



2022

Formosa Taffeta Co., Ltd.

TCFD Report

Task Force on Climate-Related Financial
Disclosures

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Preamble

Global warming from greenhouse gas emissions has brought significant risks to the global economic growth in recent years, affecting a greater number of businesses. For investors, it may be difficult to learn which companies are susceptible to climate risk, which companies are adequately prepared, and which ones are taking action. According, Financial Stability Board (FSB) assembled a special task force called the Task Force on Climate-related Financial Disclosures (TCFD), which has published its "TCFD Recommendations Report" in June 2017 after spending 18 months gathering opinions from business and financial leaders. The Recommendations Report provides businesses and investors with a complete and well-defined assessment framework for disclosing risks and opportunities associated with climate change and for reflecting risks in financial reports.

In response to the global trend, Formosa Taffeta Co., Ltd. (referred to as "FTC") has registered on the TCFD website as an advocacy supporter and is committed to disclosing risks and opportunities associated with the climate change in accordance with the TCFD Recommendations Report, and to make a more rational and efficient allocation of capital in accordance with the responsibilities and strategies required to be borne by an enterprise in order to realize its vision towards low carbon economic transformation.



Chapter I Governance

1.1 Introduction

To diversify its operations, FTC not only manufactures many products, such as polyester or polyamide fabric with special finishing cotton fabrics, interwoven fabrics, spun or filament fabric, tyre cord, plastic bags, safe and life fabrics, carbon products, etc., In addition, FTC also operates gas stations. FTC is the main fabrics supplier in the world and specializes in sports and outdoor textile. The Company is devoted in developing newest fashion trend with famous enterprises and participates in worldwide exhibitions every year to grow up with customers and have earned the great reputation.

Formosa Taffeta Co., Ltd.		
Date of Incorporation	April 19, 1973	
Date of listed on TWSE	December 24, 1985	
Capital	NT\$16,846,646,370	
Organizational Boundary	Main Plant:	No. 317, Shiliu Road, Douliu City, Yunlin County
	Second Plant:	No. 319, Shiliu Road, Douliu City, Yunlin County

1.2 Organization and Responsibility

➤ Responsibility of the Board of Directors

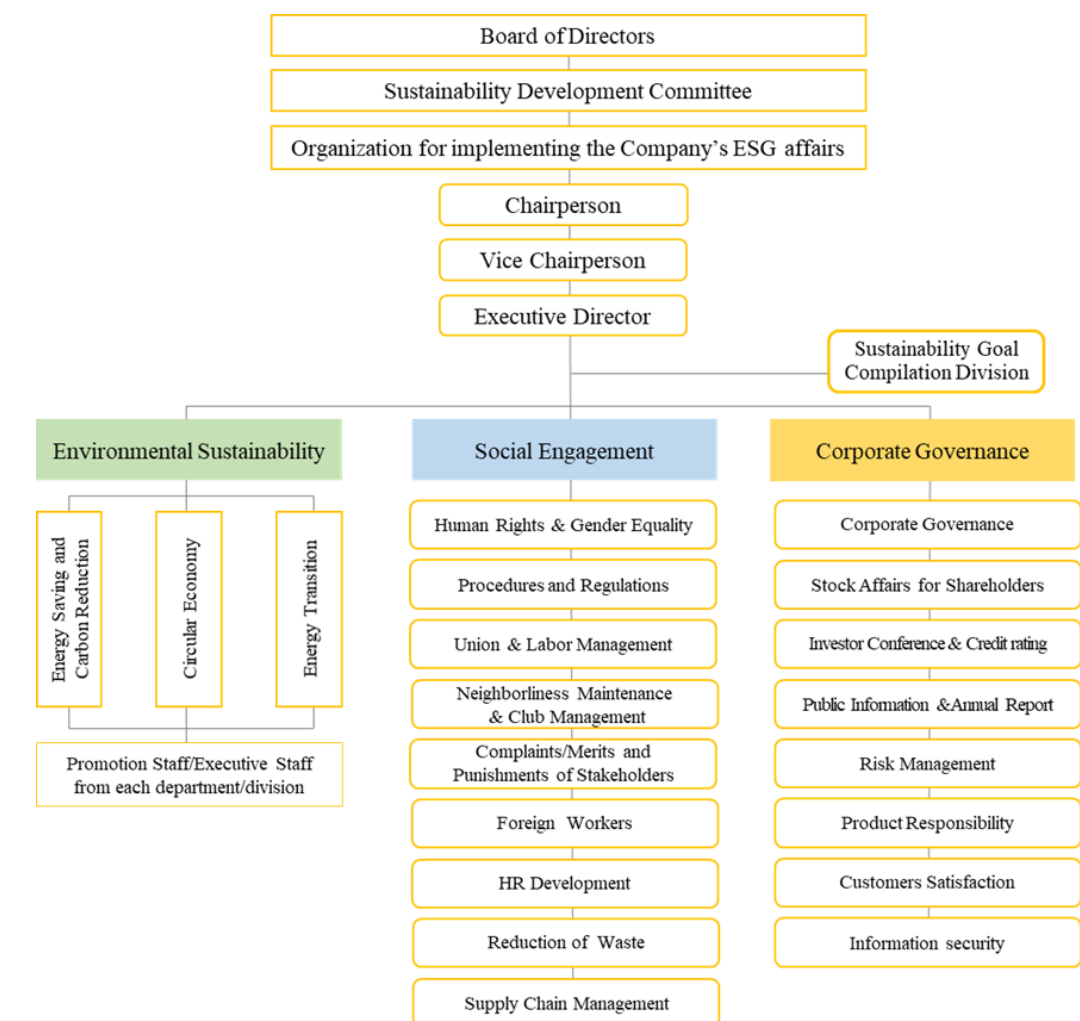
FTC's Board of Directors is responsible for making important business decisions, providing timely and transparent company information, ensuring the Company's compliance with laws. In addition, the Board established the "Sustainable Development Best Practice Principles," in order to enable the Company to balance the environmental sustainability, economic growth and social public welfare in the process of the Company's development, to understand stakeholders' opinions, to practice the corporate social responsibility and to achieve the goal for corporate sustainability.

