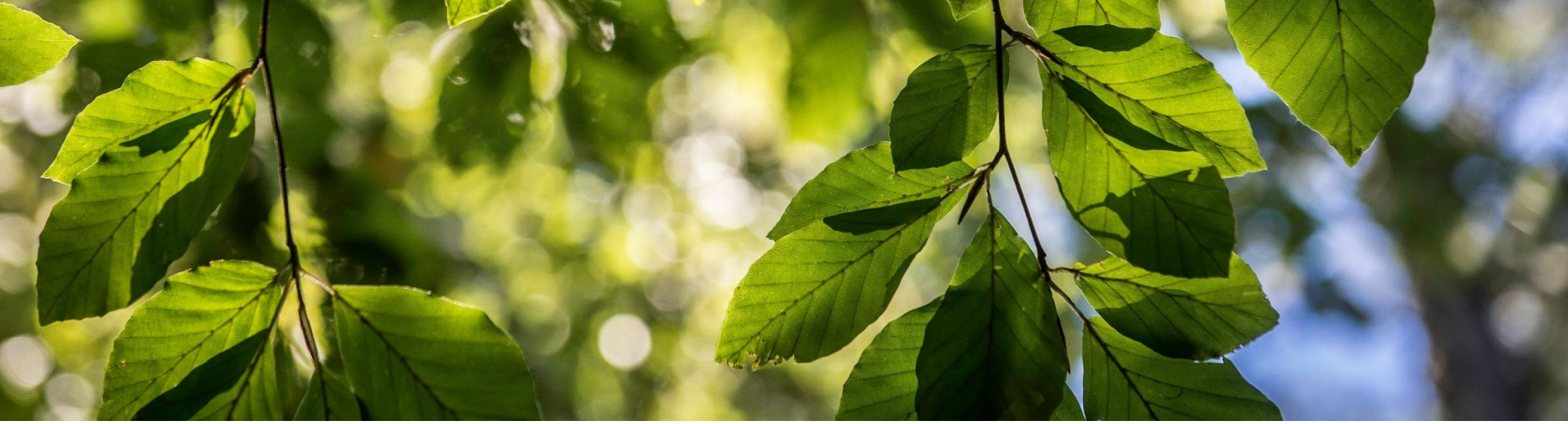
福懋興業股份有限公司
Formosa Taffeta Co., Ltd.

2023 TCFD Report

Task Force on Climate-Related Financial Disclosures

2023 TCFD Report

Contents



Preamble

Global warming caused by greenhouse gas emissions (“GHG”) has brought significant risks to the global economy in recent years and will affect a number of businesses. However, it may be difficult for investors to learn which companies are susceptible to risks of climate change, which companies are adequately prepared, and which ones are taking response actions. According, the Financial Stability Board (FSB) has 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. (hereinafter referred to as “FTC”) has become TCFD supporter and disclosed risks and opportunities associated with the climate change in accordance with the TCFD Recommendations 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 transition to a low-carbon economy.

1.1 Company Profile

FTC is a broadly diversified company; in addition to making products such as polyester or polyamide fabric with special finishing, cotton fabrics, interwoven fabrics, filament and stable woven fabrics, functional fabrics, staple yarn, special fabrics, tire cords, PE bags, bulletproof fabrics, fire retardant household fabrics, carbon fibers, and composite materials, FTC also operates gas stations. Today, FTC is one of the world's largest and highest quality producers of nylon filaments and taffeta fabrics. The Company has long devoted attention to quality control, innovation, precision testing, and also engages in strategic alliance with well-known suppliers to participate in world-renowned expositions each year, and has built up an excellent reputation for working with customers toward mutual benefits.

