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1.4.3 Metrics and Targets

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In line with the seven major categories of metrics recommended by the TCFD, Taipower has established corresponding indicators and targets to measure performance and track progress in climate change management. In addition, Taipower systematically inventories and monitors its greenhouse gas (GHG) emissions, strengthens the management of its total carbon emissions, mitigates climate risks, and supports its low-carbon transition goals.

Metrics Category	Metric	2024 Results / Future Targets
Greenhouse Gas Emissions	Disclosure of Scope 1 and Scope 2 Emissions ¹	Scope1 (Direct emissions) :91.45 million tCO ₂ e Scope2 (Energy indirect emissions) :2.27 million tCO ₂ e
	Net GHG Emission Intensity of Thermal Power Units	11.7% reduction compared to 2016; target of 20% reduction by 2030
Physical Risks	SAIDI (System Average Interruption Duration Index)	15.831 minutes per household per year in 2024; the 2030 target is 15.5minutes.
	SAIFI (System Average Interruption Frequency Index)	0.209 outages per household per year
	Distribution Feeder Automation	9,784 feeders completed
Transition Risks	Cumulative Installed Capacity of Gas-Fired Units	13,953 MW; target to reach 25,924 MW by 2030
	Grid-Connected Renewable Energy Capacity	20,426 MW as of 2024; target to reach 41,718 MW by 2030.
	Renewable Energy Generation Share in Taipower System	11.9% (approx. 30 billion kWh); target of 24.1% (approx. 68 billion kWh) by 2030
Climate-Related Opportunities	Ammonia and Hydrogen Co-Firing Demonstration	The Linkou and Dalin Power Plants: feasibility study for >5% ammonia (thermal basis) by 2025; co-firing demonstration (>5%) at selected unit by 2030. The Hsinta Power Plant: completed a 5% hydrogen (volumetric basis) test in 2023; a further 7–10% hydrogen co-firing verification is planned by 2025.
	Carbon Capture and Storage (CCS) Pilot Projects	The Taichung Power Plant:2,000-ton CCS pilot project.
		● Carbon Capture Facility:geological drilling completed in 2024; target to start 2,000 t/year of capture by March 2027. ● Carbon Storage Facility:procurement awarded in 2024; target to start 2,000 t/year of injection by October 2028.
	Demand Response Programs	Participation volume reached 3.4 GW
Capital Allocation	Power Grid Resilience Enhancement Plans	From 2022 to 2032: Distributed Grid Projects (NT\$437.9 billion), Grid Reinforcement Projects (NT\$125 billion), System Defense Capability Enhancements (NT\$1.69 billion); NT\$137.4 billion invested by 2024.
	Gas Infrastructure Investment ²	Planned NT\$974.63 billion investment (2011–2035); NT\$298.63 billion invested by 2024.
	Green Bond Issuance	NT\$111.2 billion issued as of 2024
Internal Carbon Pricing	Internal Carbon Pricing System	Taipower has established an internal carbon pricing mechanism that considers abatement costs, regulatory penalties, and market prices.

Notes: As Taipower is the primary electricity provider in Taiwan, its total direct emissions also encompass indirect energy emissions.

Gas infrastructure projects include the following:
theTungshiao Power Plant Renewal and Expansion Project, the Datan Power Plant Gas-Fired Combined Cycle Unit Expansion Project, the Hsieh-ho Power Plant Renewal and Reconstruction Project, the Hsinta Power Plant Gas-Fired Unit Renewal and Reconstruction Project, the Taichung Power Plant New Gas-Fired Unit Project, the Tungshiao Power Plant Phase II Renewal and Reconstruction Project, the Dalin Power Plant Gas-Fired Unit Renewal and Reconstruction Project, the Taichung Power Plant Phase II New Gas-Fired Unit Project.

1.5 Sustainable
Supply Chain

Taipower aims to become an outstanding and trustworthy world-class power utility group and continues to enhance its sustainable development initiatives, with supply chain management being a critical element. As a state-owned enterprise, Taipower manages various types of suppliers in accordance with regulatory requirements. Environmental, social, and governance (ESG) compliance is mandated from the tendering phase, where all bidders must meet legal standards. Based on the nature of goods or services provided, the Company selects appropriate partners during bidding and evaluation.

1.5.1 Supplier
Management

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Taipower's suppliers are categorized into three groups: fuel suppliers for power generation, material and equipment suppliers, and electricity providers for external purchases. The Company identifies potential risks based on each supplier type and manages them across quality, output, environmental, and social dimensions. An overview of each supplier category is provided below.