The Board of Directors supervises the Company's climate change management practices. Further, in order to strengthen the Board's responsibility for supervising the Company's promotion of ESG issues, the Company has established the "Sustainable Development Committee" under the Board of Directors in 2022 to be responsible for reviewing sustainable development policies, strategies, and management approaches and supervising the implementation of sustainable development initiatives. The Company shall report the implementation status to the Board of Directors at least once per year. The contents reviewed by the Board of Directors in 2022 include the verified status of GHG emissions and review the Company's climate-related financial report.

➤ Management Responsibility

The Company established the organization dedicated to promoting the sustainability, "Sustainability Committee." The President served as the Committee chairman, and the vice presidents of each business department serve as the vice chairmans of the Committee. The Committee also governs Environmental Sustainability Dept., Social Common Prosperity Dept., and Corporate Governance Dept.. The Environmental Sustainability Dept. also established the Energy-Conservation and Carbon Reduction Group, Circular Economy Group and Energy Transition Group. The promoting staff and executing staff of each department/plant are responsible for the environmental related issues of climate change and water resources, etc. and to identify climate related risks and opportunities, as well as to conduct assessment and analysis on the major risks and opportunities and to propose relevant response measures. The responsible person of each Group shall draft various execution plans, and report the progress and results at the meeting convened by the Committee convener on a monthly basis.

In 2022, the implementation results for climate change-related issues included the supreme honor awarded to CDP, leader-level rating awarded to water questionnaire, and achievement of the scientific targets for carbon reduction initiatives and commitments.



Picture 1- Framework of FTC Sustainability Development

Chapter II Strategy

2.1 Sustainable development strategies

The Company's sustainable development strategies emphasize: associating expertise with environmental protection, introducing green production procedures and products, implementing streamlined production, increasing resource efficiency, making use of environment-friendly materials and green energy equipment, supplying goods that are safe to the ecosystem, and maintaining perpetual growth to the stakeholders' expectation. To accomplish the above purposes, the Company has adopted "7 green strategies," including green building, green energy, green purchase, green production, green emission, green product, and green supply chain.

2.2 Short-term strategies (0-3 years)

➤ Use of low-carbon fuel

One of the priorities in our strategy towards energy transition is to replace pyrolysis low sulfur fuel oil (PFO) with natural gas, an energy source with lower emissions, which effectively reduces carbon emission and air pollution charges. Elimination of PFO began in 2020 and is estimated to be complete by 2024, at which time the Company expects to reduce carbon emission by approximately 12,000 tonnes or 2.8%.

➤ Reduced use of coal

The Main Plant uses cogeneration and purchased electricity as the primary energy source for production activities. Although coal is a low-cost energy source, it produces a high level of carbon emissions. As a response to the conclusions made during the 26th UN Climate Change Conference of the Parties (COP 26) in Glasgow, the Company has adopted the strategy to phase down its dependency on coal and mitigate sensitivity to coal prices by shutting down one cogenerator and switching towards purchased electricity. Doing so may lessen carbon emissions by 69,000 tons (15.9%).