1.2 Organization and Responsibilities

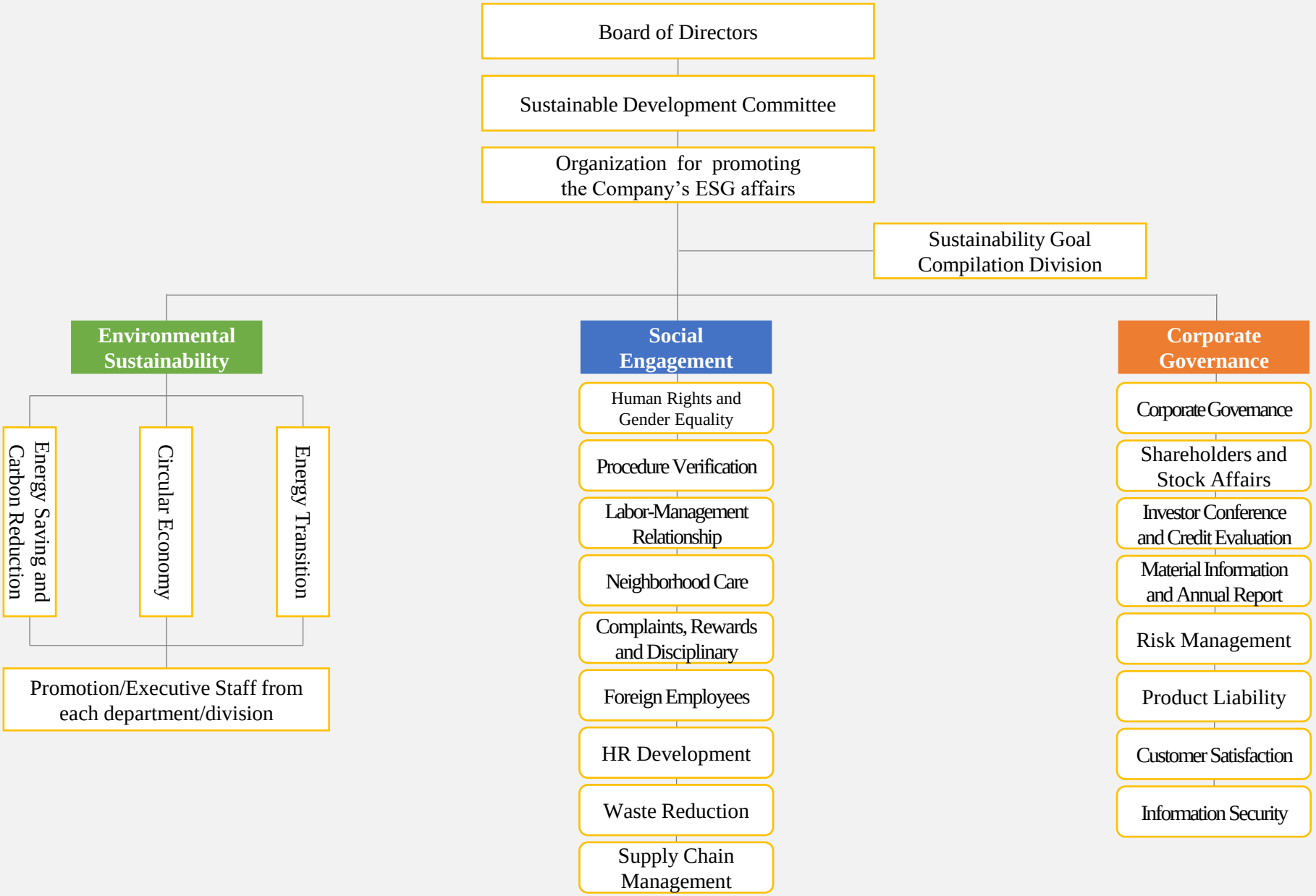
- **Responsibility of the Board of Directors**

  FTC's Board of Directors has established the "Sustainable Development Best Practice Principles," allowing the Company to achieve balance in the environmental sustainability, economic growth and social public welfare during the development process. In addition, the Company listens to stakeholders' opinions and implements corporate social responsibility to achieve the goal of sustainable development. The Board of Directors supervises the Company's climate change management practices. Furthermore, to strengthen the Board's responsibility for supervising the Company's promotion of ESG topics, 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 directives and supervising the implementation of sustainable development related affairs and plans. The Company reports relevant implementation status to the Board of Directors at least once annually. The contents reviewed by the Board of Directors in 2023 included the GHG inventory inspection status and review of the Company's Task Force on Climate-related Financial Disclosures (TCFD).

- **Responsibility of the Management**

  FTC established the "Sustainability Committee," promoting the sustainability. The President served as the Committee chairman, and the vice presidents of business departments serve as the vice chairman of the Committee. The Committee governs Environmental Sustainability Dept., Social Engagement Dept., and Corporate Governance Dept.. The Environmental Sustainability Dept. has 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 President on a monthly basis. In 2023, the main outcome in relation to climate change topics included the highest honor for CDP climate change, water questionnaire with leader-level rating award, and qualification of Science-Based Targets initiative, GHG emissions inventory etc.

