

Aspect	TCFD Recommended disclosure issue					Response				
Governance	<div><div>The Board's oversight of climate-related risks and opportunities.</div><div>The role of management in assessing and managing climate-related risks and opportunities.</div></div>					<div><div>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.</div></div>				
Strategy	<div><div>Identified short-term, medium-term, and long-term climate-related risks and opportunities.</div><div>The impact of climate-related risks and opportunities on business, strategy, and financial planning.</div></div>	Risk category	Issue	Risk factor		Term	Degree of impact	Financial impact description	Opportunity description	Management strategy
				Declare carbon emissions		short	high	<div><div>The cost for increasing audit capabilities and establishing third-party verification.</div><div>National net-zero emission policies leading to increased greenhouse gas emission costs.</div><div>Other sustainability-related regulations leading to increased operational costs.</div></div>	<div><div>Improving resource utilization efficiency.</div><div>Increasing the utilization of renewable energy.</div><div>Discussing relevant energy-saving measures to reduce carbon emissions.</div></div>	<div><div>Implementing greenhouse gas inventory, setting carbon reduction goals, and conducting ongoing assessments.</div><div>Continuously monitoring the evolution of regulations and evaluating draft content, engaging in proactive discussions to ensure compliance with regulations.</div></div>
				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					
		Transition Risk	Technology	The regulations and standards of product efficiency		midium	low	<div><div>Inadequate product efficiency leading to customer dissatisfaction and finally leading to a decrease in sales.</div></div>	<div><div>Reducing the product defect rate leading to a decrease in scrap costs.</div></div>	<div><div>Evaluating feasible technologies and materials for product design to reduce energy consumption in products.</div></div>
				Significant increases in material prices		short	moderate	<div><div>Increased production costs.</div></div>	<div><div>Material substitution planning.</div><div>Avoiding supplier dependency risk by evaluating alternative suppliers.</div></div>	<div><div>Increasing alternative material supply options.</div><div>Negotiating long-term supply contracts with suppliers.</div></div>
			Market	The changes of customer behavior		midium	low	<div><div>Rising consumer climate change awareness leading to a decrease in sales due to changing procurement demands.</div></div>	<div><div>Impleting low-carbon green production.</div><div>Elevating process improvements to drive product transformation.</div></div>	<div><div>Evaluating feasible technologies and materials for product design to reduce product energy consumption.</div><div>Enhancing energy efficiency through equipment improvement and upgrades.</div></div>
		Physical Risk		Acute Risk	Typhoon or heavy rain		short	low	<div><div>Impacts on workforce planning and management. *</div><div>Equipment damage or retirement.</div><div>Reduced production capacity or decreased sales volume.</div></div>	<div><div>Enhancing resilience to abnormal weather conditions.</div></div>
			Drought		short	low				
		Chronic Risk		Prolonged heatwave		long	low	<div><div>Increased electricity usage leading to increased costs. *</div></div>	<div><div>Implementing energy-saving and carbon-reduction production.</div></div>	<div><div>Conserving electricity to reduce costs.</div><div>Evaluating the investment in energy-efficient equipment.</div></div>
	<div><div>Considering different climate-related scenarios to keep resilience in strategy</div></div>					Scenario analysis is not applied to assess the resilience to climate change risks.				
Risk Management	<div><div>The process of identifying and assessing climate-related risks.</div></div>					<div><div>The process of identifying and assessing climate-related risks.</div></div>				
	<div><div>The management process for climate-related risks.</div></div>					<div><div>The management process for climate-related risks.</div></div>				
	<div><div>The process of identifying, assessing, and managing climate-related risks is integrated into the company's overall risk management system.</div></div>					<div><div>The process of identifying, assessing, and managing climate-related risks is integrated into the company's overall risk management system.</div></div>				
Index and goals	<div><div>Explain the indicators used to assess climate-related risks and opportunities in accordance with strategy and risk management processes.</div></div>					<div><div>The indicators that might be considered.</div><div>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.</div><div>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.</div><div>Renewable energy proportion: Measuring the percentage of renewable energy used in the energy consumption to evaluate the progress in energy transformation.</div></div>				
	<div><div>Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and associated risks.</div></div>					<div><div>Conducting greenhouse gas inventories and implementing relevant internal management practices that superior to legal standards, establishing specific greenhouse gas emission reduction standards.</div></div>				
	<div><div>The objectives used to manage climate-related risks and opportunities, and the performance in achieving those objectives.</div></div>					<div><div>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.</div><div>Renewable energy proportion target: Currently in the process of assessing the feasibility of using renewable energy.</div><div>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.</div></div>				

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