➤ Proprietary generation and utilization of renewable energy

The Company has installed 2,600KW of solar power generators atop the roofs of its plant facilities, which are intended to generate electricity solely for proprietary use. The project cost NT\$150 million and was completed at the end of 2021. These facilities are expected to generate 3,130 MWH of power each year and reduce carbon emissions by 1,593 tonnes (0.37%).

➤ Dedicated sustainability team for textile products

A dedicated "Sustainable Development Team" has been assembled, whose responsibilities are to learn and satisfy brand customers' expectations and requirements of a sustainable supply chain, such as Sustainable Apparel Coalition (SAC) and Bluesign, and to set performance targets.

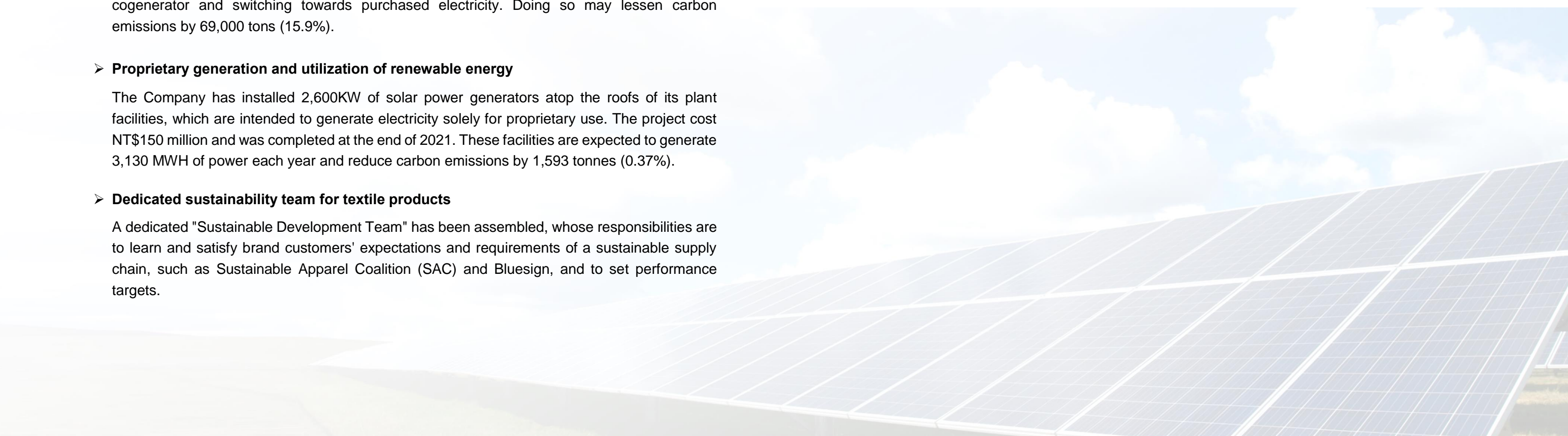
➤ Carbon pricing strategy

FTC responded to the emission limits imposed under the "Greenhouse Gas Reduction and Management Act" of the Environmental Protection Administration as early as 2018 with the implementation of an internal carbon pricing system. The carbon emission price has been set at NT\$1,500 per tonne based on Article 28 of the "Greenhouse Gas Reduction and Management Act," and the carbon emissions were set as NT\$100 per tonne, and no more than NT\$1,500 per tonne if they exceed the target carbon emissions. The price is being used for internal evaluation of greenhouse gas-related risks and opportunities.

FTC calculated the internal carbon pricing in 2022. Specifically, the carbon emissions were set as NT\$100 per tonne, and no more than NT\$1,500 per tonne if they exceed the target carbon emissions. Meanwhile, taking 2019 as the base year, FTC aims to reduce the emissions by 2.5% each year as its estimated annual target emissions. The carbon emissions were 281,000 tonnes in 2022, decreasing by 129,000 tonnes from the target emissions for 2022, 410,000 tonnes. The charges for annual carbon emissions in 2022 are estimated to be NT\$28.11 million.

➤ Enhance resource recycling and reuse

Through the recycling and reuse of waste, wastewater, and exhaust gas, FTC utilizes the resources in the manner to maximize the value of the resources, reduces the consumption of various resources, and mitigates the environmental burdens through reduction of various emissions.



2.3 Medium-term strategies (3-10 years)

➤ AI-assisted production procedures

The dyeing process is a key factor that affects the Right First Time (RFT) rate, therefore, optimization of the dyeing process is critical to improving corporate competitiveness. Using big data in combination with AI technology, we have created a forecasting model capable of predicting the optimal dyeing process that would yield the highest RFT rate. This practice benefits FTC in a number of ways, including cost reduction (lower raw material usage, lower power consumption, and lower waste treatment) and carbon reduction, and conforms with the Company's sustainability philosophy. As per the estimate, we may reduce raw material cost, energy cost, water resource cost, and carbon emission by 2,630 tonnes per year.

