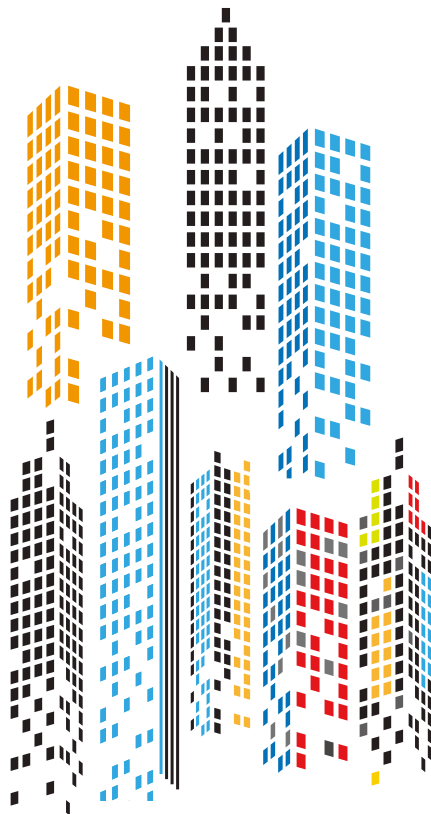
Scenario Setting	It is assumed that in the next 10 to 20 years, extreme weather events such as heavy rainfall, floods, and extreme heatwaves will become more frequent, and their intensity will increase.
Parameters and Assumptions	<p>Increase in extreme weather events: The frequency of extreme weather events is expected to rise by 1 to 2 occurrences per year, with a significant increase in precipitation, further elevating the risk of floods.</p> <p>Flood risks and facility damage: Extreme weather events, such as floods, may cause damage to the Group's facilities and the surrounding environment. According to regional climate models, the risk of flooding may increase over the next 5 to 10 years.</p>
Main Financial Impacts	<p>Short-term cost increase: Although the Group has invested in disaster prevention infrastructure such as green buildings and flood detention pools, additional capital expenditure will still be required for future flood prevention. Capital expenditure is expected to increase by 10%-15% to strengthen disaster prevention capabilities.</p> <p>Revenue fluctuation and loss reduction: Investments in disaster prevention for facilities will significantly reduce production interruptions caused by extreme weather events, thus mitigating negative impacts on revenue. Revenue loss is expected to decrease by 3%-5%, helping to improve overall resilience.</p> <p>Increase in insurance costs: While disaster prevention measures help lower insurance compensation risks, additional insurance investments will be needed to address future climate-related risks. Insurance costs are projected to increase by 5%-10% over the next five years.</p>

Scenario Analysis 2: Global Policy Changes and Carbon Pricing

Scenario Setting	Global regulations on carbon emissions are becoming stricter, and governments worldwide are intensifying carbon pricing measures.
Parameters and Assumptions	Increase in carbon emission costs: It is assumed that carbon pricing policies will be gradually implemented over the next 5 to 10 years. Carbon taxes and emission quotas will cause carbon emission costs to rise by 10-20%.
Main Financial Impacts	<p>Rising carbon emission costs: With the implementation of carbon pricing policies, carbon emission costs will further increase, putting pressure on the Group's operating costs. It is estimated that the Group's carbon emission costs will rise by 10-20% yearly, prompting the Group to accelerate the pace of energy transition.</p> <p>Short-term capital expenditure increase: To achieve the carbon emission reduction targets, the Group will increase investment in technological innovation and equipment upgrades, especially in replacing outdated equipment and building renewable energy infrastructure. It is expected that the Group will allocate 15-20% of capital expenditure to energy transition projects within the next five years.</p>

Based on the above Context Analysis, three major climate change risks have been identified, and corresponding transition plans and response strategies have been formulated.

Risk Type	Risk Analysis	Transition Plans	Response Strategies
Physical Risk (extreme weather events)	<ol style="list-style-type: none"> 1. Production equipment may be damaged by typhoons or floods, leading to production interruption. 2. Inventory products may be lost due to natural disasters, affecting supply capacity. 3. Employees' work efficiency decreases, affecting overall productivity. 4. Supply chain equipment loss causes shipment delays, impacting market reputation. 5. Climate adaptation increases costs related to transportation carbon emissions, restrictions, and carbon tax, raising operating costs. 6. Water resource and energy challenges, along with changes in rainfall patterns, cause factory water shortages, affecting production capacity. 7. The increase in extreme weather has led to unstable energy Provide, affecting production. 8. Transportation is affected by extreme weather, increasing operational risk. 9. Extreme climate leads to long-term pressure on infrastructure and resources. 	<p>Development of clean energy: Through diverse measures such as establishing self-owned power generation systems, green electricity procurement, and green certificates, gradually expand the adoption of wind power, photovoltaic power, and other renewable energy sources, continuously increase the proportion of renewable energy, reduce reliance on high-carbon energy, and enhance the resilience and stability of energy usage.</p> <p>Circular economy and green manufacturing technology: With a particular focus on resource reutilization and carbon emission reduction in the production process of steel castings, invest in the research and development and upgrading of green technology, continuously optimize production line energy efficiency and carbon reduction performance, and deepen supply chain collaboration to introduce low-carbon materials, thereby construct a resilient and sustainable manufacturing system.</p> <p>Plant area greening volume: Based on the greening design values of green buildings and the ecological priority coefficient of the site, increase the land's carbon storage capacity through comprehensive greening facilities, including large trees, shrubs, and grassland.</p>	<p>Adopt facilities such as green building, flood detention pool, and high permeability pavement to enhance the resilience of the plant area against extreme climate (e.g., floods, heatwaves).</p> <p>Implement an Equipment Maintenance System and Post-Disaster Drills, incorporate environmental parameters into daily operations monitoring, and optimize contingency plans through data analysis.</p>
Transition Risk (policy and regulatory changes)	<ol style="list-style-type: none"> 1. Expansion of regulatory compliance increases the compliance burden on enterprises. 2. Rising carbon tax and carbon fees further increase production costs, affecting pricing. 3. Supply chain inflation and rising upstream raw material prices impact production costs. 		<p>Proactively track carbon tax, carbon trading, and renewable energy regulations in various countries, incorporating them into operations strategy evaluations.</p> <p>Promote energy transition and equipment upgrades (e.g., using electric furnaces and high-efficiency equipment) to reduce carbon emissions and energy resource dependence.</p> <p>Introduce an internal carbon cost estimation model to strengthen the ability to predict financial risks.</p>
Market Risk (transition of low-carbon products and green demand)	<ol style="list-style-type: none"> 1. Increased asset transition or impairment risk. 2. Fundamental changes in consumer preference and market demand. 3. Intensified international market competition and trade barriers. 4. Rising insurance costs or insufficient coverage. 5. Enhanced requirements for climate-related financial disclosure and sustainable governance. 		<p>Strengthen green technology research and development and product innovation to meet the requirements of the low-carbon market and supply chain.</p> <p>Expand the use of recycled materials (such as resin sand recycling) and improve energy efficiency to meet customers' ESG expectations. Position greening and sustainable plant design as value-enhancing elements of the corporate brand to explore new market opportunities.</p>

Green Building Certificate:**6.2.3 Risk Management**

Completed above analysis, the Company has implemented a systematic climate-related risk management procedure, which includes the following four major steps:

- | | |
|----------------------------|--|
| Risk Identification | Through consultations with internal and external experts, scenario analysis, stakeholder communication, and monitoring of regulatory trends, identify climate-related risks and opportunities that may affect operations. The scope covers changes in policies and regulations, extreme weather events, supply chain disruptions, energy price fluctuations, and carbon market development. |
| Risk Assessment | Qualitative and quantitative tools are used to score and prioritize risks based on their likelihood and impact level, incorporating financial impact assessments. Tools such as risk matrix and SWOT analysis are employed. |
| Risk Response | Develop corresponding measures based on the characteristics of the risks, including risk avoidance, mitigation, transfer, or acceptance. Implement measures such as investing in disaster prevention infrastructure (e.g., Detention Basin, green buildings), adjusting equipment and processes, procuring renewable energy, and establishing carbon trading and reporting systems. |
| Risk Monitoring | Set up risk monitoring indicators and an early warning mechanism, which are regularly reviewed and updated by the Sustainable Development Committee and the Risk Management Unit. Regularly report climate-related risk management outcomes to the Board of Directors and disclose them in the annual sustainability report. This process is supervised by the Sustainable Development Committee and involves cross-departmental collaboration with Finance, Legal Affairs, Operations, and the Environmental and Safety Departments to ensure climate risks and opportunities are integrated into the Company's decision-making processes and long-term strategic planning. |

6.2.4 Goals and Target

To effectively identify and manage physical risks and transition risks, specific metrics and goals have been established to track progress and guide the implementation of transition plans, ensuring climate action is concrete, measurable, and sustainably advanced.

Direction	Goals	Metrics
Reduce carbon emissions	Using 2024 as the baseline, aim to reduce carbon intensity by 1.5% by 2030.	Annual reduction in carbon intensity for Scope 1 and Scope 2 emissions
Increase the share of renewable energy	Increase the proportion of renewable energy use by at least 5% by 2030, and reduce reliance on traditional energy through green energy technologies.	Proportion of total energy consumption from wind power, photovoltaic power, and other renewable energy sources
Reduce resource intensity (water, waste, natural gas, etc.)	Using 2024 as the baseline, aim to reduce resource intensity (water, waste, natural gas, etc.) by 1.5% by 2030.	Annual reduction in resource intensity
Improve energy efficiency	Reduce energy expenses by 5% annually through technological innovation and facility upgrades.	Annual energy cost savings (measured as a percentage) and reduction in energy consumption (measured in kilowatt-hours)



6.2.5 Practical Actions

Third-party Carbon Verification

A comprehensive and detailed carbon verification was conducted at the Company's operating locations for the year 2024. The verification results will provide a solid foundation for Yeong Guang Energy Technology Group to formulate more scientific and effective carbon emission reduction strategies, assist the Group in further optimizing production processes, and enhance energy utilization efficiency, thereby achieving effective carbon emission reductions and making significant strides toward green and sustainable development goals.

Target	Unit	Data
Direct (Scope 1) GHG emissions	tCO ₂ e	7,682.58
Energy indirect (Scope 2) GHG emissions	tCO ₂ e	109,643.22
Other indirect (Scope 3) GHG emissions	tCO ₂ e	249,171.81
Total GHG emissions	tCO ₂ e	366,497.61
GHG emissions intensity (Scope 1-3)	tCO ₂ e per Millions	50.89
GHG emissions intensity (Scope 1-2)	tCO ₂ e per Millions	16.29

The above data is for 2024. For 2023, please refer to annual report of Group.



Third-party Carbon Verification Statement

Product Carbon Footprint Assessment

The Company conducted a carbon footprint assessment for the Torque Arm product. By identifying the main factors influencing greenhouse gas emissions, analyzing key emission sources, and seeking opportunities to reduce emissions, the Company aims to strengthen its carbon management capabilities and promote the establishment of a comprehensive low-carbon, clean, safe, and efficient green energy system.

S/N	Life Cycle Stage	Unit	Carbon Emissions of Raw Materials	Carbon Emissions of Finished Products
1	Raw material acquisition	tCO ₂ e/piece	6.62	7.31
2	Product Manufacturing	tCO ₂ e/piece	2.84	3.92
3	Product Distribution	tCO ₂ e/piece	0.38	0.72
	Carbon footprint	tCO ₂ e/piece	9.84	11.95



Building a Zero Carbon Factory

Jiangsu Bright Steel achieved the "Organizational Carbon Neutrality" certification for the year 2024

I. Carbon Neutrality Strategy and Implementation

In response to the global climate action initiative, the Company launched its annual carbon neutrality plan on February 25, 2024, based on international standards ISO 14064-1:2018 and ISO 14068-1:2023. A comprehensive management system covering "Inventory – Reduction – Offset – Certification" was established. Specific measures include:

Systematic reduction actions

- **Energy efficiency improvement:** improve the energy efficiency of equipment and facilities, optimize production processes, and reduce energy consumption;
- **Renewable energy transition:** completed a rooftop photovoltaic project with an installed capacity of 1.98 MWp, generating 1,557,257.61 MWh of electricity in 2024, accounting for 2% of the plant's electricity consumption;
- **Green technological:** Fully replaced high-energy-consuming motors with high-efficiency energy-saving motors, achieving a reduction in electricity consumption by 50,659.2 kWh.

GHG emissions inventory and verification

- According with ISO 14064-1:2018 requirements, conducted GHG emissions verification;
- GHG emissions were verified by the third-party organization SGS, with Category 1 emissions amounting to 3,185.02 tCO₂e and Category 2 emissions amounting to 44,335.54 tCO₂e.

Pathway to achieving carbon neutrality

- **Category 1 Emission Offset:** Purchased and retired 3,186 VCUs (Verified Carbon Units) through international voluntary carbon markets, offsetting 3,185.02 tCO₂e of direct emissions.
- **Neutralized Category 2 emissions:** Offset carbon emissions from electricity consumption of 44,335.54 tCO₂e by purchasing 74165 I-RECs (International Renewable Energy Certificates).

II. Third-Party Organizational Carbon Neutrality Verification Statement

After a rigorous audit by the globally authoritative organization TÜV SÜD, it was confirmed that "Jiangsu Bright Steel Fine Machinery Co., Ltd. achieved carbon neutrality for total Category 1 and Category 2 greenhouse gas emissions from January 1, 2024, to December 31, 2024".

On May 23, 2025, the "Organizational Carbon Neutrality Verification Statement" (Certification Number: N4GHG 123176 0003 Rev. 00) was officially issued, marking Jiangsu Bright Steel Fine Machinery Co., Ltd.'s achievement of the "Organizational Carbon Neutrality" certification.

Organizational Carbon Neutrality Achievement Verification Statement
No. N4GHG 123176 0003 Rev. 00

Client: Jiangsu Bright Steel Fine Machinery Co., Ltd.
No.9 Yuepeng Road, Tianmu Lake Industrial Zone
213300 Liyang, Jiangsu Province
PEOPLE'S REPUBLIC OF CHINA

Responsible Party: Jiangsu Bright Steel Fine Machinery Co., Ltd.
No.9 Yuepeng Road, Tianmu Lake Industrial Zone, 213300
Liyang, Jiangsu Province, PEOPLE'S REPUBLIC OF CHINA

Verification Criteria : ISO 14064-1:2018
ISO 14064-3:2019
ISO 14068-1:2023

Time Boundary: 2024/01/01 - 2024/12/31

Organizational Boundary: Please refer to annex page

Total GHG Emission: 47520.56 tCO₂e

Reporting Boundary : Category 1, Category 2

Level of Assurance : Reasonable Assurance

Materiality : 5% of Total Emissions within Organizational Boundary


Operation Rule : CCB_GHG_GR_003CS REV.03

Verification Conclusion: The GHG statement verification is based on ISO 14064-3:2019 to verify the claim of the responsible party that: The total Category 1 and Category 2 GHG emissions of Jiangsu Bright Steel Fine Machinery Co., Ltd. at the organizational level from 2024/01/01 to 2024/12/31 have achieved carbon neutrality. It was verified with regard to compliance with the requirements of ISO 14064-1:2018 and ISO 14068-1:2023.

Process of Carbon Neutrality Achievement: The carbon emissions 44335.54 tCO₂e of electricity consumption offset through International Green Certificates 74165 tRECs. By purchasing and retiring 3186 Verified Carbon Units (VCUs), offsetting the Category 1 GHG emissions 3185.02 tCO₂e.

The objective of organizational carbon neutrality achievement verification is to confirm the accuracy and conformity of the claim declared by responsible party according to verification criteria. The organizational carbon neutrality achievement verification statement is issued by TÜV SÜD, acting as the third-party validation and verification body, based upon the claim from the responsible party. The data and information supporting the claim were historical in nature. The responsible party is responsible for the claim and its conformity with the applicable specified requirements. This statement does not relieve the responsible party from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on TÜV SÜD and TÜV SÜD shall have no responsibility vis-à-vis parties other than responsible party.

Verification Report No. : 707312547801.REV 00
Issue Date: 2025-05-23


(Liang Gao)

TÜV

Organizational Carbon Neutrality Achievement Verification Statement
No. N4GHG 123176 0003 Rev. 00

Combinations of elements to achieve carbon neutrality				
Phase	Carbon footprint		Type of carbon credits	
	GHG emissions after making GHG emission reductions	GHG removals		
Early	Carbon neutrality	Unabated emissions	No	Any type
	Carbon neutrality	Unabated emissions	No	Removal credits
	Carbon neutrality	Unabated emissions	Yes	Any type
	Carbon neutrality	Unabated emissions	Yes	Removal credits
Later	Net zero	Unabated emissions	Yes	None
	Carbon neutrality	Residual emissions	No	Any type
	Net zero	Residual emissions	No	Removal credits
	Carbon neutrality	Residual emissions	Yes	Any type
IPCC net zero	Net zero	Residual emissions	Yes	Removal credits
	IPCC net zero	Residual emissions	Yes	None
	Carbon footprint	Unabated emissions	47520.56 tCO ₂ e	
	GHG removals	/		
Carbon credits	Avoidance credits	/		
	Reduction credits	3186 VCUs		
	Removal credits	/		
International Green Certificates I-REC		74165 MWh		
Organizational Boundary				
Under the operational control approach, all facilities and activities of the responsible party contributing to GHG emissions and removals				
Jiangsu Bright Steel Fine Machinery Co., Ltd., No.9 Yuepeng Road, Tianmu Lake, Industrial Zone, Liyang, Jiangsu Province, China, 213300				
Jiangsu Bright Steel Fine Machinery Co., Ltd. Tian Jia Shan branch, Building 1, No.18 East Side of Central St., Tangshan Industrial Zone, Tangshan Town, Liyang, Jiangsu Province, China, 213300				
Operation Site Covered by Verification activities				
Jiangsu Bright Steel Fine Machinery Co., Ltd. Xi-Yuan Rd branch, No.1 Xi-Yuan Road, Tianmu Lake Industrial Zone, Liyang, Jiangsu Province, China, 213300				
Jiangsu Bright Steel Fine Machinery Co., Ltd. Yue-Peng Rd branch, No.8 Yuepeng Road, Tianmu Lake Industrial Zone, Liyang, Jiangsu Province, China, 213300				

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6.3 Energy Management

Yeong Guan Group attaches great importance to energy management, complies with laws and regulations related to energy use, actively responds to energy-saving and carbon-reduction policies, and continuously improves its energy management system. In terms of production, the Group adopts advanced energy-saving technologies and process optimization measures to effectively reduce energy consumption and improve energy use efficiency. At the same time, it expands the use of renewable energy, promotes a low-carbon and clean energy structure, and fosters a sustainable development model centered on "energy saving," "low carbon," and "environmental protection".

6.3.1 Energy Management System

As an advanced manufacturing enterprise providing a complete industrial chain of production, machining, coating, and R&D of large casting products, Yeong Guan Group primarily consumes electricity, natural gas, and diesel. Electricity is mainly used to power various casting equipment, machining equipment, overhead cranes, and air compressors throughout the production process; natural gas is primarily used for casting baking furnaces and coating procedures; and diesel is used for transport vehicles.

To strengthen energy management, the Group adheres to the policy of "compliance with regulations, energy conservation, efficiency improvement, and continuous improvement". It continuously enhances the energy management system, establishes an energy-saving leadership team dedicated to energy management, conducts regular inspections and analyses of energy use, and applies systematic management. The Group regularly reviews the energy management performance of process equipment, identifies energy-saving potentials, and proposes energy targets, indicators, and energy management plans. Through a digital energy management system, the Group enables data-driven energy optimization and has continuously obtained and maintained ISO 50001 Energy Management System certification and evaluation.

ISO 50001:2018 Certification of Companies under Yeong Guan Group

Ningbo Yeong
Shang Casting
Iron Co., Ltd.

Ningbo Lulin
Machine Tool
Foundry Co.,
Ltd.

Jiangsu Bright
Steel Fine
Machinery
Co., Ltd.

Dongguan Yeong
Guan Mould
Factory Co., Ltd.

Shanghai No. 1
Machine Tool
Foundry (Suzhou)
Co., Ltd.

Yeong Guan
Holdings Co., Ltd.
Taiwan Branch
(BVI)



According to Industry Characteristics, electricity accounts for over 90% of energy consumption in each factory. To improve electricity utilization efficiency, Jiangsu Bright Steel, Yeong Guan Holdings, Shanghai No. 1 Foundry, and Ningbo Lulin have implemented real-time electricity monitoring systems. These systems monitor the energy consumption of key equipment and processes by time period and output benchmarks, enhancing the management of electricity use in equipment operations. At the same time, electricity-saving management policies have been further implemented to reduce power consumption and electricity demand, improve electricity use efficiency, optimize resource allocation, and achieve scientific, economical, and orderly electricity use.



Real-time Electricity Monitoring System

In accordance with the Energy Conservation Law of the People's Republic of China and the Measures for the Administration of Industrial Energy Conservation, the Group actively participates in energy audit evaluations. In 2024, Jiangsu Bright Steel, Ningbo Lulin, and Shanghai No. 1 Foundry successfully passed energy audit evaluations. The audits covered multiple aspects including production equipment, lighting systems, HVAC systems, and office electricity use. Through the energy audit evaluation, Jiangsu Bright Steel identified potential energy waste points through accurate data collection and in-depth system analysis and proposed a series of practical energy-saving improvement measures, including optimizing equipment operating parameters, strengthening energy conservation promotion and training, establishing working mechanisms, and implementing target-based management. These initiatives will further enhance energy utilization efficiency and reduce environmental impact.

