

Modern Slavery Statement for FENG HSIN STEEL CO., LTD.

Financial Year: January 1, 2025 to December 31, 2025

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Introduction

This statement is made pursuant to the Modern Slavery Act 2018 (Cth) and has been prepared by FENG HSIN STEEL CO., LTD. It outlines our commitment to identifying, assessing and addressing modern slavery risks within our operations and supply chains.

This Statement covers the financial year from 1 January 2025 to 31 December 2025 and has been approved by the Board of Directors of FENG HSIN STEEL CO., LTD., being the principal governing body of the company.

Modern slavery includes practices such as slavery, servitude, forced labour, debt bondage, deceptive recruiting, forced marriage and human trafficking. We adopt a zero-tolerance approach to such practices and are committed to ensuring that modern slavery does not occur in our operations or supply chains.

This Statement applies to all individuals working for or on behalf of our business, including employees, directors, officers, contractors, agency workers, interns, consultants, and third-party representatives.

Structure, operations, and supply chains

FENG HSIN STEEL CO., LTD. is a steel manufacturing company incorporated and headquartered in Taiwan. We operate solely within Taiwan and do not have any overseas subsidiaries, branches, or controlled entities. FENG HSIN STEEL was established in January 1969 and currently has approximately 985 employees in 2025.

Organizational Unit	Division
<i>Administration Dept.</i>	Administration Division
	Finance Division
	IT Division
<i>Sales Dept.</i>	1st Sales Division
	2nd Sales Division
	3rd Sales Division
<i>Procurement Dept.</i>	Warehousing Division
	Procurement Division
<i>Safety & Health Dept.</i>	Occupational Safety & Health Division
<i>Production Dept.</i>	Metallurgy R&D Division
	Electrical Equipment Division
	No. 1 Steelmaking Shop
	No. 1 Steel Rolling Mill
	No. 2 Steelmaking Shop
	No. 2 Steel Rolling Mill
	Steel Rolling Equipment Maintenance Division
	Steelmaking Equipment Maintenance Division
	Steelmaking Technology Division
	No. 3 Steel Rolling Mill
	Rolling Technology Division

Further information regarding the Company's operations is available on the Company's website.

The Company's primary business activities include the procurement and processing of scrap metal and steel billets into finished steel products for both domestic and export markets.

FENG HSIN STEEL sources approximately 66% of its scrap iron from domestic suppliers in Taiwan, with the remaining 34% imported from suppliers in Japan, the United States, Australia, and Canada.

The following table presents the number of approved domestic and overseas suppliers in 2025.

Contract Type	Procurement Region	Number of Cases	Procurement Share
Raw Materials	Domestic	46	66%
Raw Materials	Overseas	34	34%
TOTAL		80	100%
NOTE: "Domestic" refers to Taiwan; "Overseas" refers to regions outside Taiwan.			

Modern Slavery Risks

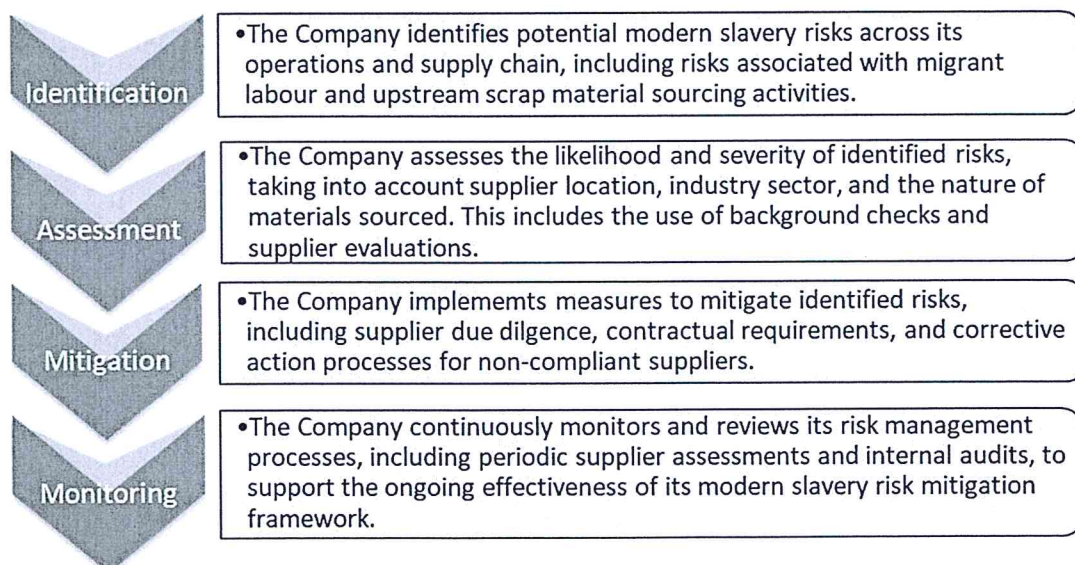
The Company recognizes that modern slavery risks may exist within both its operations and supply chains. Within its own operations, the Company considers the risk of modern slavery to be limited due to established internal controls, governance frameworks, and compliance with applicable labour regulations.

In its Taiwan-based supply chain, the Company assesses the risk of modern slavery to be generally mitigated, supported by existing labour laws and regulatory oversight. However, residual risks may still arise in relation to the employment of migrant workers, particularly in recruitment practices and the potential exposure to excessive recruitment fees or debt bondage.