➤ Environment-friendly, recyclable, and renewable materials and low-carbon products

- (1) Research and development of environment-friendly and recyclable products - In addition to recycling renewable nylon/polyester fibers and making them into environment-friendly fabrics, the Company also develops two new types of low-carbon products:



a. FTC's R&D efforts in 2020 were mostly focused on non-petrochemical products, using bio materials such as castor oil and corn to make bio-based polyamide PA11, N4,10, and PA5,6 to replace PA6 and PA66 fibers made from excavated oil. Taking bio-based polyamine PA4,10 as an example, it extracts chemicals from biological substrates as materials, and also applies 70% bio-based chemicals extracted from castor oil. Without needing to compete with people for food or obtain massive irrigation water, it can grow on barren land. Bio-based renewable resources may be applied to replace non-renewable petrochemical resources and generate lower carbon footprint. The general polyamine PA66 is 6.5 kgCO₂e, and PA4,10 only 1.9 kgCO₂e.

- b. With regards to the research of low-carbon production procedures, new bio-degradable fibers are being incorporated into the existing fabric-making and dyeing technologies, and once the process has been developed, the PET materials used in garments can be decomposed in a landfill in 5 years, which reduces the burden and impact that product waste may have on the environment.
- (2) Research and development of functional fabrics - Such as smart garments that offer active alert and thermal features.



2.4 Long-term strategies (11 years and above)

The Company follows its seven green strategies for sustainable development

- Green building: new plants and plant expansions are designed with the green building concept.
- Green energy: direct/proprietary/indirect sources of renewable energy are used.
- Green purchase: carbon-related performance is included in supplier management and evaluation.
- Green production: greenhouse gas emission in production procedures is being reduced and reflected in carbon footprint.
- Green emission: greenhouse gas emission volume is being used as the reduction indicator, for which the Company obtains third-party assurance on a yearly basis.
- Green product: ongoing efforts are being devoted to the research and development of renewable/recyclable materials and promoting them to customers.
- Green supply chain: Reduce the product carbon emissions through the joint implementation of carbon reduction by dealers in upstream and downstream segments.

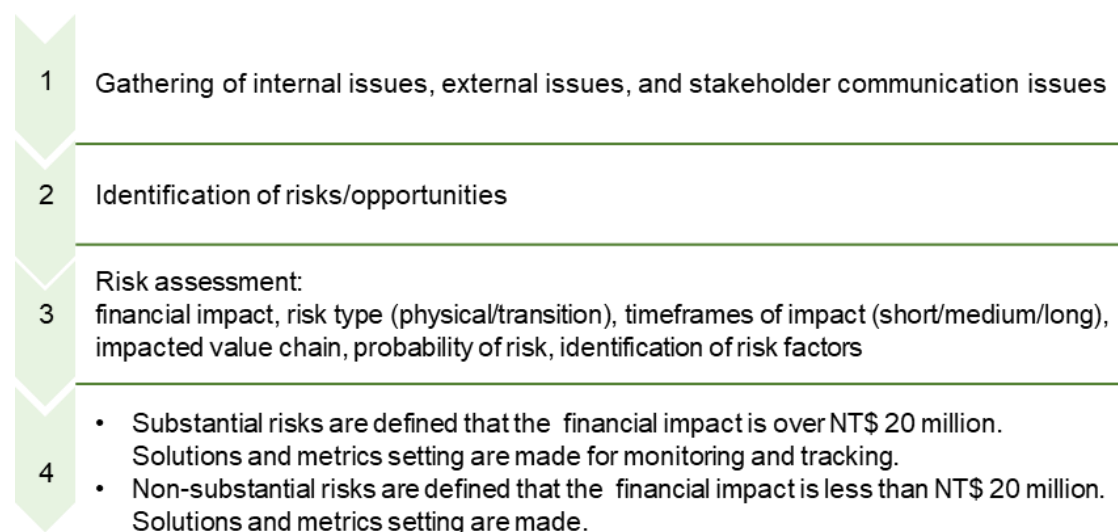
Chapter III Climate-related Risk Management

3.1 Identification of climate-related risks

The Company has incorporated the identification of climate-related risks and opportunities into ISO14001 procedures to more effectively integrate management practices. FTC performs risk assessments on internal and external environmental issues each year. These assessments are jointly performed by the R&D Department, Energy Management Department, Safety & Hygiene Department, and Sustainable Development Department, during which they would review and evaluate the relevance of various issues on the Company's business risks and significance of risks from different perspectives.