▶ Organization of Sustainable Promotion



1.3 Organization Boundary

Company	Description of Plant Site/Business Activities
Formosa Taffeta Co., Ltd.	• Main Plant/Plant II: Manufacturing of textile products/tire cords/PE plastic bags • Petroleum Business Division: oil-related product distribution • Taipei Office: Textile product distribution and trading
Formosa Development Co., Ltd.	• It is located in the main factory of the parent company, FTC, and its main business activity is land development.
Formosa Taffeta (Hong Kong) Co., Ltd.	• Hong Kong Office: Textile product distribution and trading
Formosa Taffeta (Zhong Shan) Co, Ltd.	• Zhongshan Plant: Manufacturing of textile products
Formosa Taffeta Vietnam Co., Ltd.	• Long-an Plant: Manufacturing of textile products
Formosa Taffeta (Dong Nai) Co., Ltd.	• Dong nai Plant: Manufacturing of textile products
Formosa Taffeta (Changshu) Co., Ltd.	• Changshu Plant: Manufacturing of textile products
Public More Internation Company Ltd.	• Office: Human resource agency

2.1 Sustainable Development Strategies

FTC'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 expectation of stakeholders. To accomplish the purpose, 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 Strategy (In 3 years)

1. **Transition to 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. The PFO elimination plan has been implemented in 2020 and is expected to be completed in 2024. Accordingly, it is expected to reduce approximately 12,000 tonnes of GHG emissions, with a reduction of approximately 2.8%.

2. **Utilization of renewable energy:**

   The possibility to install solar power generation in each plant is being reviewed. In Taiwan, the capacity of 2.6 MWp rooftop solar power system has been installed, and 100% of the electricity generated is for the Company’s own use. In addition, the subsidiaries in Vietnam and China also adopt such policy. As of the end of December, 2023, a total capability of 9.86 MWp has been installed.

3. **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 (COP26) in Glasgow, the Company has adopted the strategy to phase down its dependency on coal and mitigate sensitivity to coal prices and is expected to stop the use of cogenerators in 2024 along with the increase of the ratio of externally purchased electricity. Accordingly, it is expected to reduce 130,000 tonnes of carbon emissions with a reduction of approximately 46.2%.

❹ **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.

❺ **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.

❻ **Carbon pricing strategy**

FTC responded to the emission limits imposed under the "Climate Change Response Act" (formerly known as 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 former "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. The Company has set the year of 2019 as the base year, and the annual emission target is estimated to be reduced by 2.5% annually. The carbon emissions were 162,000 tonnes in 2023, decreased by 239,000 tonnes from the target emissions of 410,000 tonnes for 2023. The annual carbon emissions expense in 2023 were estimated to be NT$16.2 million.

2.2 Medium-term Strategy (3-10 years)

❶ **AI-assisted production procedures:**

The dyeing process is a major factor that affects the Right First Time (RFT) rate, which is why 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. ◦

❷ **Environment-friendly, recyclable, and renewable materials and low-carbon products:**

There are two main emphases in our R&D strategy:

A. 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:

1) FTC's research and development mainly focuses on the application direction of non-petrochemical products, such as the use of bio materials such as castor oil and corn to make bio-based polyamide PA11, N4,10, and N5,6 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 $kgCO_2e$, and PA4,10 only 1.9 $kgCO_2e$.

2) With regards to the research and development 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.

B. Research and development of functional fabrics - Such as smart garments that offer active alert and thermal features.

2.3 Long-term Strategy (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: GHG emissions in production procedures is being reduced and reflected in carbon footprint.
- Green emissions: GHG emission amount is used as the reduction metric, and such metric is inspected by the third party continuously and annually.
- 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 product carbon emissions through the joint implementation of carbon reduction by dealers in upstream and downstream segments.

