

Aspect	TCFD Recommended disclosure issue	Response							
Governance	<ul style="list-style-type: none"> The Board's oversight of climate-related risks and opportunities. The role of management in assessing and managing climate-related risks and opportunities. 	<ul style="list-style-type: none"> In 2021, our company established a 'Sustainable Development Unit,' which was officially endorsed by the Board of Directors on January 18, 2022, as the highest-level unit for decision-making related to sustainable development. The Vice President of the Executive Management Department was appointed by the Chairman to serve as the key contact between this unit and senior executives from different departments. This unit is expected to formulate mid-to-long-term sustainable development plans and provide an annual report to the Board of Directors on ESG and climate change-related issues, impact assessments, and the progress of sustainability goal execution. 							
Strategy	<ul style="list-style-type: none"> Identified short-term, medium-term, and long-term climate-related risks and opportunities. The impact of climate-related risks and opportunities on business, strategy, and financial planning. 	Risk category	Issue	Risk factor	Term	Degree of impact	Financial impact description	Opportunity description	Management strategy
		Transition Risk	Policies and regulations	Declare carbon emissions	short	high	<ul style="list-style-type: none"> The cost for increasing audit capabilities and establishing third-party verification. National net-zero emission policies leading to increased greenhouse gas emission costs. Other sustainability-related regulations leading to increased operational costs. 	<ul style="list-style-type: none"> Improving resource utilization efficiency. Increasing the utilization of renewable energy. Discussing relevant energy-saving measures to reduce carbon emissions. 	<ul style="list-style-type: none"> Implementing greenhouse gas inventory, setting carbon reduction goals, and conducting ongoing assessments. Continuously monitoring the evolution of regulations and evaluating draft content, engaging in proactive discussions to ensure compliance with regulations.
				Increased requirements for climate-related information disclosure	short	high			
				Uncertainty of legislation	midium	high			
				Carbon tax and energy tax	midium	moderate			
				Carbon emission regulations and trades	midium	low			
		Market	Technology	The regulations and standards of product efficiency	midium	low	<ul style="list-style-type: none"> Inadequate product efficiency leading to customer dissatisfaction and finally leading to a decrease in sales. 	<ul style="list-style-type: none"> Reducing the product defect rate leading to a decrease in scrap costs. 	<ul style="list-style-type: none"> Evaluating feasible technologies and materials for product design to reduce energy consumption in products.
				Significant increases in material prices	short	moderate	<ul style="list-style-type: none"> Increased production costs. 	<ul style="list-style-type: none"> Material substitution planning. Avoiding supplier dependency risk by evaluating alternative suppliers. 	<ul style="list-style-type: none"> Increasing alternative material supply options. Negotiating long-term supply contracts with suppliers.
					The changes of customer behavior	midium	low	<ul style="list-style-type: none"> Rising consumer climate change awareness leading to a decrease in sales due to changing procurement demands. 	<ul style="list-style-type: none"> Impleting low-carbon green production. Elevating process improvements to drive product transformation.
		Physical Risk	Acute Risk	Typhoon or heavy rain	short	low	<ul style="list-style-type: none"> Impacts on workforce planning and management. Equipment damage or retirement. Reduced production capacity or decreased sales volume. 	<ul style="list-style-type: none"> Enhancing resilience to abnormal weather conditions. 	<ul style="list-style-type: none"> Establishing emergency response procedures to reduce personnel and property losses. Reducing the probability of losses from natural disasters through business insurance.
Drought	short			low					
Chronic Risk	Prolonged heatwave		long	low	<ul style="list-style-type: none"> Increased electricity usage leading to increased costs. 	<ul style="list-style-type: none"> Implementing energy-saving and carbon-reduction production. 	<ul style="list-style-type: none"> Conserving electricity to reduce costs. Evaluating the investment in energy-efficient equipment. 		
	<ul style="list-style-type: none"> Considering different climate-related scenarios to keep resilience in strategy 	Scenario analysis is not applied to assess the resilience to climate change risks.							