With respect to the assessment methodology, FTC follows the Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017) and mainly takes into consideration transformation risks (Policy and Law/Market/Technology/Reputation) and physical risks (chronic and acute) to perform risk scenario analysis. The financial impacts that amount to more than NT\$20 million (i.e. material financial impacts) are classified as enterprise-level risk.

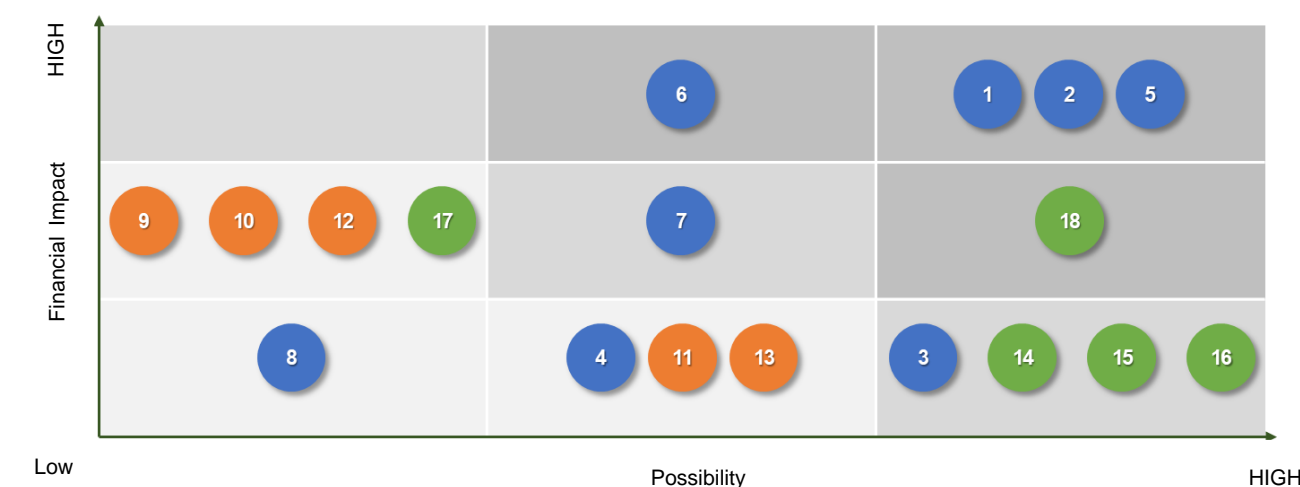
▼ Assessment Procedure of Climate-Related Risks



3.2 Management of substantial risks

For events that we consider to be of major risk, corresponding management plan must be generated to reduce the loss caused by the risk. We analyze all available management solutions and perform indicator settings, classified into risk elimination, risk mitigation and risk diversification. In addition, the final plan for implementation is determined through a meeting. All management solutions have to be monitored regularly or incorporated into the environmental management system (ISO 14001), and thereby integrated into the Company's risk management practices.

▼ Identification of Climate Risks and Opportunities



Transformation Risk	Physical Risk	Opportunity
1. Climate-related policies and regulations in Taiwan	9. Acute weather events (floods and cyclones)	14. AI project for factories
2. Nation's goal for zero emission	10. Acute weather events (power disruption)	15. Energy management solution
3. The nation's renewable energy policy	11. Chronic physical risk (rising sea levels)	16. Water recycling system
4. High costs and risks of waterless dyeing technology	12. Chronic physical risk (water shortage)	17. Opportunity to switch out fossil fuel
5. Customers' sustainability/environmental protection/low carbon requirements	13. Chronic physical risk (rising mean temperatures)	18. Eco-friendly and low-carbon products
6. Volatility of international fossil fuel prices		
7. Price hike by raw material suppliers (carbon tax/carbon credit/fossil fuel price etc.)		
8. Reputation risk of petrochemical materials/products		

3.3 Climate-related risk and response strategies

To comprehensively explain the aforementioned 3.2 related risks and opportunities identified, the Company summarizes the financial impacts and response measures in Table 3.1 Transformation Risk, Table 3.2 Physical Risk and Table 3.3 Climate Opportunities.