For international suppliers located in Japan, the United States, Australia, and Canada, the Company considers the risk to be comparatively lower, given the strong legal and regulatory frameworks in these jurisdictions. Notwithstanding this, the Company acknowledges that modern slavery risks may persist in upstream and indirect supply chains, particularly in activities such as the collection, sorting, and processing of scrap materials, where visibility and oversight may be more limited. Such risks may include underpayment, unsafe working conditions, or exploitation of vulnerable workers.

The Company also recognizes that risk levels may vary depending on supplier type, geographic location, and the nature of materials sourced. The Company will continue to refine its risk identification processes and monitor its supply chains to identify, assess, and address potential modern slavery risks.

Modern Slavery Risk Management Framework:



Actions Taken

1. Policies and Governance

The Company is committed to preventing modern slavery in its operations and supply chains. It maintains internal governance frameworks, including its Ethical Principles and Code of Business Conduct, which establish expectations for ethical conduct and compliance with applicable laws and standards.

These policies form the foundation of the Company's approach to modern slavery risk management and reinforce a zero-tolerance stance towards all forms of modern slavery, including forced labour, human trafficking, and child labour.

2. Due Diligence and Remediation Processes

The Company has established due diligence processes to identify, assess, and mitigate potential modern slavery risks within its operations and supply chains.

As part of these processes, the Company undertakes a range of risk-based measures, including monitoring potential risk areas within the supply chain on an ongoing basis. Background checks are conducted to help reduce the risk of slavery and human trafficking in supply chains.

The Company also identifies and assesses potential high-risk areas and activities, particularly in relation to new suppliers and upstream supply chain engagements.

Where potential instances of modern slavery are identified, the Company will investigate the matter and work with the relevant supplier to implement corrective actions within an agreed timeframe. Where suppliers fail to address identified issues, the Company may suspend or terminate the business relationship.

3. Risk Assessment and Monitoring

In addition to its due diligence processes, the Company conducts ongoing supplier risk assessments using both (i) a Modern Slavery Supplier Declaration, which is signed by relevant suppliers in conjunction with contractual arrangements, and (ii) an annual

supplier questionnaire assessment for both domestic and international suppliers. These tools are used to assist in identifying, assessing, and managing potential modern slavery risks within the supply chain.

Suppliers that fail to meet the Company's requirements may be issued warnings and required to implement corrective actions within a specified timeframe. Where satisfactory improvements are not achieved, the Company may suspend, terminate, or restrict future business relationships with the supplier.

During the reporting period, the Company did not identify any confirmed instances of modern slavery. The Company also did not identify any indicators of forced labour, child labour, or other unlawful or unsafe working conditions.

4. Employee Awareness

The Company regularly provides employees with training and awareness programs on applicable requirements of the Taiwan Labour Standards Act, as part of its broader commitment to preventing modern slavery and forced labour risks within its operations and supply chain.

These initiatives are reinforced through internal policies, employee communications, and ongoing training programs, aimed at ensuring fair employment practices and safeguarding against risks such as involuntary labour, excessive working hours, unsafe working conditions, and power imbalances in employment relationships.

Effectiveness Assessment

The Company assesses the effectiveness of its modern slavery policies and procedures through ongoing monitoring, supplier questionnaire assessments, and the implementation of a supplier declaration process.

The Company conducts annual reviews of its risk assessment processes to ensure they remain appropriate and effective in identifying and managing modern slavery risks. As part of its supplier management procedures, relevant suppliers are requested to complete a Modern Slavery Questionnaire and sign a Modern Slavery Supplier Declaration, confirming their compliance with applicable labour laws and that they are not in breach of the Company's Modern Slavery Policy.

In addition, the Company seeks feedback from employees and relevant stakeholders to support continuous improvement and enhance awareness of modern slavery risks throughout its operations and supply chain.

The effectiveness of the Company's measures is assessed on a qualitative basis, including:

- The level of completion and responsiveness of supplier questionnaires;
- The proportion of suppliers that have signed the Modern Slavery Supplier Declaration;
- The identification of potential risk issues through supplier assessments and the implementation of corrective actions where applicable;
- The level of cooperation from suppliers in providing information and supporting due diligence processes;
- Employee participation in relevant training and awareness activities; and
- The use of grievance and reporting mechanisms and the effective handling of any concerns raised.
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The Company also considers outcome-based indicators as part of its overall effectiveness assessment, including whether any confirmed incidents of modern slavery occurred during the reporting period and whether identified risk issues were appropriately addressed and resolved.

The Company uses the results of supplier questionnaires, supplier declarations, employee feedback, and risk assessment activities to continuously review the effectiveness of its existing measures and identify opportunities for improvement, with the aim of strengthening its modern slavery risk management framework.

Commitments

The Company does not own or control any other entities. Accordingly, consultation with controlled entities is not applicable for the purposes of section 16(1)(f) of the Act.

This statement is submitted as a single reporting entity statement. No other entities are covered by this statement.

In preparing this statement, the Company undertook internal consultation with relevant departments, including procurement and human resources.

These teams provided input on our supply chain practices, risk assessments, and existing controls. This internal collaboration helps us build a clearer understanding of potential modern slavery risks within our operations and supply chains.

The Company will continue to review and improve its modern slavery risk management processes and supplier engagement activities to strengthen its ability to identify and address potential modern slavery risks.

The Company will continue to raise awareness among all employees, suppliers, and business partners to ensure that slavery and human trafficking do not take place in our business or any part of our supply chains.

This statement was approved by the Board of Directors of FENG HSIN STEEL CO., LTD. on Jul. 29, 2026.

Signed:



Lin Ta-Chun

Chairman of the Board

Date: _____

7/31/2026