6.3.2 Energy Saving and Emission Reduction Measures

Since 2018, Yeong Guan Group has implemented measures such as equipment energy-saving retrofits and compressed air waste heat recovery to reduce energy consumption and achieve the objective of energy saving and emission reduction. In 2024, the Company continued to phase out high-energy-consuming motors in batches, replace them with energy-saving motors, and increase solar power generation as part of its energy-saving measures.

Energy-saving Retrofit Projects

Project Name	Project Introduction	Energy Saving Amount(tons of standard coal)	GHG Emission Reduction (tCO ₂)	Cost Savings (RMB)
Improvement of Roof Light Transmission Rate in Workshop No. 2	Shanghai No. 1 Foundry replaced some non-transparent roof materials in Workshop No. 2 with transparent materials in March 2024.	2.21	9.65	11,868.19
Eliminated Equipment	Shanghai No. 1 Foundry phased out eliminated motors in batches and replaced them with more energy-saving motors in December 2024.	6.15	26.85	33,026.85
Energy-Saving Motor Replacement	Jiangsu Bright Steel gradually replaced 22 energy-saving motors in 2024.	6.23	27.18	31,915.30

Note: The electricity (equivalent) standard coal conversion coefficient is 0.1229 kgce/kWh (GB/T 2589-2008 General Principles for the Calculation of Comprehensive Energy Consumption).

The national average CO₂ emission factor for electricity is 0.5366 kgCO₂/kWh (Ministry of Ecology and Environment, 2024, No. 33).

Energy-Saving Transformation Results in the Past Three Years

Project Introduction	2022	2023	2024
Energy Saving Amount (tce)	835.10	793.36	699.19
Energy Saving Amount (GJ)	24,468.43	23,245.45	20,486.17

Note: In the table, 1 tce = 29.3 GJ conversion coefficient.

CASE Replacement with High-Efficiency LED Lights



The original Yaming 200 W LED lights had an actual power consumption of 108 W with a luminous flux of 270.

The new 60 W energy-saving lights have an actual power consumption of 64 W and deliver a luminous flux of 790.

Ningbo Lulin replaced the traditional LED lights in Workshop No. 2 with high-efficiency LED lights. The original LED lights were rated at 200W with a luminous flux of 270 LUX, while the newly installed high-efficiency LED lights are rated at only 60 W but achieve a luminous flux of 790 LUX, significantly outperforming the original fixtures in lighting efficiency. The maximum luminous efficacy of the new lights reaches 210 LM/W, which complies with the highest level (Class A) of the latest EU lighting energy efficiency standard—far exceeding the domestic benchmark of 120 LM/W and representing an internationally advanced level. The power factor correction (PFC) of the fixtures ranges from >0.95 to 0.99, ensuring flicker-free performance. This upgrade not only contributes to energy conservation but also improves the overall lighting quality within the workshop.

6.3.3 Clean Energy Utilization

In 2024, the installation and commissioning of solar power facilities at the Dongguan plant of Yeong Guan Group were completed. At present, all of the Group's production bases are equipped with photovoltaic (PV) power generation systems. In 2024, the total photovoltaic electricity consumption reached 5,570,356.1 kWh, resulting in a reduction of carbon emissions by 2,989.05 tCO₂e.

Solar Power Usage Statistics of Yeong Guan Group

Name of Target	2022	2023	2024
Solar Power consumption(kWh)	726900	3782925.2	5570356.1
Greenhouse gas emission reduction (tCO ₂ e)	414.55	2157.40	2989.05

Note: The electricity emission factor for 2022–2023 is 0.5703 kgCO₂e/kWh, according to the "Circular on the Management of Greenhouse Gas Emission Reporting for the Power Generation Sector (2023–2025)" issued by the Ministry of Ecology and Environment (H.B.Q.H.H. [2023] No. 43).

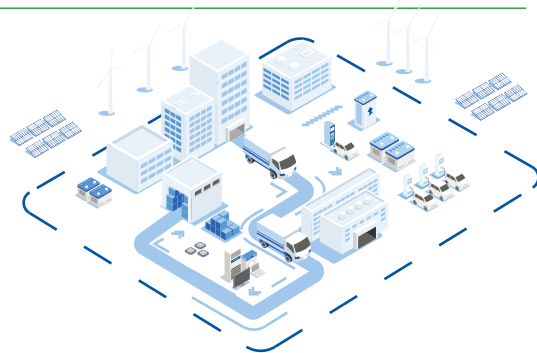
The electricity emission factor for 2024 is 0.5366 kgCO₂e/kWh, as stated in the "Announcement on the 2022 Electricity Carbon Dioxide Emission Factor" issued by the Ministry of Ecology and Environment (Announcement No. 33 [2024]).



Solar Power Usage by Subsidiaries of Yeong Guan Group

Name of Target	Name of Target					
	Jiangsu Bright Steel	Shanghai No. 1 Foundry	Ningbo Lulin	Ningbo Yeong Shang	Dongguan Yeong Guan	Yeong Guan Holding
Installed Capacity	1.98MW	0.728MW	1.9MW	1.79MW	0.79MW	7.87MW
Actual Power Generation (kWh)	1649291	741232	1572421	1907697	354217	10450529
Solar Power Consumption (kWh)	1557257.6	735033	1434924	1497973	345168.5	0
Solar Power Utilization Rate	94.42%	99.16%	91.26%	78.52%	97.45%	0.00%
Total Grid Electricity Consumption (kWh)	74164508	47354361	28150951	10120215	15698160	20113600
Proportion of Green Electricity	2.06%	1.53%	4.85%	12.89%	2.15%	0.00%

Note: All Solar Power generated by Yeong Guan Holdings is fed into the grid, with no self-generated electricity used for self-consumption.
Total Grid Electricity Consumption refers to electricity purchased from the public power grid.



6.3.4 Energy Consumption Statistics

Energy Consumption	Unit	2022	2023	2024
Electricity	kwh	222,378,425	194,956,572	197,443,848
Natural gas	m ³	549,019	739,230	772,413
Diesel	Tons	261	263	270
Gasoline	Tons	35	44	42
Liquefied petroleum gas	m ³	34	29	30
Total energy consumption	GJ	686,966	630,038	765,860

The scope of energy data statistics changed between 2023 and 2024. Due to a government-mandated relocation, the casting operations at Ningbo Yeong Shang ceased in March 2024; therefore, no energy consumption data from this process is available after that time. Meanwhile, energy consumption data for the Yeong Guan Holdings plant was newly included in the 2024 statistics.

Note: The conversion factor to standard coal is based on GB/T 2589-2020 General Principles for the Calculation of Comprehensive Energy Consumption.
Due to differences in data statistical sources, the energy consumption data for 2022 and 2023 have been recalculated, and subject to 2024 report.



Energy Intensity	Unit	2022	2023	2024
Unit Energy Consumption of Castings	GJ/t	4.30	4.24	3.96
Unit Energy Consumption of Processing	GJ/t	0.42	0.52	0.63
Unit Energy Consumption of Coating	GJ/t	0.30	0.32	0.60

Note: Unit energy consumption (GJ/t) = Total energy consumption (GJ) / Output (ton).
 In March 2024, the Foundry Department of Ningbo Yeong Shang was relocated due to government requisition; therefore, casting-related data is only included up to March 2024. Additionally, the 2024 statistical scope has been expanded to include the newly added Yeong Guan Holdings plant.

6.4 Air Pollution Management

The management of atmospheric pollutant emissions plays a vital role in improving air quality, protecting the ecological environment, and safeguarding public health. Yeong Guan Group has established a comprehensive environmental management and monitoring system. Through regular monitoring, data analysis, and risk assessment, the Group ensures effective control of harmful gas emissions. On the production side, advanced waste gas treatment equipment and technologies are employed to reduce exhaust gas generation during manufacturing processes, enhance the treatment efficiency of exhaust gas equipment, and ensure compliance with environmental standards while minimizing environmental impact. In 2024, the Company's exhaust gas emissions fully complied with all applicable standards, achieving a 100% compliance rate.

Air pollution emission standards

- Emission Standard of Atmospheric Pollution of Industrial Painting Process (DB 33/2146-2018)
- Integrated Emission Standard of Air Pollutants (DB 32/4041-2021)
- Emission Standard for Air Pollutants in Foundry Industry (GB 39726-2020)
- Stationary Pollution Source Air Pollutant Emission Standards (Taiwan)

Total Emissions (tonnes)	Process	Dongguan Yeong Guan	Ningbo Yeong Shang	Ningbo Lulin	Jiangsu Bright Steel	Shanghai No. 1 Foundry	Yeong Guan Holdings
Particulate Matter (PM10)	Baghouse Dust Collector, Regenerative Catalytic Combustion	3.250	5.400	16.700	1.110	2.360	7.077
Volatile organic compound	Zeolite Concentrator Wheel, Activated Carbon Adsorption, Regenerative Catalytic Combustion	0.006	0.036	0.730	0.100	0.389	5.730
Nitrogen Oxides (NOx) (excluding N ₂ O)	Regenerative Thermal Oxidizer, Regenerative Catalytic Combustion	-	0.660	-	-	-	11.352
Sulfur Oxides (SOx)	Zeolite Concentrator Wheel	-	-	-	-	-	3.897

CASE

Integrated Design of Electric Furnace Cover and Dust Collection Hood

Jiangsu Bright Steel and Shanghai No. 1 Foundry implemented an integrated design combining the electric furnace cover with the dust collection hood, much like putting a "breathable cap" on the electric furnace. This design efficiently captures particulate matter generated during the melting of molten metal, improves the efficiency of exhaust gas collection, and reduces particulate matter emissions.



CASE

Fully Enclosed Storage Space Design

Jiangsu Bright Steel designed a fully enclosed storage space to prevent dust collected by the dust collectors from escaping. Each ash discharge port is equipped with an independent compartment, which effectively minimizes dust dispersion and prevents environmental pollution caused by dust leakage.



6.5 Circular Economy

The concept of a circular economy emphasizes continuous resource utilization, waste minimization, and pollution reduction. To reduce reliance on natural resources and support sustainable development, Yeong Guan Group continuously advances the transformation toward a circular economy model. This involves recycling and reusing materials such as scrap steel, internal scrap, wood, and resin sand, effectively lowering resource consumption and waste generation, and achieving efficient resource circulation.

6.5.1 Raw Material Management

As the primary casting supplier for leading global manufacturers of wind turbines, injection molding machines, machine tools, and industrial machinery, Yeong Guan Group mainly uses pig iron, scrap steel, internal scrap, and a small amount of iron filings as raw materials.

Facing challenges from high raw material prices and market volatility, the Company continuously monitors market price trends and supply-demand dynamics. It consistently optimizes raw material management by regularly controlling procurement and inventory according to production plans. Furthermore, the Company actively develops new raw material sources and promotes recycling and reuse of scrap steel and internal scrap to ensure a stable supply of high-quality raw materials.



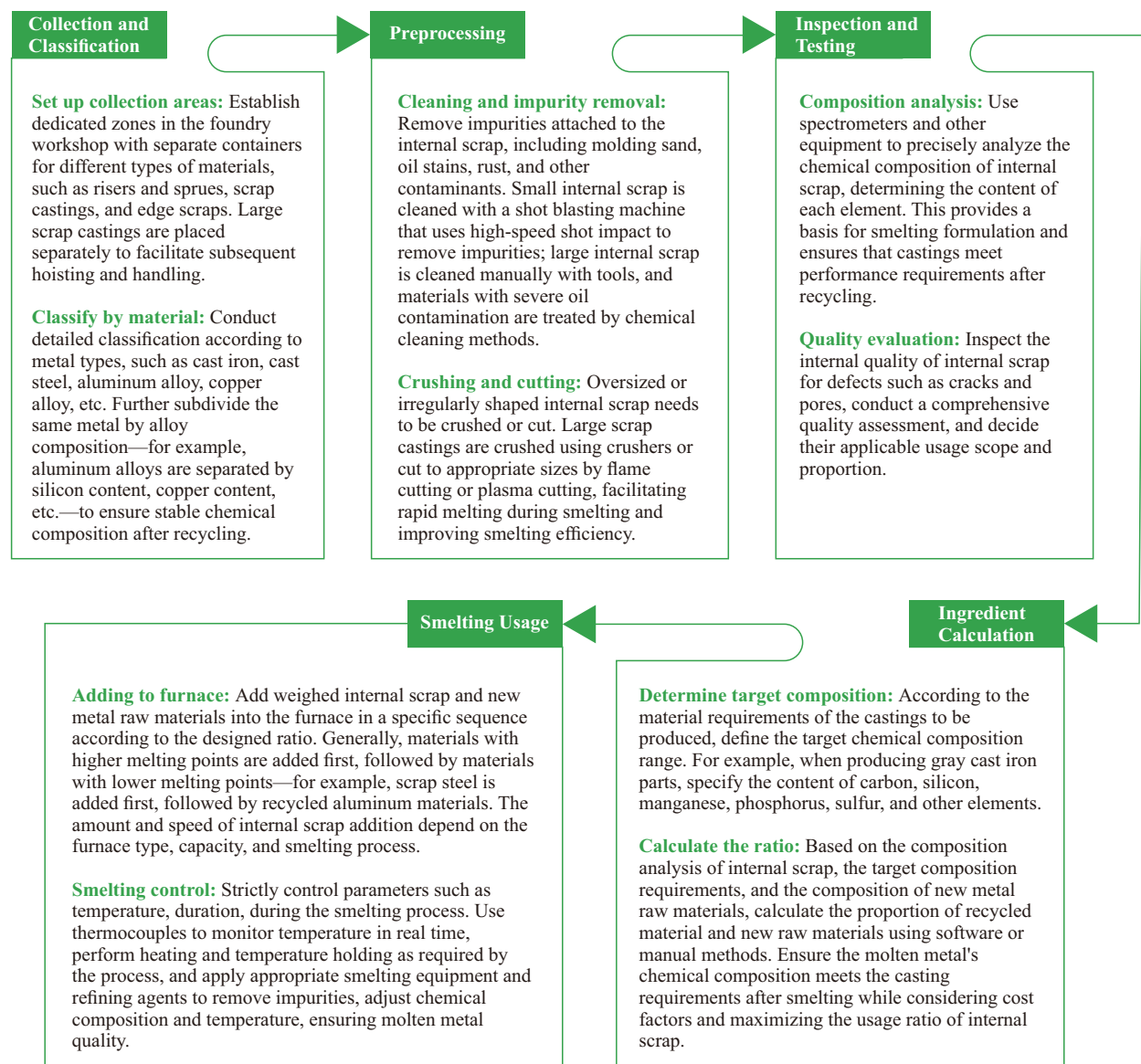
6 SUSTAINABLE ENVIRONMENT



Material Melting Statistics Table

Category	Types of Raw Materials	Unit	2024	2023	2022
Casting production	Casting	Tons	168710	183146	206820
Non-renewable materials	Pig iron	Tons	73697.53	81653.16	84184.96
Recycled materials	Scrap steel	Tons	82982.87	53646.53	106120.66
Internal recycled materials	Internal scrap	Tons	44218.94	88177.84	53124.49
	Iron scrap	Tons	55	32.95	45.36

Recovery and Usage Process of Internal Scrap



6.5.2 Usage of Packaging Materials

Yeong Guan Group is fully aware of the potential burden packaging materials may impose on the environment. By reducing the usage of packaging materials, promoting their reuse, and encouraging recycling, the Group minimizes the use of raw materials, alleviates resource pressure, and strives to reduce this impact to the lowest possible level.

The packaging for gearboxes has been improved by optimizing the bracket structure design, thereby reducing the usage of packaging materials.

The frequency of wooden pallet recycling and reuse has been increased, reducing pallet input and lowering cost expenditures.

The standardization of wooden pallet specifications has been promoted to encourage material reuse and improve material utilization rates.

Details of Packaging Materials Usage

Renewable materials

2024 Wooden pallet

17834 pcs

6.5.3 Waste Mangement

Based on the characteristics of the industry, Yeong Guan Group attaches great importance to waste management. The Group has established and improved various solid waste management systems and adopted a series of comprehensive measures to ensure the standardized treatment and resource utilization of waste. By improving classification, safe storage, and compliant disposal processes, the Group ensures that its waste management aligns with national and local environmental regulations. It actively promotes waste reduction, resource recovery, and harmless treatment. Through technological innovation and management optimization, it reduces the amount of waste generated and improves the recycling rate. In 2024, 100% of solid waste (including hazardous waste) was disposed of in compliance.

Waste Classification

General solid waste: Waste sand ash generated during the treatment of casting production sand, and slag generated during electric furnace slag removal.

Hazardous waste: Paint sludge, waste solvent, waste paint buckets generated during painting operations, and by-products from exhaust gas treatment equipment (such as zinc ash, filter cotton, waste activated carbon); waste cutting fluid and waste oil from machining processes.

Waste Storage

General solid waste: Stored separately and in compliance with relevant safety and environmental risk management procedures, such as dust suppression via water spraying, to ensure cleanliness and safety.

Hazardous waste: Stored in dedicated warehouses in strict accordance with warehouse management regulations, managed by designated personnel. Each container is regularly cleaned and maintained to ensure suitability for waste storage, and safety measures such as fire prevention, leakage prevention, rain protection, and explosion protection are implemented.

Waste Disposal and Recycling

General solid waste: Entrusted to qualified resource recycling units for comprehensive utilization through recycling or re-smelting. Ledger management is maintained. Each year, full-process tracking inspections are conducted on the recycling units, along with unscheduled compliance inspections.

Hazardous waste: Delivered to qualified waste disposal vendors with hazardous waste operation licenses for incineration or transfer, achieving effective harmless treatment, waste reduction, and resource recovery.

Waste Records and Reporting

A comprehensive waste management ledger is maintained, recording treatment processes and details of waste types and quantities, including generation time, location, type, quantity, treatment method, and disposal method. Regular supervision and audits are carried out to ensure the company's compliance.

Reports are generated regularly, and solid waste discharge information is continuously maintained and updated in cooperation.

Waste Training and Improvement

Regular training on waste management measures is held for employees to help them better understand proper waste handling and to encourage their active participation in improvement initiatives.

To achieve optimal waste management, regular sessions are conducted on waste identification skills, public information disclosure, quality management by various technical departments, and technical measures for ecological protection, all aimed at continuously improving waste management practices.

Methods and Measures for Recycling

- **Recycled sand reuse:** Recovered resin-bonded spent sand undergoes crushing, screening, dust removal, and drying, then is reused. New resin is added according to the process mix to prepare fresh resin sand for mold production, saving raw material costs. Currently, Yeong Guan Group's recycled sand recovery rate exceeds 96%.
- **Waste sand reuse:** Waste sands are managed by third-party processors, screened foundry waste sand is used as raw material for brick, glass, and other building materials, effectively replacing natural sand resources. In high-temperature industries, the residual resin in waste sand serves as a supplementary material in sintering kilns and cement kilns, saving energy and reducing waste generation.
- **Slag resource recovery:** The foundry slag is processed by third parties and, after screening, is supplied to cement plants for use as an admixture. The silicate components in the slag help improve the performance of cement, reduce the need for traditional raw material mining, and promote the low-carbon development of the cement industry.

By implementing these measures, the Company has formed closed-loop industrial chains "waste sand → building materials" and "slag → cement", reducing solid waste disposal, saving energy costs, and contributing positively to environmental protection and circular utilization.