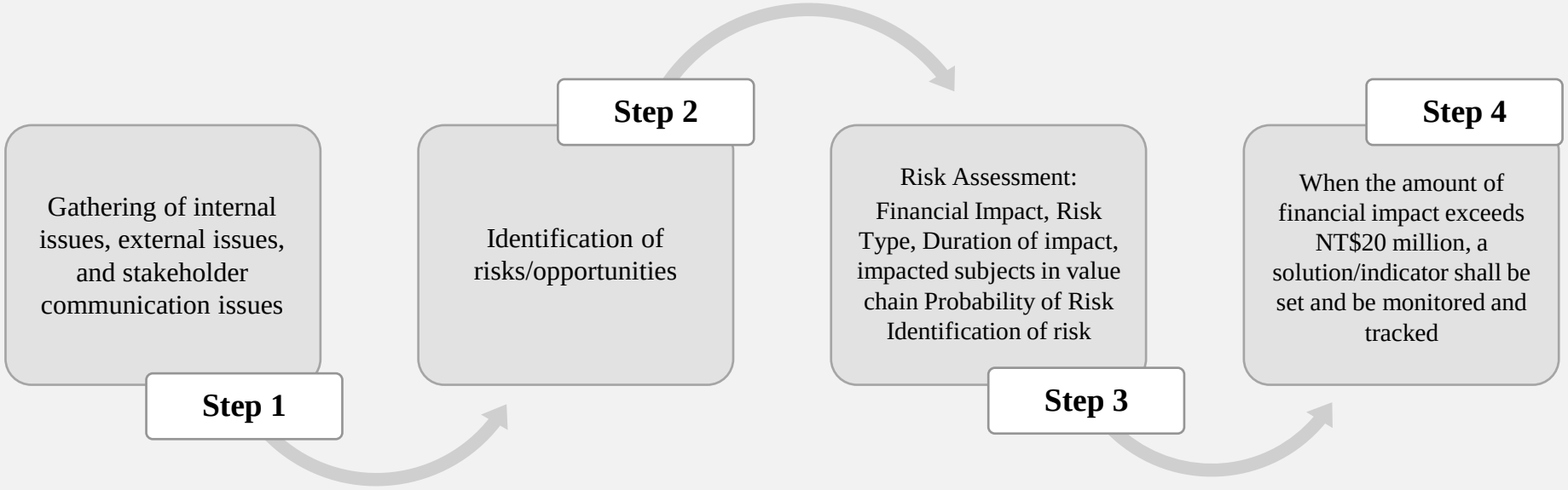
3.1 Identification of Climate Change Risks and Opportunities

The Company has integrated the identification of climate-related risks and opportunities with the ISO14001 procedures, in order to effectively integrate management mechanisms. 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.

For the assessment method, FTC performs risk scenario analysis according to the Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017) and mainly considers transformation risks (policy and law/market/technology/reputation) and physical risks (chronic and acute) as well as opportunities (resource efficiency/energy/product service/market/resilience). When the amount of financial impact exceeds NT$20 million, it is listed as an enterprise-level risk or opportunity (i.e., having substantial financial impact).

3.2 Management of Material Risks

For events which considered 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 metric 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.



3.3 Opportunity, Risk and response strategies

▼ Transformation Risk

Climate-related issue	Potential financial risk or opportunity	Time of Impact	Level of Impact	Response strategies
Climate policies/Acts on Renewable energy/net-zero target in Taiwan	• Compliance-related expenditures (renewable energy compliance cost/carbon fee)	Short-term	High	• Install renewable energy system in partnership with business. • Continue carbon reduction measures; aim to reduce high-carbon energy sources as the priority. • Make ongoing improvements to energy efficiency • Set medium-term and long-term reduction goals and transformation plans • Adopt energy self-sufficiency policy (continue searching for opportunities to implement renewable energy sources)
Climate policies/Acts on Renewable energy/net-zero target in Vietnam	• Operating cost for reporting	Short-term	Low	• Reporting obligation in compliance with local laws and regulations
Climate policies/Acts on Renewable energy/net-zero target in China	• Operating cost for reporting	Short-term	Low	• Reporting obligation in compliance with local laws and regulations
High cost of waterless dyeing technology	• The cost of waterless dyeing technology remains high, leading to poor sales performance unless sales orders reach a certain size.	Short-term	Low	• Explore new customers and redesign equipment to produce other waterless fabrics and products
Customers' sustainability/environmental protection/low carbon requirements	• Loss of revenues due to inability to satisfy customers' needs.	Medium-term	High	• Research and development of environment-friendly and recyclable products and low-carbon production procedures
Volatility of international fossil fuel prices	• The rising cost of fossil fuels such as coal and natural gas increases operating costs.	Short-term	High	• 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.	Short-term	Medium	• Engage suppliers in long-term contracts to reduce risks • Adopt diversified supply of raw materials
Reputation risk of petrochemical materials/products	• Brand customers have transitioned towards environment-friendly/recyclable products, causing a reduction in revenues.	Medium-term	Medium	• Continue investment into the R&D of smart/environment-friendly products (without petrochemical materials).