Risk Management	<ul style="list-style-type: none"> The process of identifying and assessing climate-related risks. 	<p>The process of identifying and assessing climate-related risks.</p> <ol style="list-style-type: none"> Collecting future climate-related development trends, including climate change trends, potential changes in future regulations, and market conditions. Learning climate risk categories: Identifying different climate risks that may affect the business, including extreme weather events (such as hurricanes, heavy rainfall, drought), sustained high temperatures, etc. Assessing the impact level: Evaluating the likelihood and impact of various climate risks and disasters on the business and representing them on a scale from 'high,' 'medium,' to 'low' based on their severity. These risks include assessments of their impact on policy and regulations, technology, and the market, among other aspects. Assessing business resilience: Examining the company's current ability to respond to climate-related risks, including evaluating assets, supply chains, business processes, and geographical locations. Exploring potential opportunities: Considering potential business opportunities and markets that climate change may bring, such as process improvements leading to product transformation, increased resource efficiency, energy-saving and carbon reduction, and low-carbon green production. Developing response strategies: Based on the assessment results, formulating strategies to address different risks. This may involve enhancing business resilience, diversifying supply chains, implementing energy-saving and carbon reduction measures, and adopting renewable energy, among other actions. Monitoring and updating: Continuously monitor changes in climate-related regulations and the market, and update risk assessments and response strategies as needed. Regularly review and improve strategies to ensure ongoing adaptability to changes. 							
		<ul style="list-style-type: none"> The management process for climate-related risks. 	<p>Management process</p> <ol style="list-style-type: none"> Establishing a Risk Management Committee: Identifying responsible individuals and timetables for risk mitigation. Evaluating the likelihood and impact of various risk events: Determining the priority of risks, categorizing them into high, medium, and low priority levels. Developing risk management strategies: Designing response strategies for risks at three different levels, including mitigating the impact of risks and enhancing business resilience. Execution and monitoring: Implementing the devised risk management strategies and continuously monitoring changes in risk and the effectiveness of response measures. Review and improve: Continuously improve risk management strategies based on actual results, and adjust risk management strategies and objectives as needed. 						
	<ul style="list-style-type: none"> The process of identifying, assessing, and managing climate-related risks is integrated into the company's overall risk management system. 		<p>Annual risk management system</p> <ol style="list-style-type: none"> Integrated risk management: Incorporating risk management into the company's business plans and operational processes. Integrating climate-related risk management and setting risk management measures to achieve overall risk management coordination and efficiency. Resource allocation: Allocating necessary resources, including budget, personnel, and technology, to support the implementation of risk management measures. Education and training: Training employees to enhance their awareness and capacity to address climate-related risks. Encouraging employee engagement in climate-related risk management and fostering risk awareness. Transparency report: Disclosing climate-related risk assessments and management measures in the company's sustainability reports, and transparently communicating with stakeholders. 						
		Index and goals	<ul style="list-style-type: none"> Explain the indicators used to assess climate-related risks and opportunities in accordance with strategy and risk management processes. 	<p>The indicators that might be considered.</p> <ol style="list-style-type: none"> Greenhouse gas emissions: Examining carbon footprint, measured in carbon dioxide (CO2) equivalent, and using greenhouse gas emissions as an indicator to determine compliance with regulatory standards for emissions generated in the supply chain and production processes. Resource usage efficiency: Examining the efficiency of resources such as energy, water, and raw materials, assessing resource utilization efficiency, and seeking opportunities for energy conservation and emissions reduction. Renewable energy proportion: Measuring the percentage of renewable energy used in the energy consumption to evaluate the progress in energy transformation. 					
<ul style="list-style-type: none"> Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and associated risks. 	Conducting greenhouse gas inventories and implementing relevant internal management practices that superior to legal standards, establishing specific greenhouse gas emission reduction standards.								
<ul style="list-style-type: none"> The objectives used to manage climate-related risks and opportunities, and the performance in achieving those objectives. 	<p>Carbon reduction goals: Currently in the process of conducting a comprehensive carbon inventory, and the establishment of carbon reduction goals will commence after the completion of the inventory. It is expected that carbon reduction goals will be set by 2025.</p> <p>Renewable energy proportion target: Currently in the process of assessing the feasibility of using renewable energy.</p> <p>Resource efficiency: Enhancing resource utilization efficiency, including energy, water, and raw materials. Reducing the consumption of energy, water, and raw materials and exploring more environmentally friendly and energy-efficient alternatives.</p>								

Note: Short-term: 1-3 years; Medium-term: 4-7 years; Long-term: 7 years and beyond