Waste Management

Waste Composition		2022 (ton)	2023 (ton)	2024 (ton)
Total waste		31246.51	28860.14	29202.16
General solid waste	Waste protective paper	3.70	6.31	2.34
	Waste sand ash	27524.11	26182.57	26530.11
	Industrial waste	87.70	148.46	224.98
	Slag	3223.86	2139.70	1991.22
	Total amount of general solid waste	30839.52	28477.04	28748.65
General solid waste	Waste cutting fluid	122.89	107.20	214.22
	Waste mineral oil	23.22	36.53	26.95
	Waste paint containers	95.21	88.12	101.23
	Waste zinc ash	45.32	36.21	20.14
	Waste paint residue	43.96	39.00	27.09
	Waste filter cotton	15.80	20.10	16.22
	Waste organic solvent	11.21	14.52	13.39
	Spent activated carbon	30.74	25.26	22.53
	Waste solvent-based paint	0.80	0.44	0.30
	Used water-based paint containers	3.13	3.24	1.44
	sludge	1.77	0.74	1.02
	Waste emulsion	12.95	11.75	8.98
	Total amount of hazardous waste	406.99	383.10	453.51



Waste sent for third-party disposal		2022 (ton)	2023 (ton)	2024 (ton)
Amount of total waste		31246.51	28860.14	29202.16
General waste	Disposal volume by incineration (including energy recovery)	87.70	148.46	204.98
	Disposal volume by incineration (excluding energy recovery)	3.85	6.31	106.30
	Disposal volume by landfill	5542.40	5439.40	4698.32
	Disposal volume by other treatment methods	25205.57	22882.87	23739.05
	Total general solid waste disposal volume	30839.52	28477.04	28748.65
	Disposal volume by incineration (including energy recovery)	345.37	323.96	357.54
Hazardous waste	Disposal volume by incineration (excluding energy recovery)	54.22	47.63	68.50
	Disposal volume by landfill	2.22	4.24	18.41
	Disposal volume by other treatment methods	5.18	7.76	9.06
	Total hazardous waste disposal volume	406.99	383.59	453.51

Resin sand recovery rate

Category \ Year	2022	2023	2024
Casting output (ton)	206,820	183,146	168,710
Average sand-to-iron ratio	3.92%	3.72%	3.70%
Total sand usage (ton)	810,215.63	680,647.08	616,619.33
New sand purchase volume (ton) (non-recycled sand)	26,090.50	13,556.74	213,44.65
Used/recycled sand (ton)	784,125.13	667,090.34	595,274.68
Used sand recycling rate	96.78%	98.01%	96.54%

Waste intensity		2022 (ton)	2023 (ton)	2024 (ton)
General solid waste	Waste generation volume (Unit: ton)	37,184.38	33,363.65	28748.65
	Revenue amount (Unit: RMB10,000)	211995.00	196224.56	160055.53
	Waste generation per RMB 10,000 of revenue (Unit: ton/RMB 10,000)	0.18	0.17	0.18
Hazardous waste	Waste generation volume (Unit: ton)	403.09	385.13	453.51
	Revenue amount (Unit: RMB10,000)	211995.00	196224.56	160055.53
	Waste generation per RMB 10,000 of revenue (Unit: ton/RMB 10,000)	0.0019	0.0020	0.0028

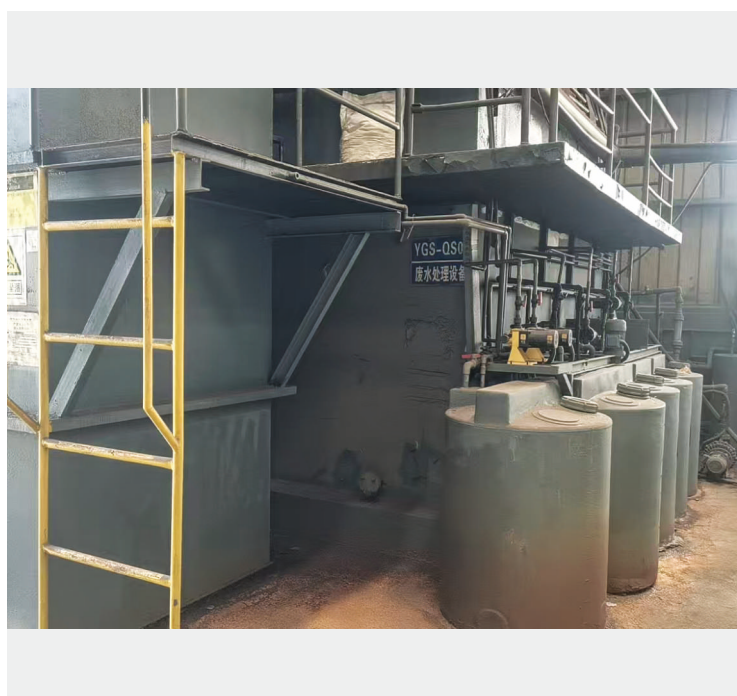
6.6 Water Resources Management

Yeong Guan Group places great importance on Water Resource Management, considering it a vital component of Sustainable Development. Our water withdrawal is entirely sourced from municipal supply, with primary usage in employees' domestic needs and electric furnace cooling in the dissolving process. The Company strictly complies with relevant laws and regulations at each operational site, continuously strengthening water resource management to ensure that all wastewater is effectively treated to meet discharge standards; water-saving technologies and equipment are applied to promote water conservation and recycling, improve water use efficiency, and reduce water waste.

Water Pollution Prevention and Control

CASE Production Wastewater Treatment in the Spraying Process

In Ningbo Yeong Shang's spraying process, wastewater generated during the workpiece cleaning stage flows into a holding tank. When the water level reaches a defined threshold, the wastewater is pumped into a treatment tank using a booster pump. In the treatment tank, chemical agents are added for sedimentation, and the wastewater undergoes a reaction cycle lasting 3-4 days. After this cycle, the water quality is tested. If the test results meet standards, the water is pumped into a mixing tank, where activated carbon, PAC (polyaluminium chloride), and PAM (polyacrylamide) are added for further sedimentation. After 24 hours, the water is transferred to a clean water tank for an aerobic biochemical process. It is then subjected to an additional 24-hour sedimentation treatment in an activated carbon treatment tank. Once the final water quality test confirms compliance, the treated water is discharged.



Types of Wastewater Monitoring and Applicable Standards for Each Plant Area

Plant Area	Domestic Sewage		Industrial Wastewater	
	Monitoring Types	Applicable Standards	Monitoring Types	Applicable Standards
Dongguan Yeong Guan	pH, COD, BOD, SS, ammonia nitrogen	Guangdong Province "Water Pollutant Discharge Limits" (DB 44/26-2001) Level 3 Standard for the Second Period	pH, color, COD, BOD, SS, petroleum hydrocarbons, animal and vegetable oils	Integrated Sewage Discharge Standard (GB 8978-1996)
Ningbo Yeong Shang	pH, SS, COD, BOD, ammonia nitrogen, animal and vegetable oils, total phosphorus	Integrated Sewage Discharge Standard (GB 8978-1996)	pH, SS, COD, ammonia nitrogen, BOD, animal and vegetable oils	
Ningbo Lulin	pH, SS, COD, ammonia nitrogen, animal and vegetable oils, petroleum hydrocarbons, color	Integrated Sewage Discharge Standard (GB 8978-1996)	None	/
Jiangsu Bright Steel	pH, SS, COD, ammonia nitrogen, BOD, animal and vegetable oils, total nitrogen, total phosphorus	Integrated Sewage Discharge Standard (GB 8978-1996)	None	/
Shanghai No. 1 Foundry	pH, SS, COD, ammonia nitrogen, BOD, animal and vegetable oils, total nitrogen, total phosphorus, color	Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015)	None	/
Yeong Guan Holdings	pH, COD, SS, BOD	Discharge Water Standard Appendix 16	None	/

Utilization of water resources

Water efficiency is improved and water conservation goals are achieved by inspecting water supply facilities, monitoring total water usage, implementing water-saving projects, and managing personnel education to reduce water resource waste.


Water supply facility inspection

Regular inspections are conducted on water equipment and facilities. Concealed water pipes are checked periodically to prevent leaks. Internal water supply systems are inspected, and water tanks, faucets, and other related equipment at risk of leakage are promptly repaired.


Total water usage monitoring

Designated personnel regularly record and verify meter readings to monitor the total water consumption of each water-using unit.


Water-saving project construction

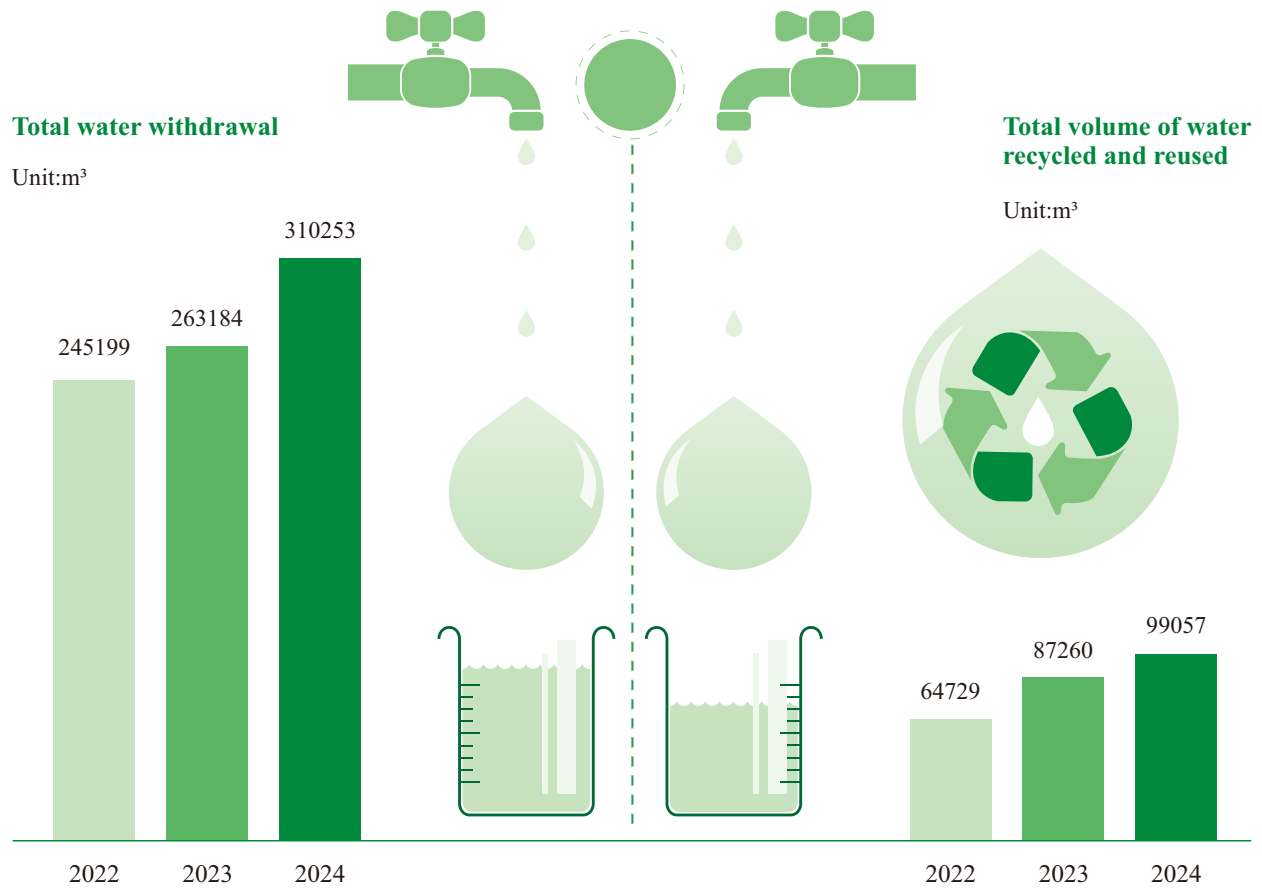
Each water-using unit adopts water-saving technology upgrades and wastewater recycling measures to reduce water resource waste. Examples include sensor-adjustable automatic flushing systems for restroom urinals, pressure-boosting water-saving showerheads in shower rooms, and treated wastewater from the degreasing cleaning section being recycled via a reuse tank.


Personnel management and education

Water conservation education and awareness campaigns are strengthened for all employees to enhance their water-saving and environmental consciousness. Units with outstanding water-saving measures are publicly commended and rewarded. Employees who waste water receive criticism and education; severe cases result in punitive assessments to serve as deterrence and promote improvement.



6 SUSTAINABLE ENVIRONMENT



2024 Water Recycling Data by Factory

Factory	Unit	Total water	Total volume of water recycled and reused	percentage of total water recycled and reused relative to total water withdrawal
Ningbo Lulin	m ³	33376	11670	34.97%
Jiangsu Bright Steel	m ³	126608	79019	62.41%
Yeong Guan Holdings	m ³	26210	8368	31.93%

Note: Only the three factories of Ningbo Lulin, Jiangsu Bright Steel, and Yeong Guan Holdings have water meter records; other factories do not have separate water meter statistics.

Water Use Density Statistics

Water Intensity	Unit	Freshwater Consumption per Unit of Casting	Freshwater Consumption per Unit of Processing	Freshwater Consumption per Unit of Coating
2024	m ³ /t	1.57	0.44	0.16



7

SOCIAL CARE

- 7.1 Human Rights Protection
- 7.2 Human Resource Development
- 7.3 Employee Care
- 7.4 Occupational Health and Safety
- 7.5 Social Welfare

7.1 Human Rights Protection

The Company implements a people-oriented philosophy throughout the entire process of employee recruitment, training, promotion, and dismissal. The Company respects the dignity and value of every employee and is committed to creating a safe, healthy, and harmonious work environment that enables career development.

7.1.1 Human Rights Policy

The Company has formulated the Human Rights Policy of Yeong Guan Energy Technology Group Co., Ltd., which is published on the official website. The Company commits to complying with labor-related laws and regulations in all regions where its operations are located, protecting employees' lawful rights and interests, and supporting and following the spirit and fundamental principles of human rights protection as revealed in international conventions such as the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. The Company fully assumes the responsibility to respect and protect human rights, treating and respecting all current employees with dignity, including contract workers and interns.

The Company strives to create a work environment and corporate culture free of discrimination, ensuring no differential treatment against employees based on gender, race, age, marital status, language, political stance, religion, or other factors. In practice, the Company fully respects employees' wishes, prohibits forced labor, provides a safe and healthy workplace, offers reasonable remuneration and benefits, and continuously maintains smooth labor-management communication channels to foster a positive working environment.

You can scan the QR code below to view the Company's Human Rights Policy:


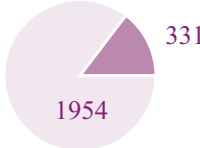
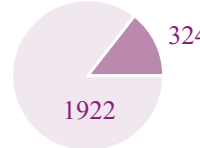
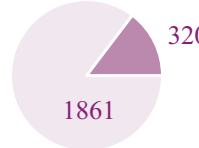
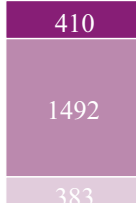
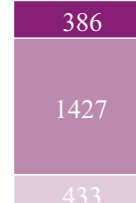
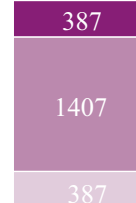
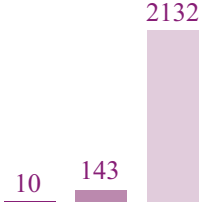
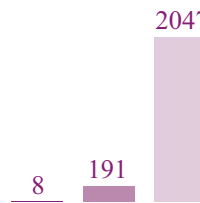
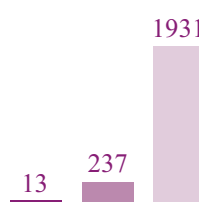
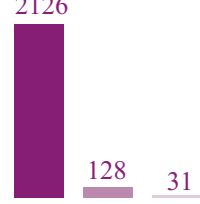
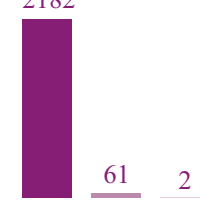
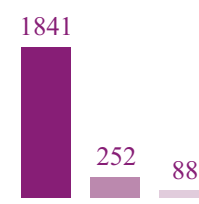


7.1.2 Employee Diversity

YGG Group focuses on attracting and nurturing diverse talent. The diversified staff composition provides strong support for the company's technological innovation, production management and market expansion.

YGG Group entering the Chinese Mainland for investment Since 1994, Company has steadily grown, with most employees coming from the Chinese Mainland, Taiwan (China), and other regions. As a primary casting supplier for leading global manufacturers of wind turbines, injection molding machines, machine tools, and industrial machinery, the Company's workforce covers multiple professional fields including foundry, mechanical engineering, and electrical automation. In 2024, female employees accounted for over 14% of the workforce, roughly maintaining the level from 2023. Additionally, the Company employs 8 disabled persons and provides them with suitable job positions.

Employee Composition of the Company Over the Past Three Years¹

Categories	2022	2023	2024
Total Number of Employees (person)	2285	2246	2181
By Gender 	 Proportion of Female Employees 14.62%	 Proportion of Female Employees 14.43%	 Proportion of Female Employees 14.67%
By age Under 30 years old (person) ● 31-50 years old (person) ● 50 years old and above (person) ●			
By education level Master's degree or above (person) ● Bachelor's degree (person) ● Junior college and below (person) ●			
By Area Chinese Mainland (person) ● Hong Kong, Macao, and Taiwan regions (person) ● Other regions (person) ●			
Number of departed employees (person)	392	320	889
Employee turnover rate (%)²	17.15	14.25	40.76

Note: The 2024 regional employee turnover rate for newly added personnel = number of departed employees/total number of employees at the end of the year.

In March 2024, the foundry plant of Ningbo Yeong Shang Casting Iron Co., Ltd. was subject to government requisition and relocation, resulting in staff layoffs and a corresponding increase in the employee turnover rate for 2024.

¹ Statistics as of December 31 of each year, All employees of the Company are full-time; there are no part-time positions.

² Employee turnover rate = (number of employees who left during the year ÷ total number of employees at the end of the reporting period) × 100%.

In 2024, due to the highway construction plan by the Ningbo Municipal Government, Ningbo Yeong Shang Casting Iron Co., Ltd. was required to relocate its foundry plant located on Gangkou Road in Beilun District, involving 319 employees. Additionally, the processing section on Liya Road was requisitioned by the government, affecting the placement of 50 employees. As a company with 30 years of deep involvement in the manufacturing industry, the Company has always placed employee well-being at its core. Under the framework of the United Nations Sustainable Development Goals (SDGs) and GRI standards, the Company formulated a financial compensation and transfer to other subsidiaries within our group, 'Realize the integration of employee rights and interests' protection and corporate social responsibility.

In terms of economic compensation, the Company provided all employees with relocation compensation above the national standard. Afterwards, based on the job needs of other subsidiaries within the Group, a "two-way selection" mechanism was established to recommend employees to continue working in other subsidiaries under the premise of maintaining their original salary levels. The Company actively responded to SDG 8 (Decent Work), SDG 10 (Reduced Inequalities), and SDG 16 (Peace and Justice) by ensuring fair relocation, narrowing income disparities, and enhancing employees' sense of security. The practice of Ningbo Yeong Shang shows that, when facing major transformations, the Company can protect employee rights and achieve sustainable development through the dual drive of "compliance + innovation".

The Company also signed contracts with third-party companies to hire non-employee personnel who contribute to the Company, including factory gatekeepers, cafeteria staff, cleaners, and on-site workers. Employment forms include labor dispatch and labor outsourcing.

Number of Workers Hired Under Non-employment Arrangements by the Company in the Past Three Years

Name of Metric		2022		2023		2024	
Workers Other Than Employees/person		539		476		509	
Contract Type		Labor dispatch	Other types	Labor dispatch	Other types	Labor dispatch	Other types
Gender	Male/person	36	434	19	393	45	386
	Female/person	0	69	2	62	11	67

7.2 Human Resource Development

The Company provides abundant training resources and learning opportunities to support employees in continuously enhancing their professional skills and expanding their career development paths.

7.2.1 Talent Recruitment

The Company adheres to lawful employment practices and is committed to creating a fair, impartial, and transparent recruitment environment. Strict compliance is maintained with relevant national laws and regulations to ensure that every step of the recruitment process aligns with the requirements of local labor laws and labor contract laws. The Company upholds the principles of fairness, impartiality, and openness in employment, establishes a transparent recruitment process, ensures non-discrimination at all stages, and provides equal opportunities for fair competition. Talent recruitment is mainly carried out through internal referrals, online recruitment, on-site recruitment, campus recruitment, and recruitment agencies. In 2024, the Company recruited 646 new employees³, with an employment rate of 29.62%.

³ This refers to official employees of the Company only.

Performance

In 2024, there were no instances of discrimination, child labor, or forced labor in the Company.

We prohibit any form of discrimination

The Company has established the Anti-Discrimination and Harassment Management Measures to firmly prevent discrimination in employment relationships on the grounds of ethnicity, race, skin color, religious belief, gender, age, physical ability, marital status, or other excuses.

Immediate action is taken upon discovery of harassment or discrimination: Upon receiving a complaint, an investigation is promptly launched to ensure the process is fair, objective, and transparent. For acts of harassment or discrimination, the Company will impose measures such as warnings, fines, or dismissal. Protective measures are taken for both the complainant and the accused to prevent retaliation. The Company will assist victims in reporting the matter to the police or seeking legal aid, and will cover the relevant legal expenses. The Company will also review and update the anti-harassment and anti-discrimination policies to adapt to the evolving social environment and employee needs.



In the preparation, publicity, and interview stages of recruitment: It is strictly prohibited to use discriminatory terms related to gender, ethnicity, appearance, region, or body type. The Company ensures a fair and impartial recruitment process and does not reject candidates for reasons unrelated to the job.



In the performance evaluation process: Establish and improve the employee performance evaluation system, reasonably determine salary and promotion mechanisms based on employees' work performance and contributions.



In the promotion process: Gender, ethnicity, region, and other such factors are not used as promotion criteria. The Company provides broad development opportunities and equal promotion channels.

We prohibit the use of child labor and forced labor

The Company strictly prohibits the employment of child labor, respects employees' will, does not coerce or deceive employees into labor, and opposes forced labor.

If any instance of child labor employment is discovered, all wages must be immediately settled, and remedial measures shall be taken: The Company will patiently persuade and promptly assign personnel to escort the child laborer back to their place of residence, and hand them over to their parents or guardians with a signed receipt. The child laborer shall be escorted home, with all related expenses borne by the Company. Depending on the circumstances, the Company will also provide support to help the child laborer return to school. If the child laborer is found to be ill or disabled before being sent back, the Company is responsible for arranging treatment and covering all medical and living expenses during the treatment period. It is strictly forbidden for any department or individual to irresponsibly dismiss child laborers. If a child laborer suffers injury, disability, or death, the responsible parties will be held legally accountable.