▼ **Physical Risk**

Climate-related issue	Potential financial risk or opportunity	Time of Impact	Level of Impact	Response strategies
Acute weather events- Parent company (flood, typhoon, power outage, etc.)	• Damage equipment, affect production activities, and give rise to additional capital expenditure. Furthermore, it causes wastewater pond overflow, resulting in reputation damage and reduction of customers' orders. • Affect safety of employees' commute.	Short-term	Low	• Adopt enhanced emergency response measures • Regular inspection/cleanup of the drainage system • Apply for comprehensive insurance
		Medium-term	Medium	
		Long-term	Medium	
Acute weather events- overseas plants (flood, typhoon, power outage, etc.)	• Damage equipment, affect production activities, and give rise to additional capital expenditure. Furthermore, it causes wastewater pond overflow, resulting in reputation damage and reduction of customers' orders. • Affect safety of employees' commute.	Medium-term	Low	• Adopt enhanced emergency response measures • Regular inspection/cleanup of the drainage system • Apply for comprehensive insurance
		Long-term	Low	
Chronic weather events- sea level rise in overseas plants	• Interrupt Production	Long-term	High	• Observe sea level change
Chronic weather events- drought (increase in the number of consecutive dry days)	• Affect product delivery; increases the risk of contract breach and penalties.	Long-term	Low	• Continuous investment in water recycling solutions • Alternative water source project for plant site in Taiwan (Hushan Reservoir) • Production backup mechanism
Chronic weather events-increase of average temperature	• Reduce sale/demand for heat-retention products, resulting in decrease of the Company's revenues and profits. • Increase use of air conditioning gives rise to additional operating costs	Long-term	Low	• Research and develop cooling/temperature-regulating products to increase revenues. • Make ongoing improvements to energy efficiency (ISO 50001 - energy management system)

▼ **Climate Opportunities**

Climate-related issue	Potential financial risk or opportunity	Time of Impact	Level of Impact	Response strategies
Resource efficiency- AI project for factories	• Reduce the cost of power, water, and raw materials.	Short-term	Low	• Combine big data and AI to increase the first-time success rate of the dyeing process.
		Medium-term	Low	
Resource efficiency- ISO 50001 - energy management solution	• Reduce operating costs of power	Short-term	Low	• Capitalize on the energy conservation opportunities identified through ISO 50001, and monitor progress through the energy conservation meetings held by Formosa Chemicals & Fibre Corp.
		Medium-term	Low	
Resource efficiency- Water recycling system	• Improve sustainability reputation, strengthen customers' trust, and increase potential revenues from sales orders	Short-term	Low	• Invest in a wastewater recycling system and increase the percentage of water recycled to minimize dependency on water.
		Medium-term	Low	
Market- Opportunity to switch out fossil fuel	• Reduce uncertainties associated with GHG-related regulations. • Reduce carbon emission	Medium-term	Medium	• 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	• 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.	Medium-term	Medium	• 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 PE bags	Short-term	Low	• Increase biomass content by 20% from 30% to 50%.

3.4 Scenario Simulation

In reference with the guides recommended by TCFD, FTC considers different climate-related scenarios, and selects and uses two scenarios to analyze possible operational and financial impacts.

❶ **2050 carbon neutrality transformation scenario**

The Company evaluates the long-term scenario of Net Zero in 2050 based on the standard announced by the organization of SBTi. In addition, the Company also evaluates the paths well-below 2℃ and 1.5℃ for 5-~10 years of the near term scenario. The long-term scenario refers to the reduction of fossil fuel emissions to 0 in 2050. As for the emissions that cannot be reduced, the method of carbon neutrality will be adopted to achieve net zero emissions. After the Company analyzes the energy transformation for 2050, if 100% of green electricity is used, the energy cost will be increased by NT$3.16 billion, i.e., the total operating cost will be increased by 11.2%.

❷ **Well-below 2℃ (transition scenario)**

The Company uses the standards published by SBTi to analyze transition risks under the Wellbelow 2℃ scenario.The scenario assumes a 2.5% reduction in carbon emission per year, and the costs it takes to achieve the Well-below 2℃ 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.