Fuel Supplier Management

The main fuels used in Taipower's thermal power plants include natural gas, coal, and fuel oil, while nuclear power plants require nuclear fuel. To ensure a stable fuel supply, Taipower employs four key strategies: diversifying fuel sources, signing long-term contracts, maintaining secure inventories, and ensuring stable coal transportation. These strategies support the timely, high-quality, and adequate delivery of fuel to each power plant, ensuring a safe and stable power supply. Specific measures and actions are as follows:

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Fuel Supplier Management

Projects	Energy Supply Diversification	Long-Term Supply Contracts	Safe Inventories
 Natural Gas (LNG)	- All natural gas used for Taipower's power generation is supplied by CPC Corporation, Taiwan. Taipower continues to monitor CPC's sources of supply. - CPC has signed long-term contracts with multiple countries-including Qatar, Australia, the United States, and Papua New Guinea-to achieve diversification of its natural gas supply sources.	Signed long-term contracts with CPC Corporation, including a general supply agreement and the Datan contract	- Under an LNG Supply Coordination and Early Warning Mechanism with CPC, Taipower urges CPC to maintain over 80,000 and 100,000 tons of available LNG respectively for the Yongan and Taichung plants - Emergency response plans and mutual coordination terms have been established with CPC
 Coal	Taipower sets an upper limit on the proportion of coal procured under long-term contracts from any single source country or individual supplier.	Long-term contracts supply 75–85% of coal with the remainder supplied through spot purchases	- Coal stock must exceed 30 days of the previous year's average daily consumption - In 2024, planning is based on 40–45 days of average daily use
 Fuel Oil	- Fuel oil is supplied by CPC Corporation through domestic refining or imports. - Diesel is supplied by both CPC Corporation and Formosa Petrochemical Corporation.	Signed demand-based long-term contracts with CPC and Formosa Petrochemical to ensure supply	- Operating stock for fuel oil is maintained at 120,000–200,000 kiloliters - Diesel inventory is adjusted based on supply conditions at each power
 Nuclear Fuel	Nuclear fuel processing services are sourced from two to three different suppliers to ensure diversification.	- Existing uranium inventory is sufficient, so procurement has been suspended - Long-term contracts signed for all enrichment services	One batch of nuclear fuel is stocked for each unit; final batches are excluded to optimize usage

Stable Transportation and Supply

In 2024, Taipower transported approximately 5.73 million metric tons of coal using company-owned and long-term chartered vessels, maintaining a self-shipping ratio of 24%. Through autonomous management of coal logistics, the Company ensures stable fuel supply and dispatching.

Total gas and oil supplies remained stable in 2024, with 12.35 million metric tons of LNG (1.675 billion cubic meters), 868,000 kiloliters of fuel oil, and 60,000 kiloliters of diesel delivered.

By signing long-term contracts, Taipower reduces procurement uncertainty and ensures stable supply.



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Fuel Procurement Policy

● Natural Gas (LNG) Procurement

In line with Taiwan's energy transition, Taipower has shifted to a gas-first, coal-second power generation structure. The stability of the gas supply is critical to reliable electricity and renewable energy integration. Currently, all natural gas is supplied by CPC Corporation under an established coordination mechanism that responds to supply risks.

Looking ahead, Taipower will diversify its LNG sources by continuing procurement from CPC and purchasing directly from international markets. The Company also plans to build LNG terminals in Taichung and Hsieh-ho (government-approved) to support the Taichung, Hsieh-ho, and Tunghsiao Phase II gas-fired units. This approach enhances fuel autonomy, reduces procurement costs, and improves supply stability and security.

The Natural Gas Supply and Demand Contact Mechanism and
Early Warning System for Taipower and CPC

Frequency	Communication Measures
Annually	● By the end of May, Taipower sends revised second-half gas consumption estimates to CPC if needed.
	● By August 20, Taipower submits the next year's monthly gas consumption estimates and a gas unit maintenance schedule.
	● By the end of October, Taipower confirms any revisions to the earlier forecasts.
Quarterly	● Both parties hold a quarterly coordination meeting to review LNG supply matters.
Monthly	● By the 25th of each month, Taipower sends a "Planned Daily Gas Usage Table" for the next two months and the monthly usage estimates for the next three months to CPC for 45/90-day shipping coordination.
Daily	● CPC updates and sends an "LNG Usage and Inventory Report" daily before noon (faxed on holidays). ● By 4:00 p.m. on workdays, Taipower sends CPC a "Two-Week Daily Gas Usage Forecast." If estimates affect supply and cannot be adjusted by ship, CPC and Taipower coordinate.
Under Special Circumstances	● If CPC pipeline work may affect supply, it should be scheduled on holidays and CPC must notify Taipower in writing in advance. ● If CPC's Yongan or Taichung terminals will be affected by a Taipower power outage, Taipower shall coordinate with CPC first.