Yeong Guan Group explicitly requires outsourcing parties to employ workers legally, purchase social insurance for them, and strictly prohibit child labor, forced labor, and other violations of human rights.

In addition, Jiangsu Bright Steel and Shanghai No. 1 Foundry have established Labor Inspection Committees specifically responsible for matters related to labor practices. Designated personnel are assigned to attend the Jiangsu Provincial Federation of Trade Unions' training program for labor law supervisors and have received certificates of completion, in order to better protect employees' legal rights and promote harmonious relationships between the enterprise and its employees.

7.2.2 Compensation and Benefits

The Company continuously improves its employee compensation and benefits system to guide and encourage employees to deliver better performance, aiming to achieve mutual success for both the Company and its employees.

Salary Distribution

Employee salary distribution is determined based on the achievement of annual operational goals and the Company's overall profitability, with the goal of providing all employees with compensation that exceeds the standards set by local laws and regulations. The Company has established a regular performance and career development evaluation mechanism for all employees to comprehensively assess their work performance. Evaluation results serve as an important basis for promotions and career advancement. The Company upholds the principle of equal pay for equal work, ensuring equal salary ratio between male and female employees, so that employees' efforts and individual value are fairly recognized. The Company firmly rejects any form of discriminatory pricing. Salary evaluations are entirely unrelated to non-performance factors such as gender, age, marital or parental status, or ethnicity. Regardless of gender, employees who demonstrate equivalent experience, skill levels, and work performance in the same positions are entitled to equal pay.

Benefits Distribution

The Company continuously enhances its employee benefits system to stimulate enthusiasm and creativity in the workplace.

Yeong Guan Group Compensation and Benefits System

Statutory Benefits

- Employee compensation includes base salary and individual performance bonuses, with year-end bonuses granted based on performance results.
- From the date of employment, the Company provides social insurance (five types) and housing provident fund (one fund) in accordance with local regulations at each location.
- Thirteen days of statutory holidays are granted, strictly following regional laws and offering preferential arrangements where applicable.
- Retirement procedures are handled in accordance with the law for eligible retired personnel.
- Marriage leave and parental leave are provided to eligible employees.

Health Protection Benefits

- Annual health check-ups are organized for all employees.
- Special medical examinations are arranged for female employees.

Incentive Benefits

- Night shift allowances are granted to employees on night duty.

Holiday Benefits

- Holiday benefits are provided during traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival.
- Birthday benefits are offered to employees.
- Female employees are granted a half-day leave on International Women's Day.

Living Support Benefits

- High-temperature allowances are provided.
- Free work meals are offered.
- A mother-and-baby room is available on site.



In addition, Yeong Guan Holdings thoughtfully provides menstrual leave for female employees, demonstrating the Company's commitment to employee health. For retired personnel, 6% of their salary is contributed monthly to their individual pension account at the Labor Insurance Bureau based on the insured level, comprehensively addressing employee needs.

Parental Leave

2024 Yeong Guan Group Parental Leave Performance

Categories		2024			
Total number of employees on parental leave (person)		42			
By Gender	Male	28	Female	14	
Number of employees expected to return to work after parental leave within the reporting period (person)		42			
By Gender	Male	28	Female	14	
Total number of employees who actually returned to work after parental leave within the reporting period (person)		41			
By Gender	Male	28	Female	13	
Total number of employees still employed 12 months after returning from parental leave (person)		42			
By Gender	Male	29	Female	13	
Total number of employees who returned to work after parental leave in the previous reporting period (person)		44			
By Gender	Male	29	Female	15	
Rate of return to work for employees on parental leave		92.86%			
Rate of employees who are still on parental leave		86.67%			

Note: The total number of employees who returned to work after parental leave in the previous reporting period includes those who returned from leave in 2023.

7.2.3 Human Resource Development

The Company has established career development paths covering both professional and managerial talents, built a matching training system, and continuously improved related mechanisms. This not only enriches the Company's talent pool but also supports employee growth.

Staff Training

YGG has formulated the Training Management Regulations and Internal Trainer Management Regulations, and developed training plans based on the Company's development needs and employee demands. Training is divided into two types: Internal Training and External Training. Internal Training is arranged by each department according to actual business needs, with personnel delivering courses within the department. External Training is proposed by departments based on business needs and, upon approval, designated personnel are sent to attend courses held by external institutions. Employees who complete training then share their insights with other department members, ensuring practical application. Training subjects include operational standards for various job positions, quality management, EHS education and training, reserve supervisor training, internal control and audit practices, firefighting, and emergency response skills. In addition, specialized training programs exist for specific operations, such as supervisor training for Organic and Dust Operations, First Aid Personnel Training, and courses related to Sustainable Development.

The Company encourages employees to participate in language courses, social communication courses, and legal courses provided by external institutions. Considering the current challenges posed by climate change, Yeong Guan Holdings has specially introduced training on vector mosquito control and tobacco harm reduction, which not only enhance employees' professional skills but also underscore the commitment to sustainable development.

Goals

Training plan completion rate: **100%**
Average training **8** hours per person

Achievement in 2024

100% complete
13.9 hours training



2024 Company Employee Training Performance

Categories	2024
Total annual employee training hours (hours)	30379
Average training hours per employee per year (hours)	13.9
Percentage of employees under regular performance and career development assessment (%)	100%

CASE

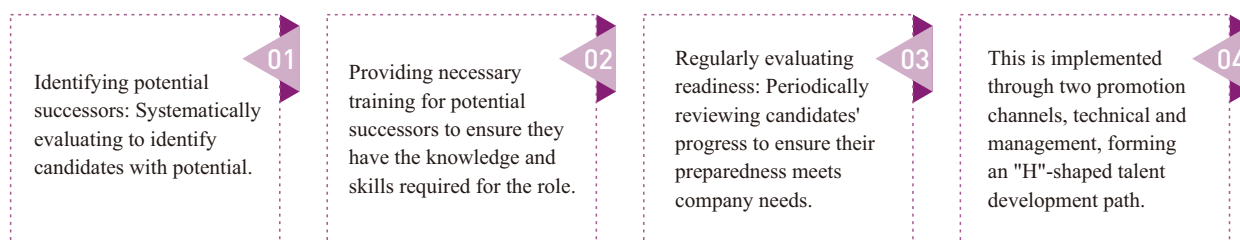
Shanghai No. 1 Foundry Conducts Specialized Training on Burns and Scalds

In June 2024, Shanghai No. 1 Foundry carried out burns and scalds training. Through theoretical teaching, on-site drills, and accident reviews, a "Safety Firewall" was built for employees. At the start of the training, the instructor used animation to explain in detail the definition of "burns and scalds": skin and deep tissue damage caused by flames, high-temperature liquids, chemicals, etc., with third-degree burns possibly threatening life. Special emphasis was placed on the characteristics of the foundry industry: burns caused by molten iron splashes are often accompanied by residual metal particles, and improper treatment can cause infections. The training included an "Accident Warning Theater" that recreated a molten iron splash accident at a foundry, allowing employees to clearly see the risks of burns and scalds. Practice has shown that work safety training should not be a "formalism" ritual but a systematic process that reshapes employees' safety awareness through scientific methods. The training concluded with the statement: "What we teach is not technology, but respect for life."



Employee Development

The Company has developed a succession plan for board members and key management levels. This plan aims to ensure the Company can maintain stable operations amid personnel changes while preserving the professionalism and efficiency of management. Specific content includes:



The Company has established an "H"-shaped talent development path: one is the management track, the other is the professional technical track. Talent can freely choose and switch between these two tracks based on their interests, abilities, and career plans.

- **Management track:** Employee – Team Leader – Group Leader – Section Chief – Manager – Senior Manager – Assistant General Manager – Deputy General Manager – General Manager
- **Professional technical track:** Employee – Operator – Technician – Junior Engineer (Technical Supervisor) – Intermediate Engineer (Technical Supervisor) – Senior Engineer (Technical Supervisor)

7.3 Employee Care

7.3.1 Labor-Management Communication

The Company continuously opens communication channels with employees, listening to their voices through various means. In daily work, employees are encouraged to maintain close communication with their direct supervisors, sharing work progress and discussing difficulties and challenges encountered. Each company and department has WeChat groups, enabling employees to communicate quickly online. The Company also has multiple channels to ensure employees can promptly provide feedback when they have issues or opinions.

Multiple communication channels



- Email:** The Company has published a dedicated employee service communication mailbox on its official website: erickuo@ygget.com. All emails are handled confidentially by the Human Resources Department.
- General Manager's Mailbox** The Company has set up a General Manager's mailbox. Designated personnel collect and summarize letters weekly and forward them to the responsible department for handling.
- Phone or face-to-face meeting** Employees can call the Company hotline: Taiwan (China) (+886-4-37021589) Chinese Mainland (+86-574-86228866) or directly meet with the Human Resources Department to discuss issues.

When receiving employee complaints, the Company responds promptly and handles them according to the following process to reach a mutually satisfactory result.

01	Reception and confirmation	After receiving a complaint, the Company promptly confirms receipt with the employee and ensures the employee understands the next steps.
02	Preliminary assessment	The Human Resources Department or a dedicated complaint handling team conducts a preliminary assessment to determine the nature, severity, and relevant responsible parties.
03	Investigation	If the complaint involves serious issues, the Company initiates an investigation to ensure a fair and transparent understanding of the complaint.
04	Feedback and communication	After the investigation, the Company communicates the results with the complaining employee and provides solutions or improvement measures.
05	Resolution and follow-up	After handling the complaint, the Company implements improvements and preventive measures as needed and follows up to ensure effective resolution.

In 2024, Jiangsu Bright Steel conducted an employee satisfaction survey, reporting employee meal satisfaction at 87% and office environment satisfaction at 85%.



Certificate of Harmonious Labor Relations Enterprise in Wujiang District, Suzhou City

民主和谐永续共生| 12月总经理信箱处理情况公示

永冠江苏钢锐 2025年01月07日 08:18 江苏
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Jiangsu Bright Steel published the handling of employee feedback on its official WeChat account.

In addition, all companies strictly comply with the Labor Law of the People's Republic of China and the Trade Union Law of the People's Republic of China. Ningbo Yeong Shang, Ningbo Lulin, Dongguan Yeong Guan, Shanghai No. 1 Foundry, and Jiangsu Bright Steel have established labor unions, with 100% employee participation. Through the employee representative conference, issues of concern to employees, such as working hours, employee safety protection, employee benefits, training and promotion, and protection of women's rights are discussed, ensuring comprehensive protection of labor rights. During the reporting period, Shanghai No. 1 Foundry conducted a labor union re-election. Yeong Guan Holdings in Taiwan Region (China) signed labor agreements with employees according to relevant requirements and established an Employee Welfare Committee to fully safeguard employee rights.

The labor unions of Ningbo Yeong Shang, Ningbo Lulin, Shanghai No. 1 Foundry, and Jiangsu Bright Steel signed collective contracts on behalf of employees. The labor unions of Shanghai No. 1 Foundry and Jiangsu Bright Steel also signed special collective agreements for the protection of female employees' rights. The collective contracts cover working hours, rest and leave, welfare benefits, labor safety and hygiene protection, education, and training. The Special Collective Agreement for the Protection of Female Employees' Rights include labor rights protection and special interest safeguards for female employees.

During the reporting period, the total number of full-time employees in the above companies was 2,181, with 1,532 employees signing collective contracts, representing a signing rate of 70.24%. Among 320 female employees, 117 signed the special collective agreements for the protection of female employees' rights, with a signing rate of 44.32%.

Performance



Shanghai No. 1 Foundry was recognized as a Harmonious Labor Relations Enterprise in Wujiang District, Suzhou City, and a Three-Star Collective Bargaining Model Enterprise in Suzhou City.



Jiangsu Bright Steel was awarded "Five-Star Advanced Enterprise for Harmonious Labor Relations" in Changzhou City, the Worker Pioneer Award by Jiangsu Provincial Federation of Trade Unions, a Five-Star Trade Union Organization by Changzhou City Federation of Trade Unions, and Excellent Harmonious Labor Relations Enterprise in Jiangsu Province.



7.3.2 Employee Care

YGG values employees' work-life balance and alleviates work stress by organizing various activities to enhance their sense of happiness and belonging. The Company organizes sports competitions, cultural activities, and other events to help employees relax outside of work. During hot weather, the Company prepares supplies to prevent heat-related issues for employees. On Women's Day, gifts are distributed to female employees, and support is actively provided to employees in need, creating a caring atmosphere.

CASE

Ningbo Yeong Shang Implements Multiple Care Measures

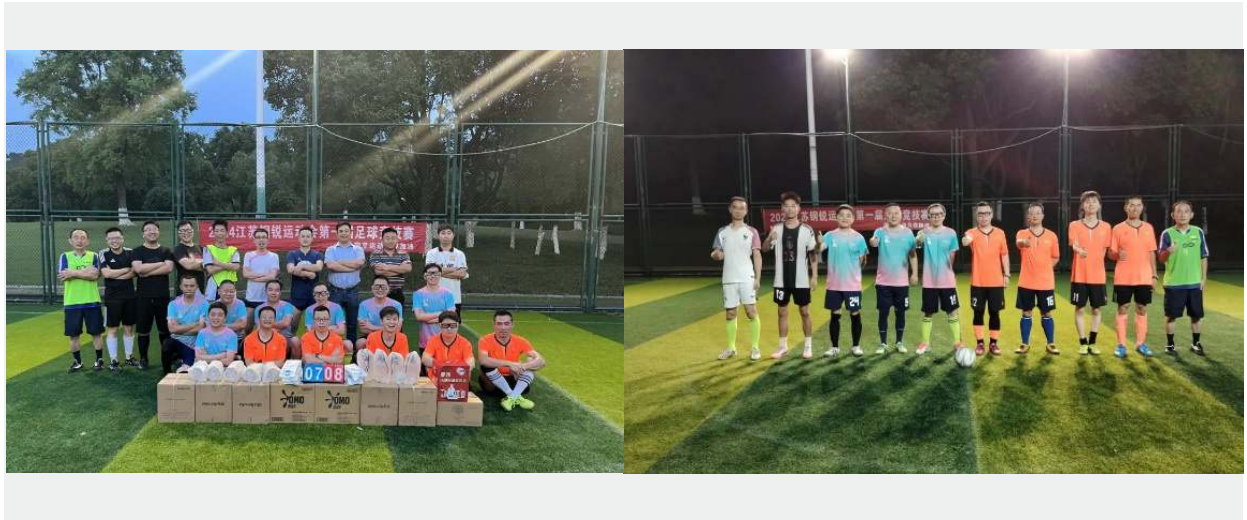
Ningbo Yeong Shang arranged specialized health screening programs for female employees targeting cervical cancer and breast cancer. These dedicated health examinations aimed to enable early diagnosis and prevention of these two high-incidence malignant tumors among women, and to enhance female employees' health awareness and ability for self-protection.

Additional medical insurance was purchased for employees, including hospitalization insurance for in-service employees, women's health protection, and Tianyi Yongning Insurance. The Women's Health Mutual Assistance Program is specially designed for female employees and provides coverage against specific health risks. Tianyi Yongning Insurance, as a commercial medical insurance program supported by the government, offers broad coverage, including out-of-pocket hospitalization and specific outpatient treatment expenses. On the 2024 International Women's Day, Ningbo Yongxiang's labor union thoughtfully planned and carried out a care initiative, preparing practical tissue packs as holiday gifts for all female employees to express care and respect. Through such concrete actions, the Company extended holiday greetings to female employees while also strengthening their sense of belonging and team cohesion.



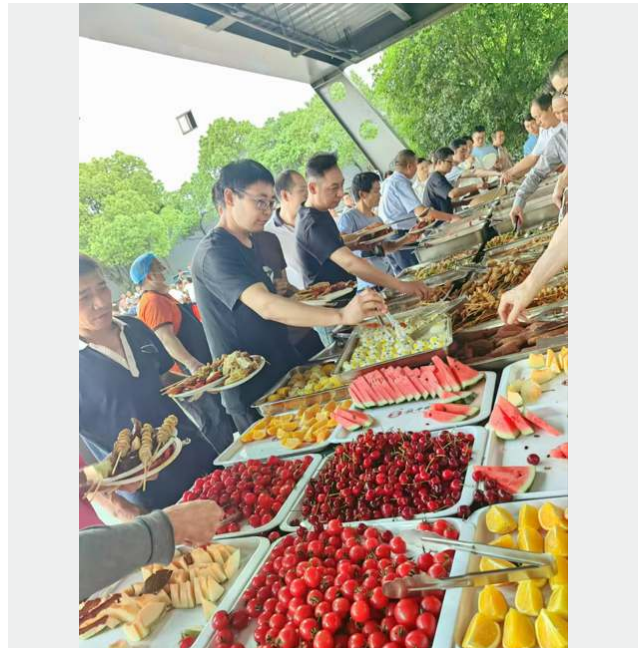
CASE ● Jiangsu Bright Steel Football Club Hosts First "Yeong Guan Cup" Five-a-Side Football Match

On July 8, 2024, the first "Yeong Guan Cup" employee five-a-side football match, part of the Yeong Guan Bright Steel Cultural and Sports Festival, was hosted by the labor union of Jiangsu Bright Steel and organized by the Bright Steel Football Club. The event not only reflected the goals of the festival, which include enhancing employee capabilities, enriching their lives, and promoting health, but also further strengthened the spirit of perseverance and unity among employees. Participants enjoyed both the match and the process. The spirit of "unity, confidence, and perseverance" displayed in football was transformed into strong work motivation, inspiring employees to contribute to the company's high-quality development with greater morale, passion, and determination. This football match was a meaningful event. It provided a platform for physical competition and fostered a spirit of striving and collaboration among employees.



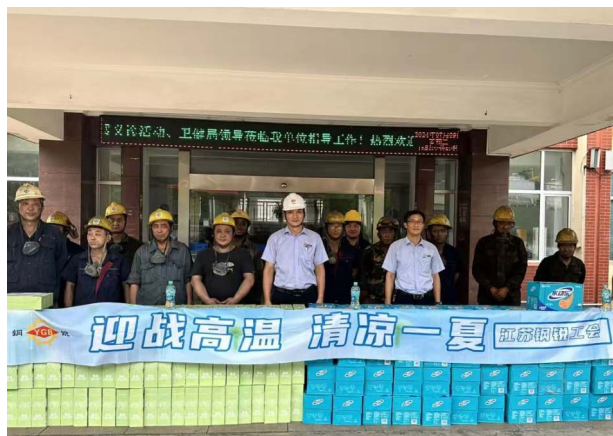
CASE ● Shanghai No. 1 Foundry Organizes Barbecue and Buffet Carnival

Shanghai No. 1 Foundry organized a barbecue and buffet carnival for employees. This was a joyful moment for all, offering relaxation and celebration after intense work. The event was not only a feast of food and entertainment, but also helped employees return to work with renewed enthusiasm and a positive mindset. It fostered unity and collective progress, injecting strong momentum into the company's development.





Ningbo Lulin organizes employees to participate in a local government tug-of-war competition.



Jiangsu Bright Steel provides summer relief supplies to frontline employees.



Jiangsu Bright Steel holds a Women's Day activity titled "Skillful Hands, Planting Beauty," where a teacher shares knowledge on succulent planting and care.



Jiangsu Bright Steel hosts a symposium for retired employees.



Jiangsu Bright Steel partners with a pastry shop to host an ice-skin mooncake making event.



Ningbo Yeong Shang prepares grapes for employees to help them cool down in the summer.



Shanghai No. 1 Foundry establishes a dedicated "Mom's Station".



Shanghai No. 1 Foundry organizes Children's Day celebrations to spark childlike joy among employees.



Shanghai No. 1 Foundry holds a Dragon Boat Festival event titled "Fragrant Festival, Shared Joy".



Shanghai No. 1 Foundry conducts a psychological training session on stress and emotion management.



Shanghai No. 1 Foundry organizes a special Qixi Festival event for young employees.



Yeong Guan Holdings conducts workplace violence prevention training to help employees recognize and respond to potential risks.



Yeong Guan Holdings organizes a Christmas dinner party

For more activity cases, please refer to the Official Website - News Center - Corporate News section
<https://www.ygget.com/content/zh/223.aspx>.

7.4 Occupational Health and Safety

The Company regards EHS as its top priority and adheres to the safety policy of "safety first, prevention-oriented, comprehensive management, and continuous improvement". In strict compliance with the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, and other relevant regulations, the Company strengthens safety management to prevent and reduce workplace accidents and to create a healthy, safe, and environmentally friendly work environment for all employees. **For this year, the relevant occupational safety disclosure is detailed in section 5 of Chapter 4 of the annual report on labor relations.**

7.4.1 Safety Management

The Company has established a management system centered on EHS (environment, health, and safety). Manufacturing bases, including Ningbo Yeong Shang, Dongguan Yeong Guan, Jiangsu Bright Steel, Ningbo Lulin, and Shanghai No. 1 Foundry, have all passed the ISO 45001 Occupational Health and Safety Management System certification, covering all employees. Through continuous optimization of production processes and workflows, hazard risk identification and management, emergency management, contractor safety management, and safety culture training, the Company continuously enhances its safety management level. During the Reporting Period, Jiangsu Bright Steel and Ningbo Lulin both maintained the validity of their Work Safety Standardization Certificate (Level 3).