❸ **Physical risk scenario**

For physical risks of the plant sites in Taiwan, the Shared Socioeconomic Pathways (SSP) defined in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) is used to estimate future emission scenarios, considering the four different pathways, low emissions (SSP1-2.6), medium emissions (SSP2-4.5), high emissions (SSP3-7.0), and extremely high emissions (SSPS5-8), as well as using the climate change metrics of the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), we conducted scenario analysis focusing on the extent of temperature rise in the 21st century relative to the period 1850-1900 and the potential impacts of climate change in the medium term (2041-2060), integrating the information of damage potential from the National Science & Technology Center for Disaster Reduction (NCDR) to further analyze the potential disaster risks of flood, high temperature, drought, and slope lands in each plant area under different scenarios. Since the TCCIP climate data is for Taiwan only, for the physical risks of the overseas plant sites, evaluation model is used for the evaluation.

▼ **Main Operating Factories - Analysis result for the region of Taiwan**

Plant	Main Plant and Plant II in Taiwan
Change of average temperature (Temperature change ˚C)	+ 1.6 ℃
Change of daily maximum high temperature (℃, average value)	+ 1.6 ℃
Heat Wave Duration Index (HWDI) (days, average value)	+ 46.6
Rate of change of total precipitation (%, average value)	+ 7.7 %
2060 Sea level overflow risk	No overflow areas within 500 meters
Sea level rise overflow risk	No overflow areas within 500 meters

Note: Values in this table are based on SSP5-8.5 scenario, the medium-term scenario of climate change (2041-2060) for extreme climate risk management.

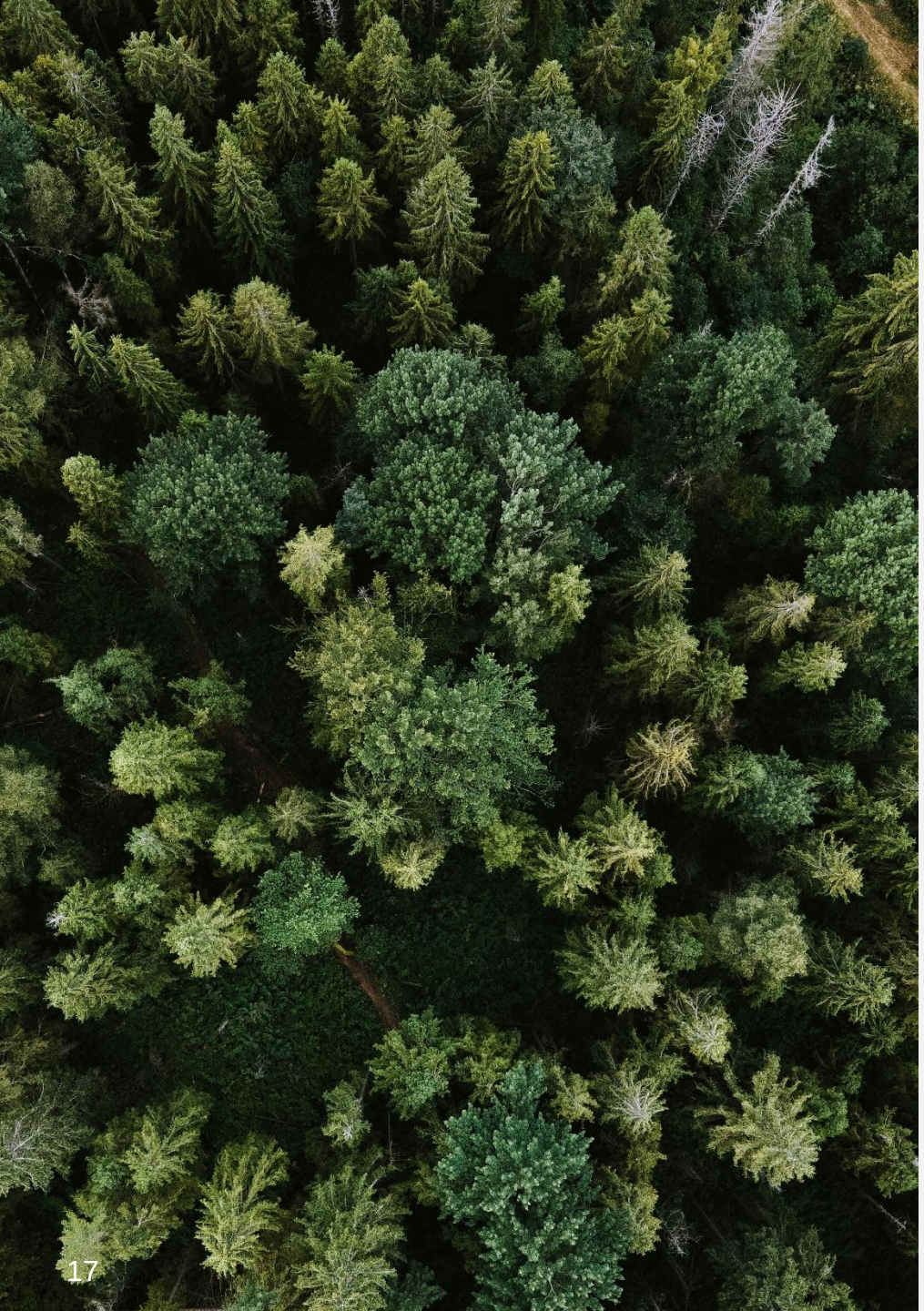
The acute flooding scenario is based on the flood simulation map of the National Science & Technology Center for Disaster Reduction’s contingency procedures and emergency response procedures, and the accumulated precipitation in 24-hours of 650mm is used as the assessment result. This indicates that the Company needs to take precautions of flood risks from heavy rainfall. After reviewing the drainage capacity and response procedures (typhoon preparedness procedures, emergency response procedures) of the Company's Main Plant and Plant II, both factories have sufficient capacity to cope with heavy rainfall scenarios, which has limited the minimum impact of heavy rainfall on production.