▼ Table 3.1 Transformation Risk

Risk type	Climate-related issue	Potential financial risk	Time of impact	Response strategies
Policy and legal	Renewable energy regulations, and Climate Change Response Act	Compliance-related expenditure (renewable energy compliance cost/carbon credit/carbon tax/product carbon footprint)	Short-term	<ul style="list-style-type: none"> ➢ Work with business partners on the implementation of renewable energy equipment. ➢ Continue existing reduction measures; aim to reduce high-carbon energy sources as the priority.
	The nation's net zero goal	Operating costs of low-carbon transformation	Long-term	<ul style="list-style-type: none"> ➢ Make ongoing improvements to energy efficiency. ➢ Set medium-term and long-term reduction goals and transformation plans.
	The nation's renewable energy policy	According to the nation's energy policy, renewable energy sources will account for 20% by 2025, and a rise in the cost of purchased electricity will increase operating costs.	Medium-term	<ul style="list-style-type: none"> ➢ Adopt energy self-sufficiency policy (continue searching for opportunities to implement renewable energy sources).
Technology	Low carbon emission/low environmental impact technologies will replace existing technologies	The cost of waterless dyeing technology remains high, which leads to poor sales performance unless sales orders reach a certain size	Short-term	<ul style="list-style-type: none"> ➢ Explore new customers and redesign equipment to produce other waterless fabrics and products.
		AI-assisted production procedures are unstable and produce low yields in the early stage of implementation; the additional raw material and energy input raises operating costs.	Short-term	<ul style="list-style-type: none"> ➢ Adopt rigorous tests and standardized processes for quality improvement.
Market	Customers' sustainability/environmental protection/low carbon requirements	Loss of revenues due to inability to satisfy customers' needs.	Medium-term	<ul style="list-style-type: none"> ➢ Research and development of environment-friendly and recyclable products and low-carbon production procedures.

Risk type	Climate-related issue	Potential financial risk	Time of impact	Response strategies
	Volatility of international fossil fuel prices	The rising cost of fossil fuels such as coal and natural gas increases operating costs.	Current	<ul style="list-style-type: none"> ➢ Make ongoing improvements to energy efficiency. ➢ Reduce dependency on fossil fuel. ➢ Continue searching for opportunities to implement renewable energy sources (solar power).
	Price hike from raw material suppliers	The rising cost of raw materials will decrease the profitability of the Company	Medium-term	<ul style="list-style-type: none"> ➢ Engage suppliers in long-term contracts to reduce risks. ➢ Adopt diversified supply of raw materials.
Reputation	Reputation risk of petrochemical materials/products	Major brands and customers have transitioned towards environment-friendly/recyclable products, causing a reduction in revenues.	Medium-term	<ul style="list-style-type: none"> ➢ Continue investment into the R&D of smart/environment-friendly products (without petrochemical materials).

▼ Table 3.2 Physical Risk

Risk type	Climate-related issue	Potential financial risk	Time of impact	Response strategies
Acute	Flood from acute weather events (e.g.: heavy precipitation, cyclone)	Flooding of the plant premise would damage equipment, affect production activities, and give rise to additional capital expenditure and affect safety of employees' commute	Short-term	<ul style="list-style-type: none"> ➢ Adopt enhanced emergency response measures. ➢ Regular inspection/cleanup of the drainage system. ➢ Alternative water source project.
		Flooding of the plant premise causes an overflow in the water treatment pool, loss of reputation, and loss of customers' orders.		<ul style="list-style-type: none"> ➢ Purchase omnibus insurance coverage.

Risk type	Climate-related issue	Potential financial risk	Time of impact	Response strategies
	Power disruption from acute weather events	May cause damage to production equipment, incur additional capital expenditure, and affect product delivery.		
Chronic	Drought (increase in the number of consecutive dry days)	Affects product delivery; increases the risk of contract breach and penalties.	Medium-term	<ul style="list-style-type: none"> ➤ Continue investment into water recycling solutions. ➤ Alternative water source project (Hushan Reservoir).
	Rise in average temperature	Reduced sale/demand for thermal products causes a reduction in the Company's revenues and profits.	Long-term	➤ Research and develop cooling/temperature-regulating products to increase revenues.
		Increased use of air conditioning gives rise to additional operating costs		➤ Make ongoing improvements to energy efficiency (ISO 50001 - energy management system).