Each subsidiary has established a dedicated committee and safety department to coordinate safety-related work, supervise the implementation of work safety regulations, and promote the enforcement of the safety responsibility system. They also regularly organize safety training and awareness activities.

Ningbo Yeong Shang, Dongguan Yeong Guan, Jiangsu Bright Steel, Ningbo Lulin, and Shanghai No. 1 Foundry have implemented a system for signing the Safety Responsibility Agreement, with a total of 1,763 employees having completed the signing.

Performance

In 2024, the Company's expenditure on work safety totaled RMB 6.0881 million⁴.

⁴ The statistical scope does not include Yeong Guan Holdings



7.4.2 Workplace Safety



System Guarantee

The Company places high importance on work safety and has established detailed management systems and operating procedures. Examples include: Safety Maintenance Management Regulations, Electrical Safety Management Regulations, Power Distribution System Safety Management Regulations, In-Plant Vehicle Transportation Safety Management Regulations, Low-Voltage Electrical Safety Management Regulations, Regulations on the Safe Operation and Control of Electrical Systems, High-Altitude Work Safety Management Regulations, Industrial Gas Cylinder Safety Management Regulations, Official Vehicle Safety Management Regulations, Mechanical Operation Safety Control Procedures, Work Safety Inspection System, Grounding (Neutral) System Safety Management Regulations, Temporary Wiring Safety Management Regulations, Oil Depot Safety Operation Procedures, Fire Safety Operation Management Regulations, Fire Equipment Safety Management Regulations, Pressure Vessel Safety Management System, Portable Electrical Equipment Safety Management Regulations, Safety Investment Guarantee System, Electrical Safety Management System, and Special Equipment Safety Management System.



Process Flow

The Company regularly organizes frontline team leaders and employees to carry out Job Safety Analysis (JSA) for comprehensive risk identification, covering production sites, equipment and facilities, and operational processes. For example, protective panels are installed around machine tools to increase the safety distance between personnel and machines. Production equipment is equipped with LOTO (lockout-tagout) devices. Lockout-tagout refers to the use of dedicated locks and tags to secure the energy isolation devices of equipment, such as power switches and valves, in a safe position. Warning tags are attached to clearly inform others that the equipment is under maintenance or servicing and must not be operated. Only the personnel performing the lockout-tagout procedure or authorized personnel are allowed to remove the locks and tags and restore the equipment to normal operation. This prevents accidental start-up that could cause injury to personnel performing maintenance or servicing. It clarifies the safety status, reminds others not to operate the equipment without authorization, and enhances the effectiveness of on-site safety warnings. It also standardizes operational procedures, helps cultivate good safety habits, and improves the overall level of safety management. To avoid safety risks caused by accidental equipment start-up during downtime for maintenance or servicing, KYT (Hazard prediction training) activities are conducted at daily pre-shift meetings. These activities involve identifying potential hazards in the production process, organizing employees to apply brainstorming techniques to analyze and predict danger points in operational tasks, and formulating corresponding preventive measures to prevent accidents. These practices help raise employees' safety awareness, enabling them to develop a deeper understanding of potential hazards in the work environment, thereby enhancing their safety consciousness and self-protection abilities. They support the identification and prevention of hazards by formulating preventive measures in advance, eliminating risks at the source, and effectively reducing the accident rate. They also foster team collaboration skills by enhancing communication and cooperation among team members, thereby improving the team's overall cohesion and effectiveness. In addition, they promote the development of a safety culture, creating a positive safety atmosphere within the enterprise and advancing the company's safety management level.



Emergency Management

Emergency Management: Adhering to the principles of prevention first and rapid response, the Company formulates emergency plans, equips emergency supplies, and conducts emergency drills to effectively enhance its ability to respond to unexpected incidents. In 2024, the Company carried out a total of 20 emergency drill projects, with 6,870 total participants.

Each subsidiary has established an emergency rescue team, with some members holding professional qualifications such as Red Cross First Aid Personnel, Fire Prevention Administrator, and Blue Sky Rescue Team certifications. First aid kits are equipped in workshops to meet common needs. Except for Shanghai No. 1 Foundry and Ningbo Lulin, all subsidiaries are equipped with first aid personnel.



Safety Inspection

During the reporting period, the Company conducted a total of 194 safety inspections.

7.4.3 Occupational Health and Safety

Goals	Achievement in 2024
The annual compliance rate for occupational hazard factors inspection is 100%.	100%
The occupational health examination rate is 100%.	100%

- Provision of Labor Protection Supplies** Provide workers with occupational health protection facilities and personal protective equipment that meet the requirements for occupational disease prevention and control, and actively improve working conditions.
- Conducting Safety Health Checkups** Organize occupational health checkups for workers in accordance with the law before employment, during employment, upon leaving employment, and in emergency situations. If workers are found to have health damage related to their occupation, they are promptly transferred from their original positions and properly accommodated. Occupational health and safety checkups are carried out for employees in accordance with the law.

Categories	2022	2023	2024
Total number of occupational health examinations	1246	1256	1556
Number of occupational contraindications discovered	17	8	9
Handling measures	Changing properties and content	Changing properties and content	Changing properties and content

- Occupational Disease Control** The Company has established an occupational health management department and assigned dedicated personnel to oversee the prevention and control of occupational diseases. Each year, a qualified third party is engaged to conduct inspections of occupational hazard factors and issue official testing reports. The Company also carries out awareness and educational campaigns on occupational disease hazards to enhance employees' understanding and awareness of prevention and protection.
- Hazard Risk Identification** The Company actively carries out hazard identification to reduce potential safety risks. Shanghai No. 1 Foundry and Jiangsu Bright Steel offer incentives to employees who report safety hazards. In 2024, the Company identified a total of 908 hazard risks. Safety officers conducted monthly inspections of hazard sources, and all identified issues have been rectified through closed-loop management.
- Safety Training** The Company regularly organizes safety training and drills for employees to improve their safety awareness and emergency response capabilities. The training covers safety regulations, operating procedures, emergency measures, and other related topics to ensure employees proficiently master safety knowledge and skills. Additionally, the Company conducts simulation drills to assess employees' emergency response capabilities, ensuring quick and effective actions during emergencies. The Company also values employees' mental health and provides related training to help alleviate stress.

Name of Target	Total training hours in 2024 (hours)	Total attendance (person-hours) in 2024
Three-level safety education for new employees	7816	14270
Training for safety management personnel	585	2528
Safety training for on-the-job employees	425.4	21095

Note: Safety training for new employees in the Taiwan Region (China) lasts 8 hours, while new employees in other factories receive 24 hours of safety training.



Safety Activities

During the annual Work Safety Month, all employees participate in themed activities, including watching safety warning videos, taking the Work Safety Month pledge, signing the Work Safety Month commitment, and joining the safety knowledge competition with prizes.



Medical Services

Ningbo Yeong Shang has signed agreements with Ningbo Beilun Changzheng Orthopedic Hospital and Ningbo Beilun District Care Hospital, providing designated personnel to assist employees with medical treatment, with no treatment fees required. Shanghai No. 1 Foundry has agreements with Suzhou Professional Orthopedic Hospital to facilitate emergency treatment for personnel injuries. Dongguan Yeong Guan offers hospital medical privilege cards and green channels, enabling employees and others injured to receive treatment first and settle costs later. Ningbo Lulin has a green channel agreement with Beilun Changzheng Orthopedic Hospital. Yeong Guan Holdings has signed a service agreement with Tungs' Hospital.

Name of Metrics	2022	2023	2024
Annual total working hours	3914619.10	3831523.00	4384346.50
Number of work-related injury deaths	0	0	0
Number of severe work-related injuries ⁵	2	1	0
Severe work-related injury rate	0.11%	0.05%	0.00%
Number of occupational diseases	0	1	0
Recordable occupational injuries (B+C)	69	51	67
Number of lost work incidents	39	35	56
Lost time injury rate (LTIR) per million working hours ⁶	9.96	9.13	12.77
Severe lost time injury rate (SLTIR) per million working hours ⁷	2809.85	2986.02	3842.76

Note: The classification of work-related injuries with serious consequences includes: Fatal injuries; resulting in death; Category B2: serious injuries; Category B1: minor injuries; Category C: incidents with no lost work time; Category D: first-aid cases; Category E: fright-related incidents.

CASE

Jiangsu Bright Steel Enhances the Application of Automation Equipment

Jiangsu Bright Steel optimized the electric furnace feeding process by replacing the manual feeding procedure with automatic feeding cranes and feeders. The automatic crane enables rapid and precise transportation of raw materials to designated positions, reducing labor input and minimizing the impact of human factors on feeding accuracy, while also reducing potential safety hazards.

The newly configured flipping crane with remote control allows operators to operate from a safe position, thereby reducing and transforming the operational risks associated with climbing up and down during manual flipping of sand molds using flipping frames.



⁵ Note: Severe work-related injuries are injuries that result in death or cause the worker to be unable, unwilling, or not expected to fully recover to their pre-injury health status within six months.

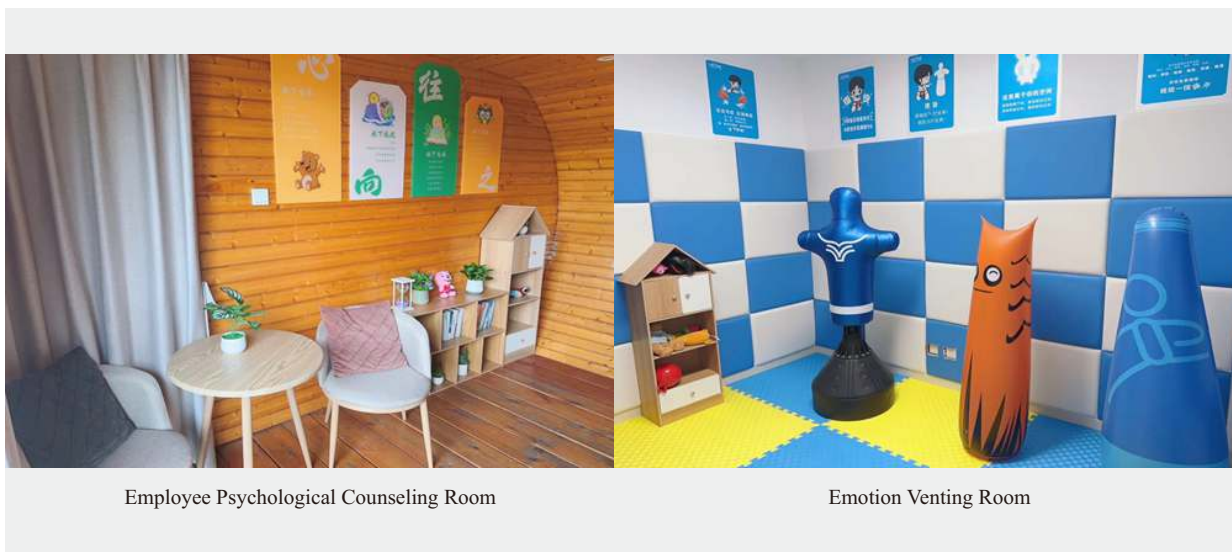
⁶ Lost time injury rate (LTIR) per million working hours = (number of lost time injuries in the year ÷ total actual working hours) × 1,000,000

⁷ Severe lost time injury rate (SLTIR) per million working hours = (total severe lost work hours in the year ÷ total actual working hours) × 1,000,000

CASE

Shanghai No. 1 Foundry Provides EAP Training to Help Employees Alleviate Work Pressure

In May 2024, Shanghai No.1 Foundry implemented an Employee Assistance Program (EAP) that offered three training sessions: "A Day of Self-Cultivation for Team Leaders", "How to Effectively Address Employee Complaints", and "Stress and Emotion Management". These courses utilized psychodrama role-playing, theoretical instruction, case discussions, and scenario simulations to help employees build positive and supportive behavioral models, enhance the Company's capacity to prevent and resolve employee complaints, and promote harmonious labor relations. Employees also learned relaxation techniques such as abdominal breathing, mindfulness exercises, and butterfly tapping to alleviate acute stress, effectively release negative emotions, and promote mental well-being.



Employee Psychological Counseling Room

Emotion Venting Room

CASE

Yeong Guan Holdings Appoints Workplace Nurse

Yeong Guan Holdings appointed a workplace nurse to operate independently and manage projects autonomously. The nurse simplifies health-related concepts and conveys them to employees, becoming a trusted source of health support. The nurse regularly promotes safety and health awareness in different work areas and provides relevant suggestions. For employees who require follow-up visits after health examinations or exhibit abnormal results, the nurse conducts regular follow-ups, provides assistance, and offers health education. Additionally, the Company strengthens annual dengue fever advocacy and implements the AED (Automated External Defibrillator) program in alignment with the Four Major Plans and climate risk factors, supporting good practices under ISO 45001. In Fiscal Year 2024, the following initiatives were carried out:

On March 6, 2024, a workplace tobacco hazard prevention campaign was held in collaboration with local health authorities. The event aimed to raise employees' awareness of the dangers of tobacco, promote a smoke-free environment, and help employees understand the long-term health impacts of smoking. Smoking cessation counseling services were provided, and smoke-free work areas were established to support employee health. Raise employees' awareness of tobacco hazards: Employees were educated through professional health lectures and exhibitions to understand the scientific evidence of tobacco hazards, thereby enhancing their awareness of the dangers of smoke exposure, especially regarding tobacco control in the workplace. Promote the realization of a smoke-free environment: The campaign emphasized the creation of smoke-free work areas to ensure that employees' health in the workplace is not affected by smoke exposure. At the same time, it promoted care for non-smoking employees and helped improve the overall working environment. Provide smoking cessation counseling and support: Professional counseling services were offered to employees with smoking habits to help them understand the steps and methods for quitting smoking. Psychological and social support was also provided to enhance their confidence in successfully quitting. Advocate a healthy lifestyle concept: The advocacy during the activity was not limited to tobacco harm prevention but also covered overall health promotion, encouraging employees to develop healthier lifestyle habits such as maintaining a balanced diet, exercising regularly, and getting adequate rest.

This activity achieved the expected results by raising employees' health awareness and strengthening their shared commitment to a smoke-free environment. According to the activity feedback survey, employees stated that the activity had a positive impact on their health management and expressed willingness to participate in more health-related activities. In the future, the Company will continue to strengthen advocacy for a smoke-free environment, regularly organize similar activities, and provide more smoking cessation support to further advance the implementation of workplace sustainable development goals.



Workplace Violence Prevention Advocacy

On March 6, a Workplace Violence Prevention Advocacy event was held. This activity aimed to prevent violent behaviors in the workplace, provide employees with effective prevention and response strategies, ensure their physical and mental health, and create a safe and dignified work environment. Raising employees' awareness of workplace violence: The core purpose of this activity was to help employees understand what constitutes workplace violence. From verbal violence to physical violence, all forms of violent behavior can have profound impacts on employees' psychological and physical health. Through professional lectures and case sharing, employees were assisted in enhancing their vigilance and identifying violent behaviors. Preventing the occurrence of violent behaviors: Addressing various factors that may trigger workplace violence (such as work stress and poor communication), this activity provided effective prevention strategies to help employees reduce emotional reactions and promote positive communication and collaboration. Providing effective response strategies: For potential violent incidents, this activity taught employees how to take appropriate response measures when facing conflicts or threats, such as calmly handling conflicts, seeking help, and ensuring their own safety. Creating a safe and dignified work environment: We are committed to building a workplace culture free of violence and discrimination. Through the promotion of this activity, employees were encouraged to focus on their own and others' safety and well-being, fostering a respectful work atmosphere.



Lecture on Promoting Physical Health Activities

On May 3, a workplace activity to promote physical health was held in collaboration with local county and city health offices,

Through regular exercise and health activities, employees' physical health was promoted, their work performance improved, and overall well-being enhanced. At the same time, support was provided for employees with special needs to achieve the objective of reducing health inequality.

On May 17, training on Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) usage was conducted to enhance employees' first aid ability and improve workplace safety.

On July 12, the Summer Heat Hazard Prevention Advocacy was held.

Advocacy for high-temperature hazards during summer was conducted, providing knowledge on preventing heatstroke and other heat-related hazards to ensure employees' health and safety during the hot season, while increasing the Company's focus on Climate Action.

On August 9, the Summer Dengue Fever Prevention Advocacy was held.

Advocacy for summer dengue fever prevention was conducted to assist employees in understanding mosquito prevention measures and prevention knowledge, emphasizing clean environment and water quality management to safeguard employees' health. Through professional lectures and information dissemination, employees were informed about the transmission routes, symptoms, and risks of dengue fever, especially during summer when mosquito breeding is more prevalent, increasing the transmission risks of the disease. It is hoped that employees can recognize the symptoms of the disease early, seek medical attention promptly, and reduce health risks. Popularizing mosquito prevention measures and knowledge: The activity provided simple and practical mosquito prevention methods, including wearing long-sleeved clothing, using mosquito repellent, and installing mosquito nets, while emphasizing maintaining cleanliness at home and in the work environment to prevent mosquito breeding. Especially in indoor and outdoor water accumulation areas, employees are required to regularly inspect and clean these areas to prevent mosquito breeding. The importance of a clean environment and water quality management: A clean work environment and good water quality management are key to preventing dengue fever. Through this advocacy, emphasis was placed on regularly cleaning water containers, maintaining smooth drainage, and eliminating stagnant water. These measures can effectively reduce mosquito breeding conditions and protect employees from mosquito bites. Cultivating healthy lifestyle habits: In addition to dengue fever prevention, this activity encouraged employees to adopt healthy lifestyles, including proper exercise, balanced diet, and maintaining good rest schedules, which enhances immunity and fundamentally reduces the risk of various diseases. Establishing a health culture: Through such activities, a work culture focusing on health, safety, and environment is fostered. Every employee is encouraged to become a health advocate, ensuring epidemic prevention measures reach every corner - from individuals to the collective - to jointly safeguard employees' health.



Dengue Fever Prevention Advocacy Training

On December 4, Employee Health Check

Regular health check-up services were provided for all employees, including foreign employees, ensuring that every employee's health received equal attention regardless of nationality or background. The health check covered basic items such as blood pressure, blood sugar, and cholesterol, with customized examinations based on employees' age and physical condition. Early Detection of Health Issues: Through comprehensive check-ups, potential health problems such as cardiovascular disease, diabetes, and hypertension were aimed to be identified early. Early detection facilitates timely treatment, reduces the risk of disease worsening, and helps minimize sick leave and productivity loss caused by health issues. Health Guidance and Recommendations: In addition to the check-ups, tailored health guidance was offered to each employee, providing suitable improvement suggestions based on the results. For example, employees with elevated blood sugar received advice on diet and exercise; those who were overweight were given weight loss and fitness plans to help improve quality of life.

113年在職員工年度健康檢查通告

- 受檢單位** 英屬維京群島商永冠能源材料股份有限公司台灣分公司
- 檢查對象** 全體員工
- 檢查日期** 113年12月04日
- 報到時間** 自08:00至10:30止
- 檢查內容** 一般檢查/尿液檢查/血液檢查/血脂肪檢查/肝功能檢查/腎功能檢查/糖尿病檢查/X光檢查/醫師問診等

注意事項

1. 體檢前需完成線上問卷填寫，請掃描QR Code→
2. 請於受檢前8小時內空腹（禁食任何食物及飲料）。
3. 受檢者如有高血壓、糖尿病、心臟疾病長期服藥者，檢查當日請攜帶備用藥，並告知醫護人員。
4. 請近視或遠視者，務必佩戴眼鏡或隱形眼鏡，以便視力檢查。
5. 女性受檢者若有懷孕及可能懷孕之同仁，請勿照X光，並請於報到時告知醫護人員。
6. 受檢前請勿做激烈運動、請勿喝酒。
7. 受檢前，請勿先解尿，以便尿液檢查。若女性員工遇生理期，請於報到時告知醫護人員。
8. 體檢當天請女性同仁拍攝X光前需更換檢查服（上衣及內衣需脫掉後只穿著檢查服）；以免影響胸部X光判讀結果。
9. 請女性員工儘量穿著輕便衣褲或褲裝，避免穿著洋裝及絲襪。
10. 如有承作噪音作業，聽力受檢前14小時避免出入噪音環境，如無法避免，請務必佩戴耳塞或耳罩。
11. 如有承作粉塵作業，務必更換檢查服，以便X光檢查。
12. 當天有配合執行口腔黏膜檢查（口腔癌）及糞便潛血檢查（大腸癌），請務必攜帶健保卡，以便過卡審核是否符合癌症篩檢資格。
13. 請員工於體檢報到時出示身分證，並於執行體檢時建議全程佩戴口罩，以維護受檢權益。



童綜合醫院
Tungs Taichung MetroHarbor Hospital

英屬維京群島商永冠能源材料股份有限公司台灣分公司
童綜合醫療社團法人童綜合醫院
與您共創健康和希望

We attention Focus on Foreign Employees' Health: Foreign employees, as important members of the company, often face challenges such as language and cultural differences. Special attention was given to their health needs. Besides explaining the examination process, multilingual health guidance was provided to help foreign employees better understand their check-up results and ensure they receive the same high-quality health services as local employees. **Promoting Overall Employee Well-being:** Employee health is a vital foundation for the company's success. This health check-up aimed not only to care for employees' physical health but also to foster a corporate culture that values employee well-being, thereby enhancing job satisfaction, loyalty, and productivity.