● Coal Procurement

To support coal procurement, Taipower established a cross-departmental Coal Procurement Review Task Force comprising members from internal departments (Materials, Accounting, Procurement, Legal Affairs) and external experts in energy, economics, and legal affairs. Through regular meetings and consultations, the Task Force develops flexible procurement strategies that ensure the timely, sufficient supply of high-quality coal while meeting environmental standards and minimizing costs.

● Fuel Oil and Diesel Supply

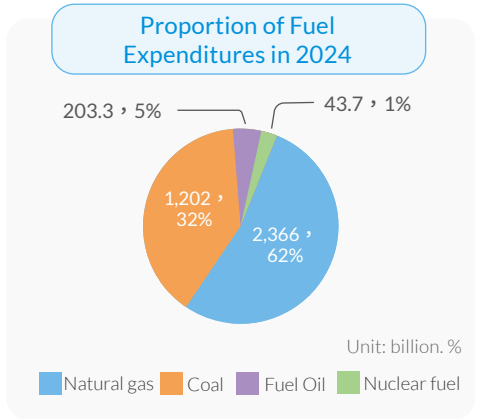
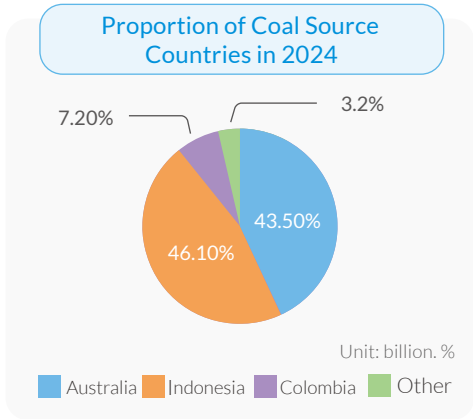
Fuel oil is supplied by CPC Corporation, while diesel is procured via tender from both CPC and Formosa Petrochemical Corporation (in 2024, CPC won all bids). All fuels comply with relevant government regulations and environmental standards. Each power plant sets appropriate inventory levels based on logistical conditions. After the decommissioning of the Hsieh-ho Power Plant in 2025, fuel oil demand will significantly decrease, with usage limited to offshore island plants.

● Nuclear Fuel Supply

Nuclear fuel procurement includes uranium purchases and three stages of processing: conversion, enrichment, and fabrication. In alignment with the government's nuclear-free homeland policy, uranium procurement has ceased as current inventories are sufficient through decommissioning. Processing services continue under long-term contracts.

● Contingency Planning

Coal inventories are planned at 40–45 days in 2024, complying with legal requirements (over 30 days) and ensuring a stable supply. Fuel oil inventories are determined based on unit maintenance, power supply schedules, and unique factors such as maritime transport to offshore islands. Taipower works closely with CPC under a joint contact and early warning mechanism to monitor and respond to LNG supply conditions.



Data source: 2024 self-prepared final accounts

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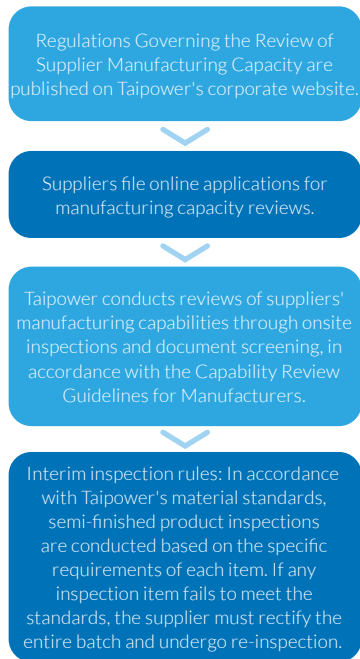
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Suppliers of Materials and Equipment

● Supplier Review Standards under the Government Procurement Act

To ensure material quality, power supply safety, and procurement efficiency, Taipower conducts reviews of bidding documents in accordance with the Government Procurement Act and tender specifications. Where there are ambiguities, bidders may be asked to provide further explanation or clarification.