▼ Table 3.3 Climate Opportunities

Opportunity type	Climate-related issue	Potential financial opportunities	Time of impact	Response strategies
Resource efficiency	AI project for factories	Reduce the cost of power, water, and raw materials.	Current	Combine big data and AI to increase the first-time success rate of the dyeing process
	ISO 50001 energy management solution	<ul style="list-style-type: none"> - Reduce operating costs of power - Reduce uncertainties associated with greenhouse gas-related regulations. 	Current	Capitalize on the energy conservation opportunities identified through ISO 50001, and monitor progress through the energy conservation meetings held by Formosa Chemicals & Fibre
	Water recycling system	Improve sustainability reputation, strengthen customers' trust, and increase potential revenues from sales orders	Current	Invest in a wastewater recycling system and increase the percentage of water recycled to minimize dependency on water

Opportunity type	Climate-related issue	Potential financial opportunities	Time of impact	Response strategies
Market	Opportunity to switch out fossil fuel	<ul style="list-style-type: none"> - Reduce uncertainties associated with greenhouse gas-related regulations. - Reduce the Company's carbon emission volume. 	Current	Redesign existing fuel oil heaters and transition towards low-carbon fuel (natural gas) for lower carbon emission.
Products and services	Eco-friendly and low-carbon products	<ul style="list-style-type: none"> - Increase product sales in line with market trends and needs of brand customers. - Reduce product carbon emission during the product use stage, and improve environmental performance. 	Short-term	Continue collaboration with foreign companies to make use of recyclable materials; invest resources into the research and development of functional and smart solutions.
Resilience	Alternative raw materials	Reduce fossil fuel dependency on tote bags	Current	Increase biomass content by 20% from 30% to 50%.

3.4 Scenario analysis

In reference to the guides recommended by TCFD, FTC considers different climate-related scenarios, and chooses three scenarios to analyze the possible business and financial impacts.

➤ INDC scenario

The nation has set its medium-term goal to reduce greenhouse gas emissions by 20% (compare to 2005), or down to 214 million tonnes, by 2030. Using this scenario, we evaluated how different strategies undertaken by the nation's 7 major sectors, including energy, industry, residential housing, service, transportation, agriculture, and waste, are likely to impact the Company. By simulating the BAU scenario, total greenhouse gas emission is expected to increase to 428 million tonnes by 2030. However, the INDC's goal is 215 million tonnes by 2030, and the nation's energy policy at that time forgoes the use of nuclear power. Due to the fact that Taiwan Power Company (TPC) has not announced any forecast or plan on electricity prices for 2030, we have made our own estimates using TPC's publicly available information, including the unit price of electricity and volume of electricity sold for various energy types. If renewable energy accounts

for a higher percentage of Taiwan's power supply, from 4.9% in 2018 to 40% by 2030, as planned in the national energy policy, TPC may raise electricity prices by 50% due to the higher cost of renewable energy. This was the basis of how we evaluated the impact of a rise in energy cost under the INDC scenario. As per evaluation, the Company's operating costs would rise by only 0.6%.

➤ **Well-below 2°C (transition scenario)**

The Company uses the standards published by SBTi to analyze transition risks under the Well-below 2°C scenario. The scenario assumes a 2.5% reduction in carbon emission per year, and the costs it takes to achieve the Well-below 2°C by 2027 would translate into a 1.4% increase in operating costs for the Company as the financial impact to the Company, if the green power is adopted as the primary strategy.

➤ **RCP (physical risk scenario)**

For the RCP scenario, Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) were employed to perform online simulations for RCP2.6, RCP4.5, RCP6.0, and RCP8.5 (each representing a different concentration level) and understand the worst results that may happen. With respect to the changes in temperature and rainfall, the scenario for the most significant change in temperature is RCP8.5, which will increase by 2.6°C from 2041 to 2060, thus increasing the power consumption of air conditioners. The scenario for the most significant increase in total rainfall is RCP8.5 between 2041 and 2060, in which the daily rainfall increases by 1.95mm (annual rainfall as 711.8mm), thus increasing the risk over drainage equipment; however, the Company conducts the flooding drills regularly each year, in order to prevent hazards. The scenario for the most significant decrease in total rainfall is RCP8.5 between 2041 and 2060, in which the daily rainfall decreases by 0.74mm (annual rainfall as 270.1mm), thus increasing the risk over water shortage equipment; for the time being, the Company wishes to increase the water supply in Hushan Reservoir to mitigate the risk over water shortage.

▼ **Scenario Analysis of Climate Change in Taiwan Main and Second plants**

Scenario Analysis	Prediction is made for the scenarios of RCP2.6, RCP4.5, RCP6.0, and RCP8.5, and scenario RCP 8.5 is used to perform the risk assessment of extreme weather
Time scale	2020~2040 and 2040~2060
Rising sea level	No impact
Below-tidal-line area (risk of flooding)	No impact
Area below the flood line of Year 2050	No impact
Average drought length	67 days
Rise in temperature	2.6
Total rainfall	Increase by no more than 711.8mm; decrease by no more than 270.1mm
Maximum number of days of continuous rainfall	Maximum 10.1 days of consecutive rainfall

Chapter IV Metrics and Targets

4.1 Emission reduction targets

The Company's setting target of carbon reduction has been verified and approved by SBT. For scopes 1 and 2, the Company uses the WB2°C scenario to set its absolute target (market-based) and near term target. With 2019 being designated as the base year, the Company aims to reduce emissions by a total of 26.3% by 2027 for a period of 8 years.