7.4.4 Contractor Safety Management

The Company prioritizes contractor occupational health and safety management and continuously monitors contractors' occupational health and safety performance.

Name of Metric	Total training hours in 2024 (hours)	Total attendance (person-hours) in 2024
Contractor Training	250	1698

01 Strict Preliminary Qualification Review: Contractors are required to provide business licenses, work safety permits, qualification certificates, and other relevant documents. Their business scope and qualification level must be verified to meet project requirements, ensuring they have the necessary safety production conditions and capabilities.

02 Signing Safety Agreement: The Company signs detailed safety management agreements with contractors, clearly defining the safety responsibilities and obligations of both parties, including compliance with the Company's safety regulations, provision of safety training, and assurance of construction safety. The agreement content must comply with laws and regulations.

04 On-site Safety Management: Designated personnel are responsible for supervising and managing the contractor's worksite throughout the process, promptly identifying and correcting violations and safety hazards. For special operations involving hot work, entry into confined spaces, work at heights, and lifting operations, the work permit system must be strictly enforced to ensure operational safety.

03 Safety Education and Training: The Company's EHS team conducts safety education and training for contractor personnel, who may only enter the facility after passing the training. The safety officer provides targeted pre-work safety training to contractor personnel based on specific construction projects and work content.


05 Process Supervision and Inspection: The EHS team regularly conducts safety inspections Process Supervision and Inspection: The EHS team regularly conducts safety inspections of the contractor's worksite and carries out random checks. Inspection items include personnel qualifications, use of safety protective equipment, implementation of safety operating procedures, and hazard identification and rectification. Identified problems must be corrected promptly, and work may continue only after confirmation of rectification.

06 Establishing Communication Mechanism: Close communication and coordination are maintained with contractors to keep informed of construction progress and existing problems, and to jointly develop solutions. Contractor personnel are encouraged to actively provide feedback on safety issues and suggestions, fostering a positive atmosphere of safety interaction.


08 Reward and Punishment System: A safety assessment system for contractors is established to evaluate their safety management, worksite safety conditions, and personnel safety behaviors. If violations are found, assessments will be conducted accordingly.

07 Developing Emergency Plan: Corresponding emergency plans are formulated based on the hazard factors related to the contracted work.


7.4.5 Chemicals Safety Management

- 


Chemical Storage

Dedicated storage warehouses are established based on the characteristics of hazardous chemicals. The warehouses comply with the Code for Fire Protection Design of Buildings, Design Code for Hazardous Chemical Warehouses, and other relevant standards. Appropriate isolation measures such as separate storage and isolated storage are adopted according to different categories of hazardous chemicals.
- 


Establish Inventory Registration

Detailed records are kept for hazardous chemicals, including name, quantities, specifications, entry and exit times, and handlers. Upon chemical entry, strict inspections are conducted on quality, packaging, and labeling to ensure compliance with requirements. Upon exit, the "First In, First Out" principle is followed, and chemicals are issued strictly according to the approved quantities requested by the using departments.
- 

Warehouse Inspection

A comprehensive inspection is conducted at least once daily, covering whether the warehouse temperature and humidity meet requirements, whether ventilation equipment functions properly, whether chemical packaging is intact, and whether any leakage occurs.
- 

Chemical Packaging

Appropriate packaging materials are selected according to the nature of the hazardous chemicals. Packaging materials comply with national relevant standards and must not chemically react with the chemicals being packaged. All hazardous chemical packaging is labeled or spray-marked with national standard hazard labels, including chemical name, molecular formula, hazard category, and warning signs.
- 

Discarded Hazardous Chemicals

We classified and collected according to their properties to avoid mixing chemicals of different natures, preventing dangerous chemical reactions. Dedicated collection containers and locations are set up. Collection containers have good sealing performance and are labeled with appropriate hazardous waste signs. Qualified hazardous waste disposal units are entrusted to handle discarded hazardous chemicals.

YGG Group does not produce toxic and explosive chemicals.

CASE • Ningbo Lulin Hosts Firefighting Competition

To improve employees' firefighting skills and emergency response abilities, Ningbo Lulin organized a firefighting competition drill. Participants were required to quickly deploy fire hoses, connect water nozzles to fire hydrants, open valves to spray water at targets, and compete based on the speed and accuracy of completing these tasks. This exercise aimed to enhance employees' emergency response capabilities in firefighting.



CASE • Yeong Guan Holdings Organizes Summer Heat Hazard Prevention

In response to summer heat disasters, Yeong Guan Holdings organized specialized training to provide knowledge on preventing heatstroke and other heat-related risks, ensuring employees' health and safety during the high-temperature season and raising the Company's awareness of Climate Action.

Regarding advocating for summer dengue fever prevention, employees were assisted in understanding mosquito prevention measures and prevention knowledge, while emphasizing clean environment and water quality management to safeguard employees' health.

Safety Monthly



Ningbo Lulin organizes a safety knowledge quiz competition and recognizes outstanding individuals and teams.



Shanghai No. 1 Foundry arranges regular health checkups for employees.



Dongguan Yeong Guan conducts Work Safety Month Activities.



Jiangsu Bright Steel invites external Blue Sky Rescue Team members to train company staff.



7.5 Social Welfare

Yeong Guan Group actively leverages its influence and fulfills its social responsibility as an enterprise, making important contributions to national economic development, society, and employment. Its subsidiaries actively participate in local community development at their respective operating locations, striving to build a more inclusive and harmonious social environment.

CASE● Ningbo Lulin Organizes Employee Donation Activity

On September 19, 2024, the labor union of Ningbo Lulin, together with the Company's Management Department, organized the "Warming Lives with Clothes and Care" donation activity. The event aimed to bring warmth and care to people in need through concrete actions, demonstrating the Company's sense of social responsibility and spreading positive energy.



CASE● Ningbo Yeong Shang Organizes The Second Public Welfare Donation Activity "Clothing All the Way, Warm Winter Campaign"

On September 20, 2024, Ningbo Yeong Shang organized a used clothing donation activity, demonstrating the Company's strong sense of social responsibility and the active participation of its employees. This activity not only delivered urgently needed winter clothing to people in impoverished areas, but also reflected the Company's emphasis on social responsibility and its support for employees' charitable efforts. Through this kind of public welfare activity, employees' teamwork and care for society were fully demonstrated, while also contributing to the harmonious development of society.



CASE

Ningbo Yeong Shang Organizes "Youth Bringing Warmth, Caring for the Elderly" Nursing Home Volunteer Service Activity



On March 3, 2024, the labor union of Ningbo Yeong Shang, in cooperation with Dagang Community, visited the Beilun District Central Welfare Home and carried out the "Youth Bringing Warmth, Caring for the Elderly" volunteer activity. Volunteers brought daily necessities such as toothpaste, toothbrushes, towels, and fruit to the elderly, and jointly organized flower arrangement and lantern-making activities with the community, allowing the elderly to experience the joy of life. Through heartfelt conversations, volunteers gained a deeper understanding of the elderly's living conditions and provided support and assistance. This activity not only promoted the traditional virtue of respecting the elderly and caring for the young, but also raised social awareness of the elderly and enriched the spiritual life of residents in the nursing home. It is hoped that through such activities, more people will be inspired to take part in caring for the elderly and help spread warmth throughout society.

CASE

Ningbo Lulin Organizes Participation in Voluntary Blood Donation

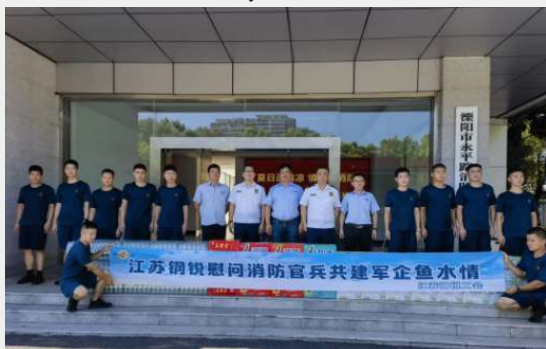
Ningbo Lulin actively responded to the blood donation initiative organized by the Blood Donation Office of Zhaobaoshan Subdistrict, Zhenhai District, Ningbo, and organized participation in the "Donate Blood, Light up Life with Love" activity on October 16, 2024. A total of 16 employees took part in the event.



Jiangsu Bright Steel Carries out Public Welfare Book Donation Activity in Guxian Subdistrict



Jiangsu Bright Steel Carries out Volunteer Visit to Nursing Home



Jiangsu Bright Steel Provides Summer Relief to Firefighters



Yeong Guan Holdings Charity Donation



8 PROSPEROUS ECONOMY

- 8.1 Corporate Governance
- 8.2 Operational Performance
- 8.3 Product Services
- 8.4 Sustainable Supply Chain
- 8.5 Information Security

8.1 Corporate Governance

In terms of corporate governance, Yeong Guan Group continuously optimized its governance structure to ensure that shareholder rights were fully protected. The Company committed to enhancing the transparency of information disclosure to boost market confidence and strengthen investor trust. At the same time, the Company strictly complied with laws and regulations, and adhered to the bottom line of compliant operations, laying a solid foundation for steady corporate development.

The General Meeting of Shareholders, as the highest decision-making body, is responsible for reviewing major matters and safeguarding shareholder rights. The Board of Directors is responsible for daily business decisions and the achievement of strategic objectives. The Audit Committee assists the Board of Directors in supervising the Company's accounting, financial reporting processes, and the procedures and quality of regulatory compliance. The Compensation Committee assists the Board of Directors in implementing and evaluating the compensation policies and systems for the Company's directors and managers. The Sustainable Development Committee assists the Board of Directors in formulating, promoting, and strengthening the Company's sustainable development policies, plans, and strategies, tracking and reviewing the execution and effectiveness of sustainability efforts, and supervising and reviewing matters related to sustainability information disclosure.



From January 2 to 5, 2025, the Company successfully held a Management Consensus Camp in Dongguan, Guangdong, laying the foundation for the Company's sustainable development roadmap.

8.1.1 Functions of the Board of Directors

The Company, in accordance with its Articles of Association, has established a director nomination system, under which directors are elected by the Shareholders' Meeting in accordance with the law. The nomination and review of director candidates are conducted in compliance with relevant laws, regulations, and corporate governance principles to ensure fairness and transparency in the selection process. The Board of Directors plays a key role in formulating and reviewing the Company's mission, core values, and strategic direction, and is deeply involved in major decision-making and the establishment of sustainability objectives. The Board of Directors ensures that all processes align with the Company's Sustainable Development Goals and are consistent with the Company Strategy and Policies through the established internal review mechanism. Reviews are generally conducted once a year. However, in the event of significant changes or external factors (such as regulatory amendments or industry trends), the Board of Directors will carry out additional reviews as necessary to ensure continuous improvement and compliance with relevant requirements.

The Chairman of the Board, Mr. Hsien-Ming Chang, is responsible for convening and presiding over board meetings and assisting the Board in overseeing the implementation of the Company's policies. The General Manager is responsible for operational management. The division of responsibilities is clearly defined to effectively avoid role overlap and potential conflicts of interest.

The Company places great importance on the independence and diversity of its Board. As of the end of the reporting period, the Board consisted of one female director and three independent directors.

During the reporting period, the Company convened a total of four board meetings, with a 100% attendance rate by all directors.

Composition of Board Members over the Past Three Years

Name of Target		2022	2023	2024
Number/person		11	11	10
By Gender	Male (person)	10	10	9
	Female (person)	1	1	1
	Percentage of female directors (%) ⁸	9.09	9.09	10.00
By age	Under 50 years old (person)	2	2	2
	50-60 years old (person)	2	2	1
	Over 60 years old (person)	7	7	7
By education level	Research Institutes (person)	4	4	3
	Colleges and Universities (person)	6	6	6
	High School and Below (person)	1	1	1

Note: For details on the main educational background, concurrent positions of the Company's Board Members, and the list of major Shareholders, please refer to the Company's Website.

The Company's current Board of Directors was originally composed of 11 directors, including 4 independent directors. On November 30, 2024, one independent director resigned, resulting in a total of 10 directors, including 3 independent directors.

CASE • Training Session on GRI Standards and the Company's Sustainable Development Best Practice Guidelines

On November 13, 2024, Yeong Guan Group organized a training session on the GRI (Global Reporting Initiative) Standards and the Group's Sustainable Development Best Practice Guidelines to further advance its sustainable development efforts and actively fulfill its corporate social responsibility. The session brought together ESG report preparation teams from various subsidiaries to align perspectives, raise awareness, enhance professional skills, and further drive the Group's sustainable development.

Following the training, Yeong Guan Group also organized a test on the GRI standards. The examination content covered various aspects of the GRI Standards, including the principles of sustainability reporting, content requirements, and indicator systems. Participants answered questions attentively, demonstrating a positive learning attitude and professional competence. Through the examination, participants not only enhanced their mastery of the GRI Standards but also gained a useful reference for subsequent training and learning.

⁸ Proportion of female directors = (Number of female directors at year-end / Number of directors at year-end) * 100%.



Yeong Guan Group remains in the early stages of ESG implementation and has not yet linked ESG development goals or performance to the compensation of board members and managers. The Group will continue to monitor ESG trends and, once internal ESG practices are more mature, plans to incorporate ESG-related performance indicators into its performance evaluation and reward system, with the achievement of these indicators tied to individual performance assessments.

8.1.2 Ethical Integrity

The Company has always adhered to a business philosophy based on Integrity, formulating the "Code of Integrity Management" and "Code of Ethical Conduct," which are disclosed on the Company's Website. Additionally, to implement the integrity management policy and actively prevent unethical behavior, the Company has established the "Procedures and Behavior Guidelines for the Code of Integrity Management" under Article 6 of the "Code of Integrity Management", which specifically regulate matters that Company personnel should pay attention to when conducting business. Integrity operations serve as the cornerstone of the Company's Sustainable Development. Yeong Guan Group explicitly stipulates in the "Code of Integrity Management" the prohibition of bribery and acceptance of bribes, prohibition of providing Illegal Political Contributions, prohibition of Improper Charitable Donations or sponsorships, prohibition of offering or accepting improper benefits, prohibition of Facilitation Payments, prohibition of engaging in Unfair Competition Practices, prevention of harm to Stakeholders caused by products or services, and prohibition of Insider Trading and Confidentiality Agreement violations, along with corresponding preventive measures and handling procedures.

The Company strictly requires board members, managers, and employees to adhere to the Company's "Code of Ethical Conduct" to avoid conflict of interest. It ensures that board members or managers do not allow personal interests to affect the Company's interests, especially in transactions involving relatives and partners. Board members and managers must not use the Company's resources or positions to seek personal gain.

The Company's internal regulations and Code of Ethical Conduct explicitly require employees to always maintain integrity and fairness when handling various business matters and strictly adhere to confidentiality obligations. Especially in the process of handling sensitive information (including but not limited to procurement agreements and contract terms), the Company has strengthened its requirements for fair trade to ensure that all interactions between the Company and customers comply with ethical standards and legal compliance, thereby minimizing potential risks caused by information leakage or conflicts of interest.

The definition of a significant event is based on the Regulations Governing the Verification and Public Disclosure of Material Information of Listed Companies, where a single event with cumulative fines amounting to NT\$1 million or more is considered a significant event. If such an event occurs, it will be disclosed and explained in the relevant section. In 2024, there were no such unlawful incidents.

The Company has established smooth reporting channels, with each factory publishing the general manager's email and setting up suggestion boxes. Report information is strictly kept confidential, and whistleblower's rights are protected. In 2024, the Company did not receive any whistleblower reports..

During the reporting period, the Company did not encounter any public litigation related to corruption involving the enterprise or its employees, nor any legal cases concerning unfair competition, antitrust, or anti-monopoly practices.

In January 2025, the Company conducted training on the Code of Integrity Management and the Code of Ethical Conduct for senior management personnel, with a total of 34 participants. Positions involved included the Chairman, several directors, the CEO, Chief Strategy Officer, Audit Office, Human Resources Department, Technical Department, Sales Office, Sustainable Development Office, general managers and deputy general managers of various factories, assistant general managers, and department managers.

Jiangsu Bright Steel and Shanghai No. 1 Foundry carried out integrity education and management for employees, ensuring that new employees receive training and sign integrity-related documents during onboarding. In 2024, Jiangsu Bright Steel organized integrity training covering all employees, reaching 713 participants. Shanghai No. 1 Foundry focused on key position personnel, completing integrity training for 125 individuals, effectively strengthening integrity awareness in critical roles. Related integrity education and management initiatives will be progressively implemented across the Group's subsidiaries.

8.1.3 Risk Management

The Company's Audit Committee supervises existing and potential risks. Through the Audit Unit directly reporting to the Board of Directors, internal controls are implemented and the Annual Audit Plan is executed. Relevant reports are submitted monthly and quarterly to the Independent Directors, with communication and discussion held regarding their questions or instructions. The execution status of internal audit activities is also reported at each quarterly Board Meeting and Audit Committee Meeting. These reports serve as the basis for actions following instructions from the Audit Committee and the Board of Directors. In case of special circumstances or significant anomalies, real-time reports are made to the independent directors. The Company continuously assesses each unit's operations through thorough and rigorous internal controls to prevent fraud and errors, thereby effectively improving operational quality.

The 2024 Annual Audit Plan includes 21 projects and a total of 41 audits. The plan aims to inspect and evaluate deficiencies in the internal control system and measure operational efficiency, providing timely recommendations to ensure continuous and effective implementation of the internal control system. It also serves as the basis for reviewing and adjusting the system, assisting the Board and management in fulfilling their responsibilities. All deficiencies and abnormalities identified within the audit scope have been tracked and addressed in accordance with regulations.

The Company cooperates with local law firms to continuously improve risk identification and control, ensuring compliant business operations.

The Company's tax policy complies with relevant tax laws and regulations, ensuring accurate, complete, and timely tax data reporting. Each year, a professional accounting firm is engaged to issue a tax report.

Climate Change/ Environmental Change Risks	Risk Management Strategies (Response Measures)	1
a.Climate Change	For details, please refer to the TCFD section above.	
b.Raising Environmental Standards	<ul style="list-style-type: none"> ● Reduce environmental impacts of products and manufacturing processes while complying with local regulations and meeting social expectations. Continuously invest in R&D of new materials and technologies to reduce impact at the source. ● Based on local regulatory requirements, invest in environmental control equipment aiming to exceed standards. Seek strategic partners to enable waste reuse within the factory or entry into another industrial recycling cycle. ● Presentation of different factories, occupational safety and health, conduct mutual supervision and learning to improve environmental safety quality. ● Strengthen communication with government environmental agencies, neighboring communities, and other stakeholders to foster mutual understanding. 	
c. Government production restriction measures and seasonal factors limiting energy use	<ul style="list-style-type: none"> ● Replace energy-intensive equipment and install smart control systems to implement energy management, and start with R&D and manufacturing processes to maximize energy efficiency. ● Secure guaranteed energy supply through government applications and agreements with electricity and gas providers to ensure continued operations and production during seasonal energy restrictions. (This measure also addresses Taiwan's current power shortage, where electricity rates for high-voltage users have risen by more than 11%.) ● Develop minimal-impact work stoppage plans and negotiate with local authorities to qualify as an exempt enterprise under pollution control production limits. 	
d. Extreme weather events such as typhoons, floods, droughts, extreme heat, and cold spells	<ul style="list-style-type: none"> ● Management teams at each branch and subsidiary closely monitor weather forecasts to ensure employee safety and adequate preparedness. ● Develop emergency response plans to mitigate the impact of sudden weather events on production. 	
e. Changes in temperature and rainfall, as well as impacts from sea level rise	<ul style="list-style-type: none"> ● Identify and assess chronic climate risks in a forward-looking manner, and incorporate the findings into production planning. 	