● Screening Process for Selective Tendering and Qualified Suppliers

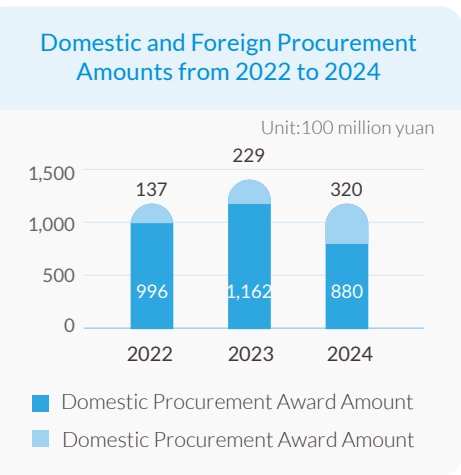
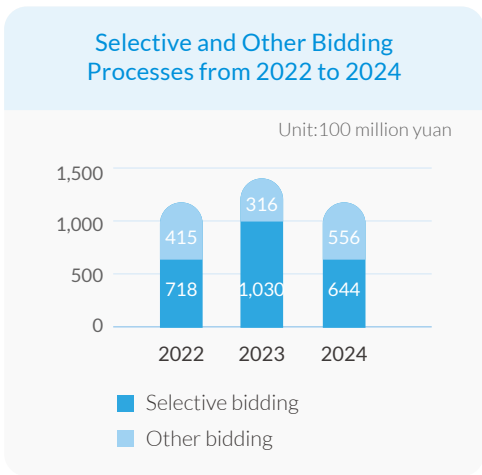
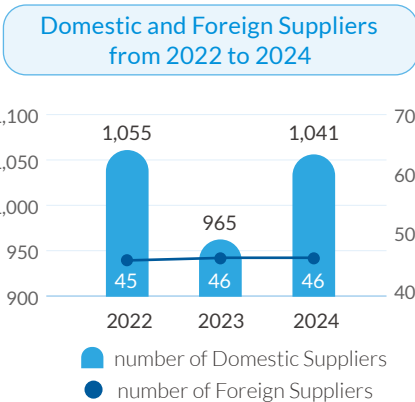
Taipower has established the General Principles for Manufacturer Capability Review for Selective Tendering Materials and Capability Review Guidelines, which serve as an evaluation basis for suppliers. Suppliers must first obtain a Capability Certificate before participating in selective tenders. In 2024, Taipower intensified its audits of material suppliers. Of the 143 approved suppliers for selective tenders, 71 underwent re-evaluation based on the expiration of their respective 3-year qualification terms (noting that validity periods vary by material). This accounted for 49.6% of all suppliers. All reviewed suppliers met Taipower's re-evaluation requirements. In addition, Taipower conducted 441 on-site inspections of supplier production processes throughout the year.

● Supplier Evaluation and Audit

Taipower conducts periodic re-evaluations of suppliers with Certificates of Manufacturing Capacity in accordance with the Guidelines for Re-evaluation of Power Equipment and Materials and the Guidelines for Supplier Capacity Review and Qualified Supplier Management. Re-evaluations must be completed before the expiry of the certificate, which is valid for up to three years. The re-evaluation process includes a comprehensive assessment of the supplier's manufacturing capacity, quality management system, lists of manufacturing and inspection equipment, subcomponent or raw material suppliers, delivery performance over the past three years, and measures taken to address non-conformities. Suppliers that meet the requirements will be re-certified. Those that fail to comply must submit corrective actions within a specified period or reapply for certification if no valid reason is provided.

● Domestic Procurement

In 2024, Taipower processed a total of 3,046 material procurement cases, involving 1,087 suppliers (1,041 domestic and 46 international). The total awarded contract value for property procurement across the Company reached approximately NT\$120 billion. Among this, domestic procurement accounted for around NT\$88 billion, representing 73% of the total. Selective tenders contributed approximately NT\$64.4 billion (54%) with 79 contractors awarded contracts, while other procurement methods accounted for NT\$55.6 billion, or 46% of the total.



● The Materials Supply Chain

Taipower oversees the entire materials supply chain-from material coding, supplier qualification, and approved vendor management to requisition, procurement, acceptance, and logistics. Internal training and consultation on the Government Procurement Act are provided to ensure compliance. The Company is also advancing a digital transformation of the supply chain through the implementation of Enterprise Resource Planning (ERP), Supply Chain Management (SCM), Smart Procurement Assistant System (SPAS), Warehouse Management System (WMS), and Material Traceability Management System (MTMS), thereby strengthening internal and external collaboration and building a comprehensive management framework.