For scope 3, the Company uses the WB2°C scenario to set its absolute target and near term target. With 2019 being designated as the base year, the Company aims to reduce emissions by a total of 20% by 2027 for a period of 8 years. The Company expects to survey emissions on a yearly basis and disclose outcomes in the Environment chapter of its sustainability report. The Company will engage third parties to verify and assure the accuracy of greenhouse gas emission data.

▼ **Carbon Emission (absolute targets)**

Unit: Ton-CO₂e

Year		2019 (base year)	2021	2022
Category				
Scope 1+2	Carbon emission	445,431	348,153	281,090
	Compared to the base year (%)	-	-21.8%	-36.9%
Scope 3	Carbon emission	2,498,475	2,387,763	Under the verification
	Compared to the base year (%)	-	-4.4%	

* As the Scope 3 emissions for 2022 are still under calculation and verification and it is impossible to access the relevant information by the deadline of the Report, the information will be disclosed via through other public channels subsequently.

* As the Company has passed the SBT review just now, it is impossible to access the overall data by the deadline of the Report. Therefore, the Company plans to disclose the complete information about emissions next year.

4.2 Other targets

The Company sets the targets for water, electricity, and steam consumption per product unit each year:

- Water conservation by 5%- Based on the target calculated at the water consumption per unit of product in the previous year*0.95 or the target applied in the previous year (whichever stricter); unit of measurement: tonnes/unit of product.
- Power conservation by 5%- Based on the target calculated at the power consumption per unit of product in the previous year*0.95 or the target applied in the previous year (whichever stricter); unit of measurement: tonnes/unit of product.
- Steam conservation by 5%- Based on the target calculated at the steam consumption per unit of product in the previous year*0.95 or the target applied in the previous year (whichever stricter); unit of measurement: tonnes/unit of product.

4.3 Other metrics

The Company has set intensity indicators (CO₂e/NT\$ million dollar of revenue) to monitor carbon reduction progress relative to the level of economic activities.

Designating 2016 as the base year and starting from 2017, the Company aims to achieve a total reduction of 18% over 6 years in 2022.

▼ Emission Comparison Table (intensity indicator)

Year	Emission indicator (Ton-CO ₂ e/million NTD)	Compared to the base year (%)
2016 (Base Year)	18.61	-
2017	16.79	-9.8%
2018	16.14	-13.3%
2019	16.22	-12.8%
2020	17.76	-4.6%
2021	14.22	-23.6%
2022	10.74	-42.3%

4.4 Other data

The Company surveys the amount of power used by plants located in Taiwan and discloses data in the Environment Chapter of its sustainability report.

Item	Year 2019		Year 2022	
	Energy Consumption (GJ)	Percentage (%)	Energy Consumption (GJ)	Percentage (%)
Coal	3,206,190	70.46%	1,692,366	58.58%
Fuel oil	572,024	12.57%	208,694	7.22%
Diesel	1,512	0.03%	0	0%
Natural gas	107,160	2.36%	348,897	12.08%
Purchased electricity	663,396	14.58%	627,294	21.71%
Renewable energy	-	-	11,843	0.41%
Total energy consumption	4,550,282	100%	2,889,094	100%

Appendix I Report Management

➤ Edition Principles

This report has been prepared primarily based on the Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017). Based on the core elements including governance, strategy, risk management and indicator, and target, the Company prepares the strategies and measures to be adopted by the Company in response to the climate changes.

➤ Boundaries and Scope of Report

The data disclosed in the Report cover the period from January 1 to December 31, 2022. The boundaries cover the Plants in Taiwan (Douliu Core Plant and Plant 2). The data different from the disclosed ones, if any, shall be noted in the chapter additionally.

➤ Overview of Report Issuance

Date of issuance of the report for the previous year: June 2022

Date of issuance of the report for the current year: June 2023

Next year in which the report will be issued: 2024

➤ Contact information

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Appendix II TCFD Index

Core Elements	Recommended Disclosures	Page
Governance	Describe the board's oversight of climate-related risks and opportunities.	1
	Describe management's role in assessing and managing climate-related risks and opportunities.	2
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	7~13
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	7~13
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	3~6
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	7~13
	Describe the organization's processes for managing climate-related risks.	7~13
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	7~13
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	14~16
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	14~16
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	14~16



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