▼ **Analysis result of overseas plants**

For the acute flood scenario, the overseas scenario simulation data is reviewed, and the result comprehensively considers the probability of heavy rainfall and sea level rise. Accordingly, the result indicates that the Company must pay close attention to the flood risk caused by heavy rainfall. After reviewing the drainage capacity and response procedures (typhoon response procedures, emergency response procedures) of the plant sites of overseas subsidiaries, the Company has determined that all plant sites have sufficient capacity to respond to heavy rainfall scenarios, and the minimum impact of heavy rainfall on production has been limited. The long-term sea level rise may affect the production of subsidiary in Vietnam, and we have conducted comprehensive review on the drainage status of the plant site comprehensively and pay close attention to the sea level.

Climate Disaster	Heavy Precipitation				Sea Level Rise				Drought (RCP)			
Scenario	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5	RCP-2.6	RCP-4.5	RCP-6.0	RCP-8.5
Dong nai												
Long-an												
Zhongshan												
Chang shu												

No Risk 1 (Low) 2 3 4 5 (High) No available Data

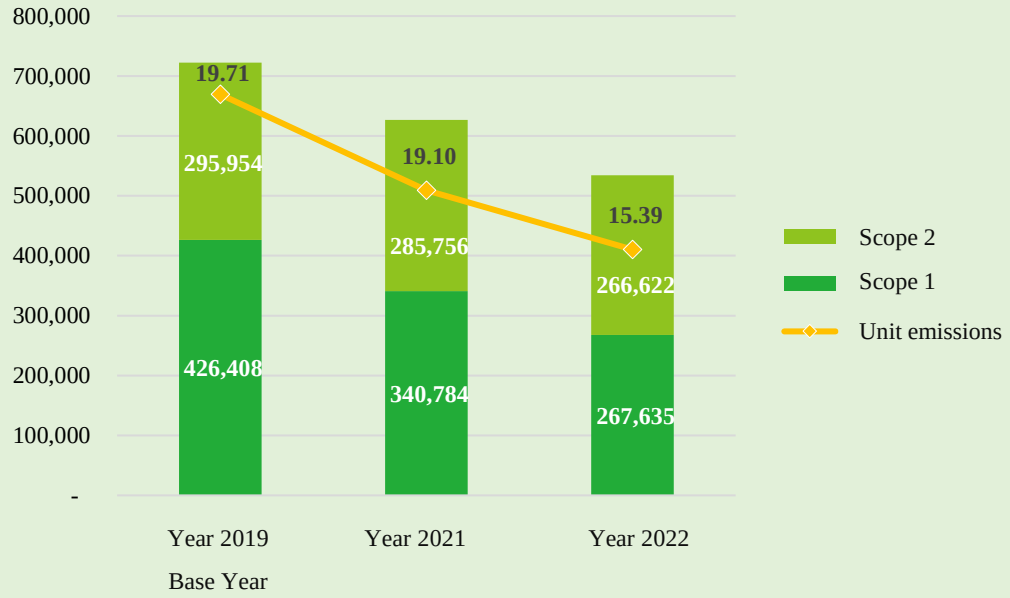


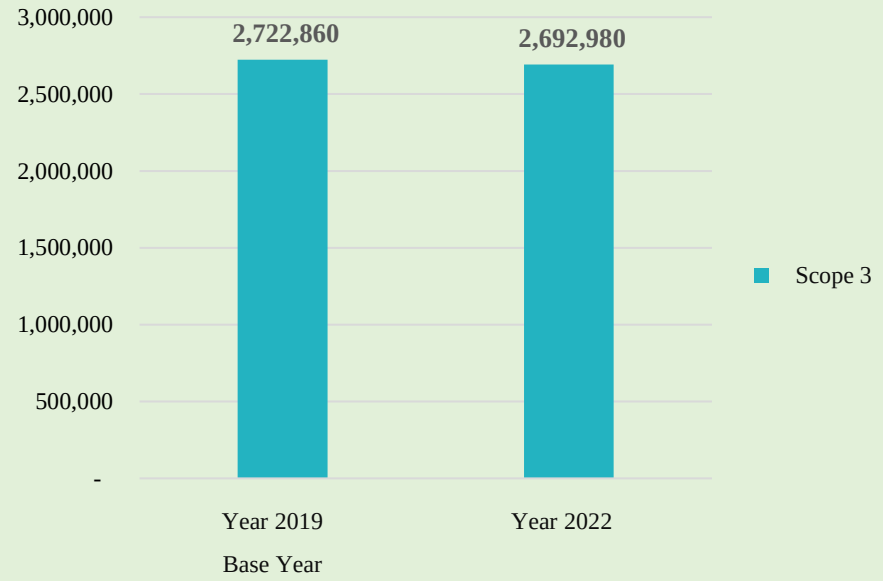
4.1 Carbon Reduction Goal

The Company has passed the review by SBTi and completed the setting of SBT. For Scope 1 and Scope 2, the Company uses the absolute target (market-based) of WB2℃ scenario to set the near term target. With 2019 as the base year and 2027 as the target year, the Company aims to reduce emissions by a total of 26.3% in 8 years. For Scope 3, the Company uses the absolute target of WB2℃ scenario to set the near term target. With 2019 as the base year and 2027 as the target year, the Company aims to reduce emissions by a total of 20% in 8 years.

The Company expects to survey emissions on a yearly basis and disclose outcomes in the Environment chapter of its sustainability report. The emissions inspection will be conducted by a third party, in order to ensure the accuracy of GHG emissions.

▼ **GHG emissions (Unit:Ton-CO2e)**





- The GHG emissions data shown above is consistent with the boundaries set in SBTi.