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● Equipment Supply Chain

To ensure supplier-provided equipment meets Quality, Cost, Delivery, and Service (QCDS) requirements, Taipower has adopted ISO 9001 to integrate evaluation, re-evaluation, interim inspection, and defect feedback. Relevant regulations were revised to establish a quality assurance program for power equipment, enhancing suppliers' capabilities to deliver compliant products.

Taipower also established Review Procedures for the Manufacturing Capability of Power Equipment Suppliers and Guidelines for the Management of Qualified Suppliers to strengthen supplier management and ensure equipment reliability and power supply safety.

● Bidding Evaluation for Primary Power Generation Equipment Suppliers of Thermal Power Plants

Taipower uses a restricted tendering approach to engage technical services and consulting firms. In the evaluation criteria for "understanding of service matters," the Company includes environmental regulations to ensure consultants are familiar with current environmental laws and developments. This helps align future equipment tender specifications with environmental impact assessment (EIA) commitments.

For the procurement of key power generation equipment and auxiliary facility projects, Taipower includes a dedicated environmental section in tender documents. Contractors must comply with relevant regulations from the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, Marine Pollution Control Act, and Environmental Impact Assessment Act. A designated percentage of each contract's value is allocated for environmental protection expenses to ensure construction meets environmental standards and minimizes impact.

Electricity Supplier Management

To ensure power supply reliability and promote economic development, the government opened the power generation sector to private producers. Taipower's avoidable costs served as the pricing reference for power purchases from these suppliers. Prior to 2016, power procurement from Independent Power Producers (IPPs) was conducted in accordance with announcements issued by the Ministry of Economic Affairs (MOEA), which reviewed supplier qualifications. Qualified IPPs then entered into contracts with Taipower through competitive bidding or at announced prices.

Cogeneration and renewable energy purchases follow the Enforcement Rules of the Cogeneration System and the Renewable Energy Development Act, and are exempt from the Government Procurement Act. Taipower is legally required to purchase electricity under these mechanisms.

Following the 2017 amendment of the Electricity Act, the MOEA no longer announces new private generation programs. Taipower now assesses capacity needs based on the regulator's supply planning, and if purchases are required, conducts open tenders as per the Government Procurement Act with regards to setting base prices, public briefings, qualification reviews, and price negotiations.

As of the end of 2024, Taipower had signed power purchase agreements with 11 IPPs, 49 cogeneration providers, and 66,480 renewable energy installations (including solar, wind, hydro, and others). Total power purchased from external sources in 2024 reached 79 billion kWh.

1.5.2 Creating a Sustainable Supply Chain

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Supply Chain Management Mechanisms

To ensure material quality, power supply safety, and procurement efficiency, all of Taipower's procurement activities follow the Government Procurement Act. The Instructions to Tenderers and Contract Terms incorporate requirements on human rights, environmental protection, labor safety, labor rights, anti-human trafficking, and protections for people with disabilities and indigenous peoples.

Taipower promotes sustainable supply chains through communication and cooperation, and in agreement-based commitments with suppliers. To enhance supply chain resilience, Taipower continues sourcing equipment domestically and has established a Supply Chain Management (SCM) platform and promoted digital supply chain collaboration (including supply chain financing). Since 2023, Taipower has introduced ESG reviews into its supplier management system. These reviews assess resilience from the perspectives of sustainable operations, environmental friendliness, and social responsibility, and aim to mitigate risks and support long-term corporate sustainability.

● Supplier ESG Review

Stability, resilience, and sustainability have become new expectations for Taipower's supply chain management. On top of the existing (Quality, Cost, Delivery and Service (QCDS)framework, Taipower has introduced an additional "S" for Sustainability.

The Company has also established a Code of Conduct for Material Suppliers, covering compliance with environmental, occupational safety and health, and labor and human rights standards. Suppliers are also required to sign a Sustainability Commitment Letter.

Taipower is strengthening both internal and external sustainability capabilities, identifying ESG risk issues across the supply chain, assessing key actions and implementation progress, enhancing ESG management capacity, and working with suppliers to build a sustainable supply chain. These efforts encourage suppliers to reduce carbon emissions, minimize waste, improve labor conditions, and reinforce supply chain resilience and adaptability-paving the way for the gradual rollout of a sustainability review mechanism aligned with the QCDS framework.