8 PROSPEROUS ECONOMY



Strategic Operational Risks	Risk Management Strategies (Response Measures)	2
a. R&D plan and expenses	The Company has long been cultivating technical developers to conduct research on various material development, mold development, and process improvement. Future R&D plans will focus on the development of special materials and higher precision casting products. The success of R&D depends on the quality of developers, mastery of manufacturing technology, and a customer-oriented approach. By leveraging long-term accumulated R&D achievements, the Company aims to enhance product performance and gain market competitive advantage.	
b. Litigation or non-litigation events (Litigation cases from the protection center for securities investors and futures traders)	The Company conducts regular quarterly reviews of internal regulations and checks the latest relevant legal sources, such as the Labor Standards Act, Air Pollution Control Act, Securities Exchange Act, etc., to appropriately revise internal rules to comply with the latest regulatory requirements.	
c. Supplier risks	Monthly reports are used for regular evaluation and discussion of risks. Selection criteria are established for new suppliers, and regular audits are conducted for existing suppliers to ensure quality, delivery time, and process capabilities. Since 2019, requirements related to environmental and social issues have been incorporated into the selection criteria for new suppliers. Advocacy and audits have been carried out for existing suppliers to reduce the negative impact in these areas, thereby stabilizing production and delivery schedules.	
d. Political and legal aspects	The Company continues to focus on regulations related to labor, environmental protection, personal data, food safety, construction, cross-strait relations policy, real estate policy, and more. Measures such as establishing personal data management measures, ongoing investment in environmental governance, improving work environment through software and hardware upgrades, sending employees for training, assisting in obtaining national certification licenses, and allocating an employee health care budget are implemented to respond appropriately.	
e. Human resources risks, sub-replacement fertility, employee capabilities, technical skills, and human resource management	<ul style="list-style-type: none"> ● Industry-government-academia collaboration: Develop multiple channels, deepen industry-government-academia collaboration, and optimize relevant measures to enhance the effectiveness of industry-academia-training collaboration and talent retention, while actively cooperating with colleges and universities. ● Internal training: Conduct vocational skills training and certification, while effectively utilizing the digital learning system to shorten the learning curve, enhance employees' expertise, and cultivate competencies. ● Improve the workplace environment: Enhance the quality of the work environment and promote the Health Promotion Administration's Healthy Workplace (Taiwan) certification-health activation label, establishing a healthy workplace environment. ● Human resource management: Through the analysis of per capita output, timely supplement manpower to ensure a safe and healthy work environment, continuously optimize various measures, systems, and benefits, and establish an employer brand to attract talent. 	

Financial risk	Risk Management Strategies (Response Measures)	3
a. R&D plan and expenses	<ul style="list-style-type: none"> ● Continuously focus on changes in market interest rates and mitigate future interest rate risks by extending loan periods. ● Regarding interest rate and exchange rate fluctuations, adopt a balanced approach emphasizing both cost and stability principles. Continuously focus on domestic and international market interest rates and exchange rate trends, adjust the Company's capital structure in a timely manner, reduce financing costs, and minimize losses caused by exchange rate volatility. 	
b. Risks associated with engaging in high-risk, high-leverage investment, lending funds to others, endorsement and guarantee, and derivative products transactions.	All investment activities conducted by the Company comply with the "Procedures for Acquisition or Disposal of Assets" and are executed after careful evaluation. Lending Funds to Others and Endorsement and Guarantee also adhere to the "Procedures for Lending Funds to Others" and "Endorsement and Guarantee Procedures". Transactions involving other derivative financial products will also be handled in accordance with the Company's established procedures for the acquisition or disposal of derivative products.	
c. Others (credit risk, inventory risk, etc.)	Monthly reports are used for regular evaluation and discussion of risks. To address risks associated with raw materials, which are influenced by price fluctuations, the Company has established control mechanisms to record order volumes and inventory levels.	
d. International trade disputes, anti-money laundering, and tax issues	In addition to continuously enhancing competitiveness, the Company also monitors developments in trade disputes between the United States and other countries, as well as policy changes in areas such as information exchange and capital repatriation, in order to plan ahead and respond to potential impacts.	

Market Risk		4
Risk Management Strategies (Response Measures)		
a. Domestic and foreign policies and legal changes in response to revisions by the competent authority regarding corporate governance and company law	Regularly review relevant information on economic and trade regulations of export markets and countries every three months, such as The Economist, Business Weekly, Fortune, CBAM, Bloomberg, Ministry of Economic Affairs, etc., and formulate corresponding company policies in response to changes in foreign policies and laws.	
b. Technology and industry changes	Enhance production technology and management capabilities, actively develop high value-added products, strengthen control over industry supply and demand as well as market price fluctuations, and reinforce operational strengths to respond effectively.	
c. Over-concentration in procurement or sales	Strive to diversify suppliers and customers. (YGG's products are diversified into industrial machinery, energy, and automotive components.)	

Information security risk	Risk Management Strategies (Response Measures)	5
a. Cyber attack risks: hackers, ransomware	<ul style="list-style-type: none">● YGG has established a dedicated Information Security unit (Information Department) responsible for coordinating with government agencies on cybersecurity incident reporting and response mechanisms. Internally, it formulates relevant information security policies and procedures to ensure compliance with applicable regulations and the principles of the Information Security Management System (ISMS), with ongoing efforts to improve and prevent security vulnerabilities.	
b. Data leakage and personal data protection		
c. Unanticipated information and communication interruptions	<ul style="list-style-type: none">● According to the Personal Data Protection and Information Security Management Measures, the response team conducts drills and tests to strengthen firewall mechanisms, antivirus and intrusion prevention systems, and email filtering software. Additionally, virtualized host architecture and offsite backup capabilities are adopted, with potential future evaluation of mutual offsite backup between the Taiwan Region and the Chinese Mainland Headquarters to consolidate data from various operational locations. Maintenance contracts are in place with system vendors to ensure effective system operation, guaranteeing timely and effective recovery in case of disasters. Going forward, software and hardware will be continuously updated, and website vulnerability testing will be planned to reduce information security risks.	
d. Public service interruptions and severe weather conditions		
e. Continuous investment in risk improvement		

Raw material risk	Risk Management Strategies (Response Measures)	6
Affected by factors such as environmental regulations, global supply issues, and the pandemic, suppliers' operational stability has declined, accompanied by rapid increases in raw material prices and less stable supply.	<ul style="list-style-type: none">● Engage with supplier cooperation with suppliers to lock in prices, negotiate order quantities, and manage price increases to avoid rapid hikes.● Continuously develop multiple suppliers to enhance supply backup capacity.● Establish inventory control mechanisms for raw materials and maintain safety stock levels.● Assist suppliers in their growth and in maintaining stable operational conditions.	

8.2 Operational Performance

Amid fierce market competition, the Company adheres to technological innovation, enforces strict quality control, implements green casting supply chain management, and promotes lean production and management practices. These efforts aim to enhance production efficiency and product quality, thereby improving overall operational performance.

YGG's Operational Performance Over the Past Three Years (Unit: NT\$ thousand)

	2022	2023	2024
Operating revenue	9,383,925	8,671,009	7,202,236
Operating cost	8,040,146	7,473,371	7,253,856
Payments to investors	148,654	243,667	432,581
Payments to the Government	130,194	13,137	470,929

Notes: Definition of operating revenue: Based on the operating revenue reported in the consolidated statement of comprehensive income in the financial report.

Definition of operating cost: Based on the operating cost reported in the consolidated statement of comprehensive income in the financial report.

Definition of payments to investors: Based on the financial cost + cash dividends reported in the consolidated statement of comprehensive income in the financial report.

Definition of payments to government: Based on income tax expense + penalties reported in the consolidated statement of comprehensive income in the financial report.

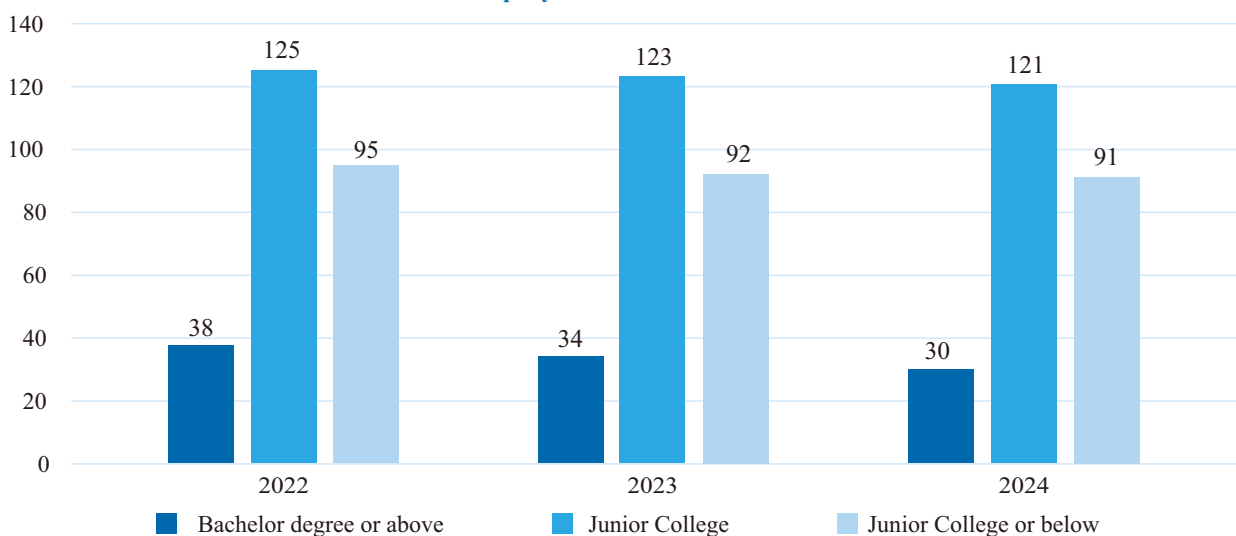
8.3 Product Services

Yeong Guan Group offers a comprehensive one-stop solution that includes mold design, casting, welding, coating, machining, and assembly. Through both vertical and horizontal integration, the Group delivers high-efficiency, high-quality products and services to its customers.

8.3.1 Innovation and R&D

YGG Group places a strong emphasis on technological innovation. It has established an R&D center staffed with dedicated personnel and equipped with specialized facilities. Each year, the Company carries out planned R&D activities focused on new products, technologies, and processes, with all projects developed in-house. In 2024, the Company invested a total of NT\$227.037 million in innovation and R&D, representing 3.15% of operating revenue. Jiangsu Bright Steel, Ningbo Yeong Shang, and Shanghai No. 1 Foundry have all been certified as high and new technology enterprises. Through vertical and horizontal integration, the Group delivers high-efficiency, high-quality products and services to its customers.

The Company's R&D Workforce Overview



Optimize Production Processes and Equipment Upgrades

The Company continues to optimize its production processes and upgrade its equipment, evolving from manufacturing basic products to high-end components, thereby advancing into the field of high-end equipment manufacturing services. By adopting advanced process technologies and mastering sophisticated metallurgical and engineering techniques, the Company delivers high-quality products with reliable lead times.

Enhancing Intelligent Level

Automation and intelligent technologies such as computer simulation and modeling are adopted. These technologies can improve production efficiency, reduce labor intensity, and predict potential defects during production. By continuously optimizing process parameters, the Company improves the stability of casting quality and yield rates.

Fostering Innovation

The Company has established performance evaluation and incentive mechanisms to encourage R&D personnel to pursue innovation and apply for patents. Those who successfully file patents receive rewards.

Promoting Green Manufacturing and Energy Efficiency

In response to national low-carbon policies, the Company actively promotes green manufacturing and energy conservation. Jiangsu Bright Steel has been certified under the "Standards for Foundry Enterprises", demonstrating the Company's achievements in lean management, high-quality development, green intelligent manufacturing, and carbon reduction.

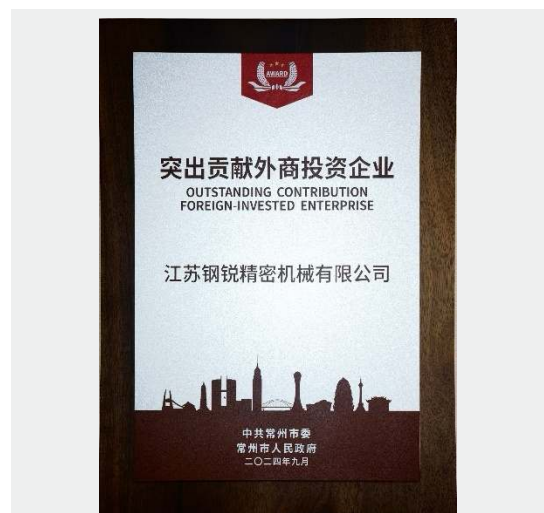
Strengthening Industry-University-Research Cooperation

Shanghai No. 1 Foundry has entered into a comprehensive partnership with Suzhou University of Science and Technology. The collaboration covers talent development, scientific research, technological innovation, technical consulting, and professional training, accelerating the pace of innovation and the transformation of scientific outcomes.

CASE

Jiangsu Bright Steel Recognized as an "Outstanding Contribution Foreign-Invested Enterprise" in Changzhou

The 2024 New Energy Industry Development Conference & Invest in Changzhou Conference was held on September 26 at Zhongwu Hotel, Changzhou. Under the theme "Connect to the World through Energy, Invest in Future Development", the event was structured into two segments: "New Energy" and "New Tracks". It focused on the era-defining challenges of new energy development and the mutual commitment to investing in Changzhou, jointly promoting the high-quality development of the new energy industry. Jiangsu Bright Steel was recognized as "Outstanding Contribution Foreign-Invested Enterprise" in Changzhou. Looking ahead, Jiangsu Bright Steel will remain committed to its mission, "Casting the Crown of the World, Creating Industry Sustainability," and strive to become a global benchmark in the sustainable development of the secondary metal processing service industry.



Actively Promoting Industry Standards

Shanghai No. 1 Foundry participated in drafting T/WJZZ 002-2020, Foundry Intelligent Workshop General Requirements; Jiangsu Bright Steel contributed to drafting JB/T14408-2023, Green Factory Evaluation Requirements for the Foundry Industry; and Ningbo Yeong Shang was involved in drafting GB/T32151.21-2024, Requirements of Greenhouse Gas Emissions Accounting and Reporting - Part 21: Foundry Enterprise.

Intellectual Property Protection

The Company attaches great importance to protecting intellectual property. As of the end of the reporting period, the Company had been granted 8 new patents in 2024 (including 1 invention patent and 7 utility model patents), bringing the total number of patents to 200 (16 invention patents and 184 utility model patents).

CASE • Shanghai No. 1 Foundry's R&D on High-Efficiency Lubrication and Deformation-Prevention Technology for Injection Molding Machine Clamping

This project involved a completely new research and design of the clamping device for injection molding machines. It resolved problems such as the gradual decline of lubrication between the moving module and guide post in existing machines, which often caused damage and misalignment between the moving module and fixed mold. Under the strong pressure during injection, mold deformation could occur, resulting in flash defects and reduced yield. Moreover, the rapid opening and closing of molds during production could cause damage to the molds, shortening their service life.

CASE • Yeong Guan Holdings' Development of Large Megawatt (14 MW) Castings and Processing for Wind Power Generation

The large megawatt (14 MW) castings are components for offshore wind turbine units. The maximum casting dimensions are $\varnothing 7200 \times 5400$ mm, with a single casting weighing over 90 tons. The molten iron poured weighs over 100 tons, and the total weight of the casting, including the sand box and mold, exceeds 600 tons. In process design, ensuring product quality and safe operations throughout all production stages are both crucial. Yeong Guan Holdings employed 3D design software for clear and detailed design, complemented by casting simulation software for analysis and calculations. After multiple review meetings, the plan was finalized, followed by mold, process, and tooling development. Yeong Guan Holdings designed dedicated sand boxes in collaboration with universities, using specialized software to analyze their strength and deformation. Based on the analysis, the design was optimized before production, which was carried out under full supervision to ensure quality and safety. The product was successfully developed in 2024, meeting all expected parameters.

8.3.2 Product Quality

The Company consistently adheres to the quality policy of "Create excellent product quality and enhance stakeholder satisfaction". Subsidiaries including Ningbo Yeong Shang, Dongguan Yeong Guan, Jiangsu Bright Steel, Ningbo Lulin, and Shanghai No. 1 Foundry have all obtained ISO 9001 Quality Management System certification. A series of stringent measures and advanced technical methods ensure that products meet the highest standards.

Quality Inspection

All raw materials undergo rigorous testing before entering the production process. During the production process, every production stage is monitored in real-time. After production is completed, all finished products undergo strict quality inspection before leaving the factory.

Information Management System

An Information Management System has been established, including project management and quality management, to improve communication and collaboration efficiency, ensuring control over progress and quality.

Advanced Laboratory Testing Capabilities

Except for Ningbo Yeong Shang, other subsidiaries within the Reporting period have established laboratories equipped with advanced devices such as impact testing machines, 3D scanners, laser scanners, laser trackers, magnetic particle testing machines, and ultrasonic testing machines to complete product testing tasks.

Conducting quality training

During the reporting period, the Company organized a total of 49 quality-related training sessions.

Nonconforming Product Management

We established a comprehensive defective product control system covering the entire process and multiple stages. Through clear classification, detailed division of responsibilities, standardized procedures, standardized handling, and long-term improvement mechanisms, defective products are effectively controlled. The Company classifies defective products into clearly defined categories, including major nonconforming products, minor nonconforming products, reworked products, concession-accepted products, scrapped products, and products pending disposition. This classification provides clear standards for subsequent In terms of responsibility division, departments including production, quality assurance, business, procurement, production control, and technical support coordinate closely. The production department is responsible for self-inspection and isolation; the quality assurance department leads disposition and analysis; the business department handles customer feedback; the procurement department addresses nonconforming incoming materials; the production control department manages the flow of returned products; and the technical department provides technical support, forming an efficient collaboration network. The Company has also established a long-term improvement mechanism driven by data. By conducting statistical analysis of defect data, it formulates corrective and preventive actions, traces the root causes of customer complaints, and implements systematic improvements. Traceability procedures ensure end-to-end visibility, thereby driving continuous quality improvement. A closed-loop management system has been established for defective products, covering discovery, disposition, handling, and improvement. This not only prevents nonconforming products from entering subsequent processes, but also reduces defect rates through continuous improvement, thereby ensuring product quality and enhancing customer satisfaction.

Product Recall

Yeong Guan Group, as a professional casting enterprise, focuses on providing customized production services based on customer-supplied blueprints. Its business model is centered on drawing-based manufacturing, with all products strictly produced in accordance with the technical drawings, process requirements, and quality standards specified by customers. Since the Company is not engaged in independent R&D or the production and sale of proprietary branded products, there have been no proprietary product recalls. The Company always prioritizes customer requirements and ensures that delivered products meet blueprint and contract specifications through a comprehensive Quality Management System. By controlling quality risks at the source, the Company provides reliable, customized casting solutions.



Ningbo Yeong Shang was recognized as Best Partner by BOBST China



Commendation banner from Shanghai Electric Wind Power Group to Jiangsu Bright Steel



Best Quality Award presented to Ningbo Lulin by Guowang Group



Ningbo Yeong Shang was awarded Strategic Partner Award from Weili Transmission




Quality management training for on-site supervisors by external experts





Participation in external training programs

8.3.3 Customer Service

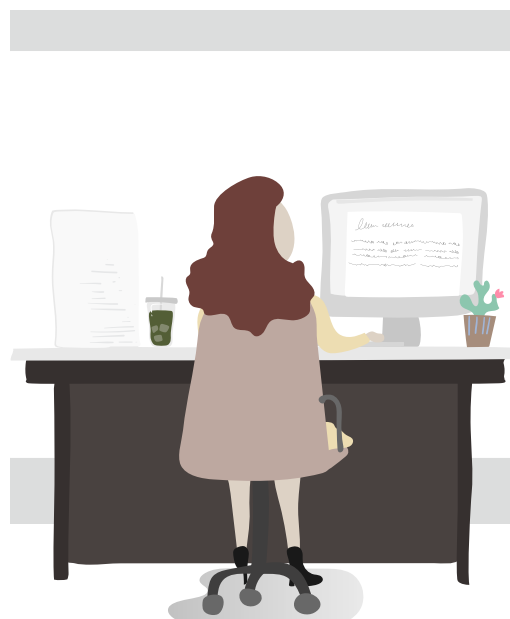
Yeong Guan Group is a globally leading casting supplier, serving customers across industries such as wind turbines, injection molding machines, machine tools, and industrial machinery. The Company continuously improves customer relationship management to enhance customer satisfaction.

 **Customer Relationship Maintenance** The Company has established a customer database to record contact information and preferences, enabling a better understanding of customer needs and the delivery of personalized services. Relevant employees receive necessary training to ensure they possess strong customer service skills and knowledge. Regular communication is maintained through visits, supplier conferences, annual customer meetings, trade shows, video conferences, and phone calls to stay informed about customers' current business challenges, objectives, and plans, ensuring up-to-date responsiveness to customer needs.

 **Customer Complaint Handling** The Company publishes contact information for customer service representatives on its website (daisy@ygget.com) to ensure timely responses to customer inquiries and complaints. Upon receiving a complaint, sales personnel initiate the process through the OA Customer Complaint Case system and promptly notify the responsible unit for immediate handling. Depending on the actual situation, the responsible unit implements corrective actions such as repair or replacement and provides root cause analysis and preventive measures. Sales personnel are required to close each complaint case within five working days. During the reporting period, the Company achieved a 100% customer complaint resolution rate.

 **Customer Satisfaction Survey** Sales staff provides customers with the Customer Satisfaction Survey questionnaire for scoring. Depending on the factory, Jiangsu Bright Steel, Ningbo Yeong Shang, and Shanghai No. 1 Foundry conduct the survey twice annually, while Yeong Guan Mould and Ningbo Lulin conduct it once annually. The survey evaluates 10 key aspects: quality status, efforts on defective product countermeasures, coordination during development phase, technical support, quotation coordination, timeliness of complaint handling, delivery coordination, emergency order handling capability, sales staff service and feedback, and overall company evaluation. Scores are assigned as follows: Very Satisfied – 5 points, Satisfied – 4 points, Acceptable – 3 points, Dissatisfied – 2 points, and Extremely Dissatisfied – 0 points. Based on the collected results, a Customer Satisfaction Survey Analysis Report is prepared, including root cause analysis and improvement measures for any items failing to meet satisfaction standards.