- Unit emissions is calculated based on Scope 1 and Scope 2 emissions in tonne of CO_2e/NT$ million of revenue.
- In 2022, the emissions of Scope 1 and Scope 2 decreased by 26% from 2019 (base year), mainly due to the less usage of cogeneration equipment requiring consumption of coal in Taiwan plant. During the transition period, the Company changed to use the electricity provided by Taipower of relatively lower carbon emissions factor, such that Scope 1 and Scope 2 emissions were reduced significantly. Furthermore, the Company's own installation of solar power generation facilities of 2,600kW have also been activated for use in operation.
- Due to the fact that the data of Scope 3 GHG emissions for 2023 is still under calculation and verification, the result is not yet available up to the publication of the report. Relevant information is to be subsequently disclosed through other public channels at a later date.

4.2 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 2023	
	Energy Consumption (GJ)	%	Energy Consumption (GJ)	%
Coal	3,206,190	70.46%	273,260	14.79%
Fuel oil	572,024	12.57%	73,947	4.00%
Diesel	1,512	0.03%	0	0%
Natural gas	107,160	2.36%	884,233	47.87%
Purchased electricity	663,396	14.58%	604,225	32.71%
Renewable energy	-	-	11,366	0.62%
Total energy consumption	4,550,282	100%	1,847,031	100%

4.3 Other Target

The Taiwan Plant 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.

About This Report

■ 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 in this report covers the period from January 1, 2023, to December 31, 2023. The boundaries include the parent company and its subsidiaries. If disclosed data varies, it will be noted in the respective section.

■ Overview of Report Issuance

Date of issuance of the report for the previous year: June 2023
Date of issuance of the report for the current year: June 2024
Next year in which the report will be issued: 2025

■ Contact information

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Risk Management	Describe the organization's processes for identifying and assessing climate related risks.	Chapter 3 Climate Change Risks & Opportunities	13
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