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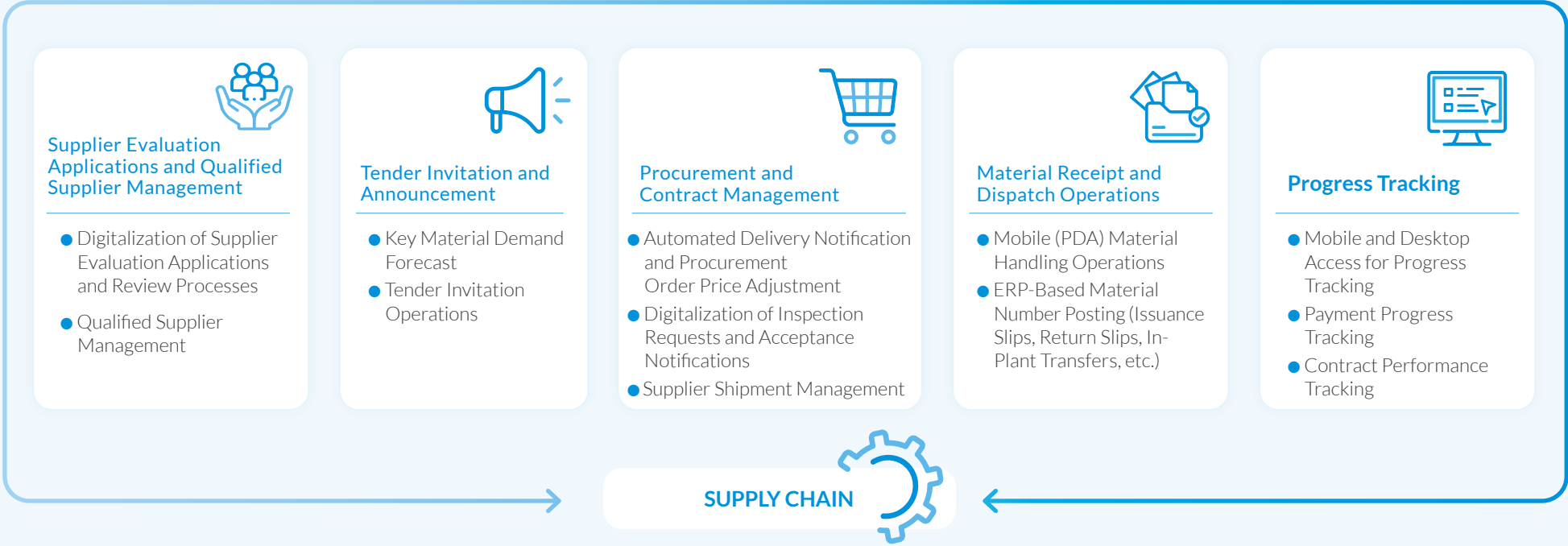
● **Supply Chain Management (SCM) Platform**

The platform currently supports applications for supplier evaluation, invitations to tender, procurement announcements, contract execution management, mobile material receiving/dispatch operations, progress tracking, and more. It is integrated with ERP system data to streamline certain delivery and fulfillment processes (such as dispatch operations) through digitalization, significantly improving the efficiency of material supply chain operations and strengthening partnerships with suppliers. Operating on a user-pays model, the platform collected nearly NT\$7 million in total fees from suppliers between 2021 and 2024. Participating financial institutions that provide digital supply chain financing services are also required to pay information usage fees. Together, these efforts are gradually forming an ecosystem that supports a value-driven supply chain.

● **Digital Supply Chain Collaboration (Supply Chain Financing)**

Since 2022, Taipower has signed digital collaboration agreements with banks for supply chain financing. Through API integration, Taipower shares supplier performance data to facilitate credit evaluations and reduce financing risks, thereby supporting stable power supply. As of 2024, eight banks had signed agreements, including Taipei Fubon, Mega Bank, Bank of Taiwan, Chang Hwa Bank, Taiwan Business Bank, Land Bank, Bank SinoPac, and Hua Nan Bank. The total contract amount had reached approximately NT\$1.78 billion.