During the reporting period, the Company's overall customer satisfaction score was 87.7%.



Online message

NAME

TEL

E-mail

Contents of the consultation

An online message channel is published on the Company's official website.

Note: Message Website: <https://www.ygget.com/contactus/zh.aspx>

8.4 Sustainable Supply Chain

Yeong Guan Group places great importance on maintaining good relationships with all partners throughout the supply chain. To ensure the stability, efficiency, and sustainable development of the supply chain, the Company has established a comprehensive supplier management system, clearly defining the new supplier onboarding process, supplier evaluation, and audit procedures. This promotes communication and collaboration with suppliers, jointly advancing sustainable supply chain practices and innovation.

The Company has developed procedural documents including the External Provision Process Control Procedure, Supplier Assessment Execution Standard, and Contractor Management Operation Standard. It requires suppliers and contractors to sign written agreements such as the Supplier Code of Conduct, Supplier Business Management Commitment Letter, and Supplier Social Responsibility Commitment Letter. These documents set requirements for product quality and safety, and ensure 100% compliance by all partner vendors with supplier evaluation criteria covering environmental protection, occupational health and safety, and human rights. All suppliers and contractors working with the Company must pass a written evaluation and, if necessary, an on-site assessment. Only after successful evaluation and record filing can they be accepted as approved partners.

Supplier performance is managed through the Supplier Assessment Form, with quarterly and annual evaluations conducted for key suppliers and contractors. In cases of delayed deliveries, poor quality, or violations of work safety regulations, the Vendor Evaluation Mechanism is triggered. The Procurement Unit will then assess whether to place the vendor on a blacklist, filtering for high-quality suppliers suitable for long-term cooperation with the Company. For each procurement, suppliers comply with relevant local regulations, including work safety qualifications, ISO system certifications, and standards for hazardous material labeling and shipping documentation.

CASE

Hosting the 2024 Supply Chain Conference

In active response to the National Low-Carbon Policy, Yeong Guan Group successfully held the 2024 Sustainable Supply Chain Conference on December 26, 2024. For the first time, the conference was conducted via online video, demonstrating the Company's commitment to energy saving and carbon reduction through concrete actions, while also highlighting its determination and innovative spirit on the path to sustainable development.

During the conference, the Head of Procurement introduced new initiatives and requirements in supply chain management, emphasizing that low-carbon development will become a key criterion for future supplier selection. The Company expects its supplier partners to respond positively and work together with the Group to jointly build a sustainable supply chain. Additionally, the Company will strengthen support and collaboration with suppliers in areas such as low-carbon technology R&D and energy saving and emission reduction efforts, aiming to achieve mutual benefits and win-win results.



To deepen suppliers' understanding of the Company's low-carbon policies and green supply chain requirements, the Sustainable Development Committee provided a clear and insightful analysis covering global climate change trends, interpretations of national low-carbon policies, and the challenges and opportunities enterprises face in low-carbon development. This offered valuable professional knowledge and practical guidance to supplier partners.

Looking ahead, the Company will remain firmly committed to low-carbon development, continuously optimize supply chain management, enhance cooperation and communication with suppliers, and jointly promote the green transformation of the entire industrial chain.

Supplier Management Statistics Table

Target	Unit	2022	2023	2024
Number of suppliers	number	770	792	697
Proportion of procurement expenditure from local suppliers - percentage of products purchased locally	%	29	26	37
Proportion of procurement expenditure from local suppliers - percentage of services purchased locally	%	11	13	28
Number of suppliers causing actual or potential significant negative environmental and social impacts	number	0	0	0
Percentage of suppliers causing actual or potential significant negative environmental and social impacts whose relationships were terminated after evaluation	%	0	0	0
Number of suppliers signing the Business Management Commitment Letter	number	0	33	111

Notes: The statistical scope for the number of suppliers has been updated. It now covers suppliers with actual transactions during the year. The figures for 2022 and 2023 have been revised accordingly, with the actual numbers based on this report.

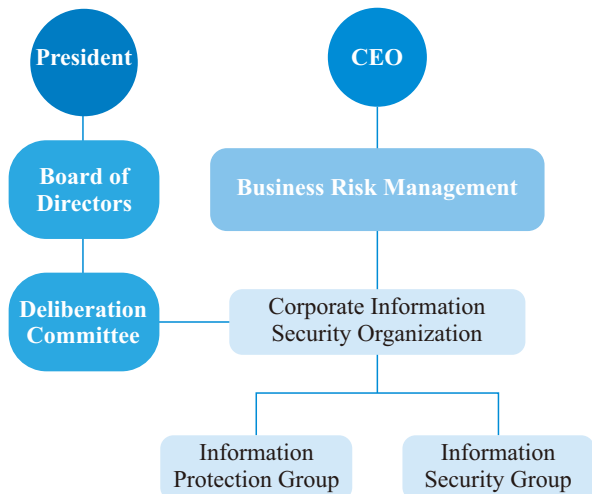
Local suppliers refer to those located within the administrative jurisdiction of the factory's city.

The number of suppliers decreased in 2024 due to the requisition and relocation of the Ningbo Yeong Shang Factory during the reporting period, which led to fewer supplier partnerships.

The Business Management Commitment Letter was only introduced in 2023, so there is no data for previous years.

8.5 Information Security

With the rapid advancement of information technology, cybersecurity has become a critical component of the Company's operations. The Company has established a dedicated Information Protection Committee, chaired by the Chief Executive Officer, and formed an Information Risk Team as the specialized unit responsible for managing information security and formulating related policies. Multiple management systems have been put in place, including the Information Processing Cycle, Risk Level Assessment System for Information Security Equipment, Information Security Incident Handling Procedures, and Guidelines for the Disposal of Computer Equipment, all aimed at continuously improving the Company's information security management system. The Company also periodically issues cybersecurity virus alerts to employees via email to raise awareness and strengthen prevention capabilities across the Group. Ongoing investments have been made in information security education and training, along with the implementation of disaster recovery drills, to enhance employees' cybersecurity awareness and improve the Company's overall information security infrastructure.



Jiangsu Bright Steel ISO 27001 Certification for Information Security Management System



Information Security Awareness Training Conducted by Jiangsu Bright Steel on Preventing Security Breaches and Data Leaks

Information Security Indicators	Complaints Received from Customers	Incidents involving external attacks resulting in data theft or virus threats	Incidents where information system or equipment failures impacted business operations
2024 Incident Statistics (Number of Cases)	0	0	0

Customer Privacy Protection Indicators	Complaints Received from Customers	Complaints received from regulatory authorities	Total number of confirmed incidents involving customer data leakage, theft, or loss
2024 Incident Statistics (Number of Cases)	0	0	0



9.1 GRI Content Index

Instructions for Use	Yeong Guan Group has prepared this report with reference to the GRI Standards for the reporting period from January 1, 2024, to December 31, 2024.
The GRI 1 Standard Applied	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The Company operates in the electromechanical industry, for which no GRI Sector Standards are currently available.

Disclosure Item Number	Disclosures	Disclosure Location	Omission Justification / Additional Explanation
GRI 2: General Disclosures 2021			

The organization and its reporting practices

2-1	Organizational details	2. About the Report 3. About Yeong Guan Group	Not applicable "Omitted"
2-2	Entities included in the organization's sustainability reporting	2. About the Report	
2-3	Reporting period, frequency and contact person	2. About the Report	
2-4	Restatements of information	2. About the Report	
2-5	External Assurance	9.3 Third-party Verification Statement	

Activities and workers

2-6	Activities, value chain and other business relationships	2. About the Report 8.4 Sustainable Supply Chain	
2-7	Employees	7.1 Human Rights Protection	
2-8	Workers Other Than Employees	7.1 Human Rights Protection	

Governance

2-9	Governance structure and composition	3.3 Organizational Chart	
2-10	Nomination and selection of the highest governance body	8.1 Corporate Governance	
2-11	Chairman of the highest governance body	8.1 Corporate Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	5.1 Sustainable Development Governance	
2-13	Delegation of responsibility for managing impacts	5.1 Sustainable Development Governance	
2-14	The role of the highest governance body in sustainability report	5.1 Sustainable Development Governance	
2-15	Conflict of interest	8.1 Corporate Governance	
2-16	Communication of critical concerns	5.1 Sustainable Development Governance	
2-17	Common knowledge of the highest governance body	8.1 Corporate Governance	
2-18	Evaluation of the performance of the highest governance body	8.1 Corporate Governance	
2-19	Remuneration policy	8.1.1 Board of Directors Building	

Disclosure Item Number	Disclosures	Disclosure Location	Omission Justification / Additional Explanation
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Message from the Operator	
2-23	Policy commitments	See corresponding sections in the main report.	
2-25	Procedures for remedying negative impacts	7.2 Human Resource Development 7.3 Employee Care 8.1 Corporate Governance 8.3 Product Services	
2-26	Mechanisms for seeking advice and raising concerns	8.1 Corporate Governance	
2-27	Adhere to laws and regulations	6.3 Energy Management 7.1 Human Rights Protection	
2-28	Membership associations	3.5 Membership in Industry Associations	
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	5.3 Stakeholder Engagement	
2-30	Collective bargaining agreements	7.3 Employee Care	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	5.4 Identification of Material Topics	
3-2	List of material topics	5.4 Identification of Material Topics	
GRI 201: Economic Performance 2016			
3-3	Management of material topics	8.2 Operational Performance	
201-1	Economic value directly generated and distributed	8.2 Operational Performance	
201-2	Financial implications and other risks and opportunities due to climate change	6.2 Climate Change	
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	8.4 Sustainable Supply Chain	
204-1	Proportion of procurement expenditures from local suppliers	8.4 Sustainable Supply Chain	
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	8.1 Corporate Governance	
205-2	Communication and training about anti-corruption policies and procedures	8.1 Corporate Governance	
205-3	Confirmed incidents of corruption and actions taken	8.1 Corporate Governance	
GRI 206: Anti-competitive Behavior 2016			
3-3	Management of material topics	8.1 Corporate Governance	
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	8.1 Corporate Governance	



Disclosure Item Number	Disclosures	Disclosure Location	Omission Justification / Additional Explanation
GRI 207: Tax 2019			
3-3	Management of material topics	8.1 Corporate Governance	
207-2	Tax Governance, control and risk management	8.1 Corporate Governance	
GRI 301: Materials 2016			
3-3	Management of material topics	6.5.1 Raw Material Management	
301-1	Materials used by weight or volume	6.5.1 Raw Material Management	
301-2	Recycled input materials used	6.5.1 Raw Material Management	
301-3	Reclaimed products and their packaging materials	6.5.2 Usage of Packaging Materials	
GRI 302: Energy 2016			
3-3	Management of material topics	5.4.2 Management Approach to Material Topics 6.3 Energy Management	
302-1	Energy consumption within the organization	6.3.4 Energy Consumption Statistics	
302-3	Energy intensity	6.3.4 Energy Consumption Statistics	
302-4	Reduction of energy consumption	6.3.2 Energy Saving and Emission Reduction Measures 6.3.3 Application of Clean Energy	
302-5	Reductions in energy requirements of products and services	6.3.2 Energy Saving and Emission Reduction Measures	
GRI 303: Water and Effluents 2018			
3-3	Management of material topics	6.6 Water Resources Management	
303-1	Interactions with water as a shared resource	6.6 Water Resources Management	
303-2	Management of water discharge-related impacts	6.6 Water Resources Management	
303-3	Water withdrawal	6.6 Water Resources Management	
GRI 305: Emissions 2016			
3-3	Management of material topics	5.4.2 Management Approach to Material Topics 6.2 Climate Change 6.4 Air Pollution Management	
305-1	Direct (Scope 1) GHG emissions	6.2.5 Practical Actions	
305-2	Energy indirect (Scope 2) GHG emissions	6.2.5 Practical Actions	
305-3	Other indirect (Scope 3) GHG emissions	6.2.5 Practical Actions	
305-4	GHG emissions intensity	6.2.5 Practical Actions	
305-7	Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions	6.4 Air Pollution Management	

Disclosure Item Number	Disclosures	Disclosure Location	Omission Justification / Additional Explanation
GRI 306: Waste 2020			
3-3	Management of material topics	6.5.3 Waste Management	
306-1	Waste generation and significant waste-related impacts	6.5.3 Waste Management	
306-2	Management of significant waste-related impacts	6.5.3 Waste Management	
306-3	Waste generated	6.5.3 Waste Management	
306-4	Waste diverted from disposal	6.5.3 Waste Management	
306-5	Waste directed to disposal	6.5.3 Waste Management	
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	5.4.2 Management Approach to Material Topics	
308-2	Negative environmental impacts in the supply chain and actions taken	8.4 Sustainable Supply Chain	No negative environmental impact occurred in the supply chain
GRI 401: Employment 2016			
3-3	Management of material topics	7.1 Human Rights Protection	
401-1	New employee hires and employee turnover	7.1 Human Rights Protection	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2 Human Resource Development	
401-3	Parental Leave	7.2 Human Resource Development	
GRI 402: Labor/Management Relations 2016			
3-3	Management of material topics	7.1 Human Rights Protection	
402-1	Minimum notice periods regarding operational changes	7.1 Human Rights Protection	
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	5.4.2 Management Approach to Material Topics 7.4 Occupational Health and Safety	
403-1	Occupational health and safety management system	7.4 Occupational Health and Safety	
403-2	Hazard identification, risk assessment, and incident investigation	7.4 Occupational Health and Safety	
403-3	Occupational health services	7.4 Occupational Health and Safety	
403-5	Worker training on occupational health and safety	7.4 Occupational Health and Safety	
403-6	Promotion of worker health	7.4 Occupational Health and Safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.4 Occupational Health and Safety	
403-8	Workers covered by an occupational health and safety management system	7.4 Occupational Health and Safety	

Disclosure Item Number	Disclosures	Disclosure Location	Omission Justification / Additional Explanation
403-9	Work-related injuries	7.4 Occupational Health and Safety	
403-10	Work-related ill health	7.4 Occupational Health and Safety	
GRI 404: Training and Education 2016			
3-3	Management of material topics	7.2 Human Resource Development	
404-1	Average hours of training per year per employee	7.2 Human Resource Development	
404-3	Percentage of employees receiving regular performance and career development reviews	7.2 Human Resource Development	
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	7.1 Human Rights Protection 8.1 Corporate Governance	
405-1	Diversity of governance bodies and employees	7.1 Human Rights Protection 8.1 Corporate Governance	
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	7.1 Human Rights Protection	
406-1	Incidents of discrimination and corrective actions taken	7.1 Human Rights Protection	
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	9.4 Sustainable Supply Chain	
414-2	Negative social impacts in the supply chain and actions taken	9.4 Sustainable Supply Chain	No negative social impact occurred in the supply chain
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	8.5 Information Security	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	8.5 Information Security	

9.2 SASB Content Index

Steel Producer (Reference)

Dimensions	Topic	Code	Disclosure Item	Response from Yeong Guan Group
Environment	GHG emissions	EM-IS-110a.1.	Gross global Scope 1 emissions (tonnes CO ₂), percentage covered under emissions limiting regulations (%)	Currently, there are no regulatory limits on emissions.
		EM-IS-110a.2.	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions and an analysis of performance against those targets	Using 2024 as the baseline year, the goal is to reduce carbon intensity of Scope 1 and Scope 2 emissions by 1.5% by 2030.
	Air quality	EM-IS-120a.1	Pollutant emissions (tonnes) (1) Carbon Monoxide (CO). (2) Nitrogen Oxides (NO _x) (excluding Nitrous Oxide (N ₂ O)). (3) Sulfur oxides (SOX) (4) Particulate Matter (PM10) (5) Manganese (MnO) (6) Lead (Pb) (7) Volatile Organic Compounds (VOCs) (8) Polycyclic Aromatic Hydrocarbons (PAHs)	(1) 0 (2) 12.012 (3) 3.897 (4) 35.897 (5) 0 (6) 0 (7) 6.991 (8) 0
	Energy Management	EM-IS-130a.1	(1) Total energy consumed (GJ) (2) Percentage grid electricity(%) (3) Percentage renewable(%)	(1) 765860 (2) 92.87% (3) 2.62
		EM-IS-130a.2	(1) Total fuel consumption (GJ) (2) Percentage coal (%) (3) Percentage natural gas (%) (4) Percentage renewable (%)	(1) 54627.96 (2) 0 (3) 50.32% (4) 0
	Water Management	EM-IS-140a.1	(1) Total freshwater withdrawal (thousand cubic meters) (2) Percentage recycled (%) (3) Proportion of water withdrawal from high (40%-80%) or extremely high (>80%) baseline water stress regions to total water withdrawal (%), and proportion of water consumption from these regions to total water consumption (%)	(1) 310253 (2) Not disclosed for now (3) No water withdrawal in areas with high or extremely high water stress
	Waste Management	EM-IS-150a.1	(1) Amount of waste generated (tonne) (2) Percentage hazardous (%) (3) Percentage recycle (%)	(1) 29202.16 (2) 1.55% (3) 100%



Dimensions	Topic	Code	Disclosure Item	Response from Yeong Guan Group
Human Capital	Employee Health and Safety	EM-IS-320a.1	Disclose the following rates separately for full-time employees and contract employees. (1) Total recordable incident rate (TRIR) (2) Fatality rate (3) Near Miss Frequency Rate (NMFR)	(1) Full-time: 3%; contract employees: N/A (2) 0 (3) N/A
Business Model and Innovation	Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing risks arising from environmental and social issues related to the sourcing of iron ore and/or coking coal during procurement.	Yeong Guan Group includes ESG compliance clauses in all procurement contracts with raw material suppliers.

Standardized Activity Guidelines

Code	Disclosure Item	Response from Yeong Guan Group
EM-IS-000.A	Raw steel production (tonnes), percentage from: (1) Basic oxygen furnace (BOF) (2) Electric arc furnace	N/A
EM-IS-000.B	Total iron ore production Note 1 (tonnes)	N/A
EM-IS-000.C	Total coking coal production Note 2 (tonnes)	N/A



9.3 Third-party Verification Statement



ASSURANCE STATEMENT CN25/00004098

SGS-CSTC REPORT ON SUSTAINABILITY ACTIVITIES IN THE YEONG GUAN ENERGY TECHNOLOGY GROUP CO. LTD. SUSTAINABILITY REPORT FOR 2024

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by YEONG GUAN ENERGY TECHNOLOGY GROUP CO. LTD. (hereinafter referred to as Yeong Guan) to conduct an independent assurance of the Chinese version of *Yeong Guan's Sustainability Report for 2024* (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Yeong Guan's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the ESG governing body and the management of Yeong Guan.

Our responsibility is to express an opinion on the extent to which the Report conforms to the four principles of the AA1000 Assurance Standard within the scope of assurance with the intention to inform all Yeong Guan's stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the Accountability Principles (AA1000AP, 2018).

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standards Options and Level of Assurance
--

AA1000AS v3 Type 2 Moderate Level

SCOPE OF ASSURANCE

The scope of the assurance included evaluation of quality, accuracy and reliability of the Report and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options

AA1000 Accountability Principles (2018)

GRI Standards 2021 (With Reference to)
--



ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at No. 95, Huanghai Road, Beilun District, Ningbo, Zhejiang Province and No. 9, Yuepeng Road, Tianmu Lake Industrial Park, Liyang, Jiangsu Province; and online review and validation of documentation and records with relevant personnel of Yeong Guan's affiliates where relevant.

LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the Report has been directly adopted from the independent third party verification data and has not been double verified in this audit.

This assurance engagement was restricted to the group level of Yeong Guan and did not include traceability of original data from all subordinate institutions.

This assurance engagement was limited to conducting interviews with departmental managers and selected employees of Yeong Guan, in addition to reviewing relevant documents and records. External stakeholders were not included in the interview process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from Yeong Guan, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, the specified performance information included in the scope of assurance is accurate, reliable, and has been fairly stated.

The Report conforms to the four principles of the AA1000AS v3 to the following extent:

INCLUSIVITY

The Report has identified the organization's stakeholders, collected their expectations and concerns, established methods for stakeholder communication and engagement, and undertaken various forms of dialogue and interaction with them.

MATERIALITY

The Report has reasonably disclosed significant issues and indicators that materially affect stakeholder evaluations and decisions, reflecting the organization's most significant impacts on economic, environmental, and social matters based on the concerns raised by relevant stakeholders.

RESPONSIVENESS

The Report has demonstrated the established channels for stakeholder interaction and has fully addressed stakeholder concerns and expectations. Additionally, it has provided transparent responses on material issues to an appropriate extent.

IMPACT

The Report has provided an account of the monitoring and measurement of the principal activities' impacts concerning environmental, social, and governance (ESG) issues.

GRI STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion, the Report of Yeong Guan for 2024 was prepared reference to GRI Standards 2021. The report complies with the principles of GRI 1. The Report had disclosed the management approach of the selected material topics. Some of the general disclosures were presented in accordance with GRI 2: general disclosures 2021. Some of the Yeong Guan's topic-specific disclosures related to the material topics in economic, environmental, and social areas were in accordance with GRI Standards 2021.

FINDINGS AND RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of Yeong Guan to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:



For and on behalf of SGS-CSTC

David Xin
Sr. Director | Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

June, 11th, 2025
WWW.SGS.COM



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