Establishing a Cloud-Based Supply Chain Collaboration Platform Integrating Procurement, Contract Management, and Material Operations



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Supply Chain Management for Major Materials

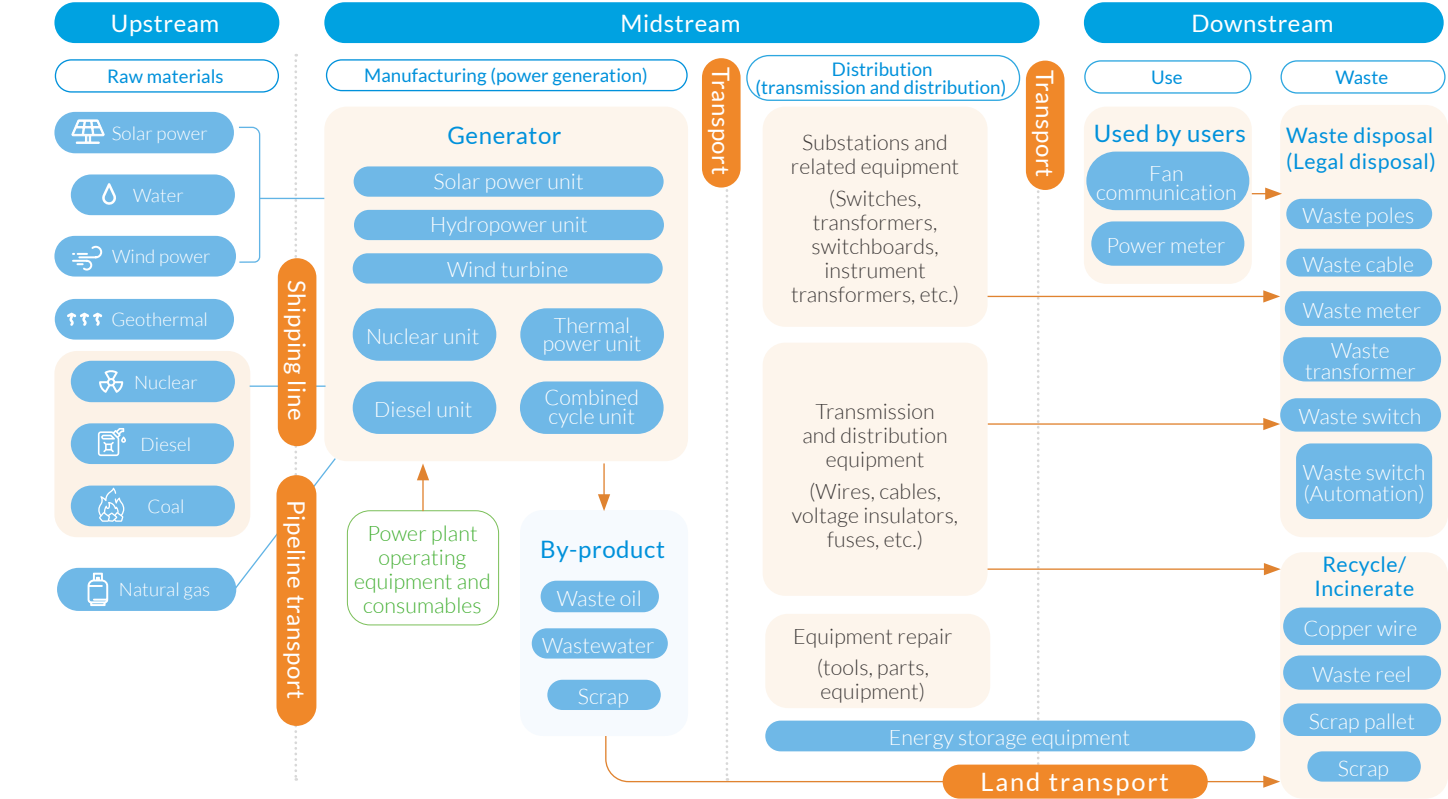
Taipower primarily handles midstream power generation, transmission, and distribution, and also provides limited downstream user services and maintenance.

Company-level materials are mainly used for power distribution and customer-end services.

The Materials Department is responsible for procuring relevant equipment and ensuring compliance with Taipower's quality and specification requirements.

To manage these materials, Taipower classifies them into seven categories and three groups based on function, with reference to Taiwan's industrial classification and SASB standards.

Taipower also refers to the 2023 DJSI questionnaire to identify major suppliers for supply chain management.



Material Supply Chain Sustainability Assessment Action

To strengthen the ESG management of company-level material suppliers, Taipower referred to the principles of ISO 20400 Sustainable Procurement – Guidance to identify key sustainability issues. Based on these issues, corresponding management requirements were proposed for suppliers. The identification results are presented in the following table.

Issue \ Category	Transformers and Inverters	Electronic Control Equipment and Materials	Metal Instruments	Cables	Telecommunications and Communications Equipment
Corporate Governance	●				●
Labor Standards	●	●		●	
Environmental Issues (including climate change)	●		●	●	
Fair Operating Practices	●	●			
Consumer Rights (including quality control)	●	●		●	●
Community Engagement and Development					●

Note:Suppliers not listed are classified as having no significant sustainability issues identified.

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Based on the results of material topic identification, Taipower established the Code of Conduct for Material Suppliers and the Sustainability Commitment for Material Suppliers, incorporating key international sustainability indicators. A pilot ESG documentary review was launched in December 2023 to assess supplier responses to material sustainability issues. Twelve key equipment suppliers were selected for the review, all of whom completed the documentation and signed both the Code and Commitment (100% completion rate). Two suppliers were further selected for on-site audits, resulting in the identification of four high-risk suppliers with recommendations for improvement. The overall review process is illustrated below.

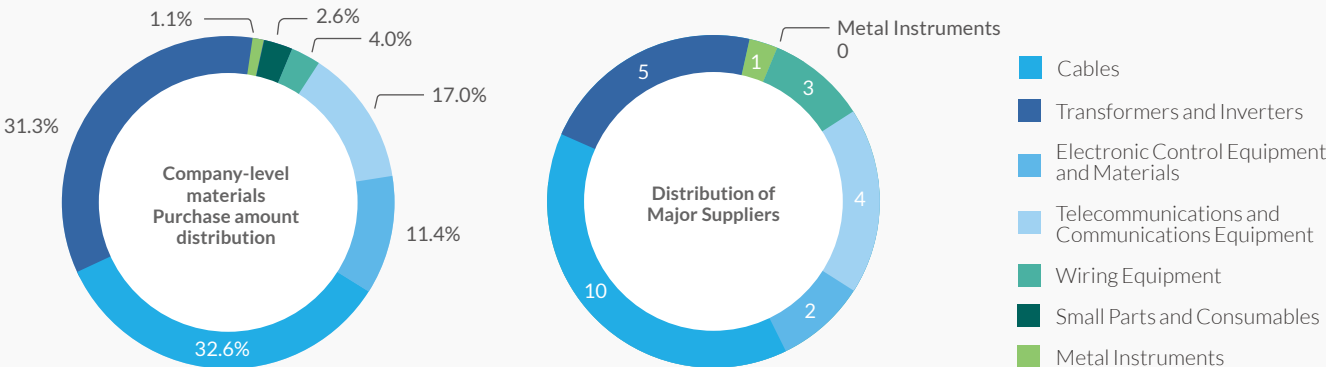
Supplier ESG Review and Risk Improvement Roadmap



Taipower continues to implement its "Sustainable Supply Chain Management Promotion" program, which plans to gradually expand the scope of ESG reviews for suppliers and introduce supply chain carbon disclosure reviews from 2025 to 2027. The Company has engaged consulting firms to conduct training and technology transfer to enhance employees' sustainability awareness and build internal capabilities for sustainability management. A digital platform will be introduced for information disclosure and the management of sustainable supply chain data. In addition, Taipower will strengthen supplier engagement and promote joint sustainability efforts by organizing supplier conventions and dialogues.

Material Supply Chain Management
Indicators and Performance

Taipower analyzed the procurement distribution of company-level materials based on the major supplier sustainability risk assessment process. As shown in the figure, the 25 major suppliers accounted for 83.1% of the total procurement value. Of this, 98.4% of material (by value) was directly sourced from local suppliers in Taiwan. The remaining 1.6% came from overseas suppliers, who mainly provided specific types of cables, wires, and insulators.



Major Supplier Sustainability
Risk Assessment Process

A weighted scoring system is used to identify major suppliers. The assessment takes into account the following criteria, each of which are assigned a specific weighting for score calculation:

- Procurement Amount Share**
 - Percentage of total procurement amount accounted for by a single supplier
 - Percentage of procurement amount within a specific category accounted for by an individual supplier
- Taipower's Industry-Specific Supply Risks - Risks of Supply Disruption**
 - Products imported from overseas (foreign suppliers)
 - Products with specific specifications supplied by a single supplier
 - Product categories with only one supplier
- ESG Materiality**
 - Governance risks associated with the supplier
 - Social risks associated with the supplier
 - Environmental risks associated with the supplier
- Contract Duration**
 - Purchase contracts lasting no less than two yearss