5

Climate Change Response



5. Climate Change Response

Given that climate change presents certain risks and opportunities for economic development and financial markets, the Bureau, as Taiwan's largest pension fund management authority, not only aligns internally with government energy conservation and carbon reduction policies by promoting green procurement, reducing energy, paper, and water consumption, and practicing green consumption, but also actively leverages its institutional investor influence through capital allocation and shareholder stewardship. Under the premise of ensuring long-term stable fund returns and safeguarding workers' retirement interests, the Bureau integrates climate change and sustainability factors into investment management. Through sustainable and responsible investment and shareholder engagement, it guides investee companies in implementing low-carbon transitions and sustainable operations, jointly advancing toward the national 2050 net-zero emissions goal.

5.1 Task-force on Climate-related Financial Disclosures (TCFD) GRI：201-2

As the impacts of climate change become increasingly pronounced, climate-related financial disclosures have garnered growing attention. In November 2023, the Bureau signed its support for the Task

Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), as part of its commitment to international sustainability initiatives. In this reporting period, the Bureau has referred to the TCFD recommendations and framework in disclosing its management strategies and actions across the four core pillars.

Governance

- Establish the "Sustainable Development Committee" to advance sustainability governance policies, implement sustainable investment principles, and monitor and review sustainability-related initiatives.
- Establish the "Sustainable Investment Working Group" to deepen research on climate change, sustainable finance, and related issues, and to identify risks and opportunities associated with sustainable investment.

Strategy

- Identify climate change-related risks and opportunities from an asset allocation perspective centered on investment planning, referencing NGFS scenario assumptions to formulate relevant impacts and time horizons.
- Integrate climate change risks into asset allocation considerations, monitor climate-related risks and opportunities across investments, implement responsible investment practices, and leverage the Bureau's influence through its investment activities.

Risk Management	● "The "Risk Control and Management Team" incorporates climate change risk items into the "Directions for Risk Management of Funds Managed by the Bureau of Labor Funds." ● Balance fund profitability with overall asset allocation planning, and pursue strategic decarbonization in a prudent manner. ● Maintain ongoing dialogue and engagement with investee companies to gain insights into the risks and response strategies facing their respective industries. ● Develop climate change risk reports for investment positions through a phased approach.
Metrics and Targets	● In alignment with the national 2050 net-zero target, actively advance decarbonization initiatives across funds under management (investment level) and office premises (operational level). ● Strengthen carbon emission disclosures for the investment portfolio, and establish medium- and long-term targets and key strategies for climate change management. ● Moving forward, climate databases will be utilized to quantify the carbon emissions of funds under management and select appropriate performance indicators.

5.1.1 Governance

The Bureau manages funds under a regulatory division system. Supervisory committees under the Ministry of Labor, the Ministry of Health and Welfare, and the Ministry of Agriculture oversee annual investment plans, asset allocations, and related matters for their respective funds. In addition to conducting operations in accordance with relevant laws, regulations, and divisions of responsibility, the committees hold regular meetings to report on fund utilization and material matters.

Given the substantial scale of the funds under management, climate change-related issues and factors may pose risks that could lead to direct or indirect financial losses to investment positions. Accordingly, the Bureau established the "Sustainable Development Committee" in 2023 to advance sustainability governance policies, practice sustainable investment principles, and formulate, monitor, and review sustainability strategies and action plans to manage climate change risks across fund investments. In response to potential medium- and long-term investment impacts, the Bureau also develops corresponding asset allocation and sustainable investment strategies, establishes robust climate-related risk management procedures, and devises monitoring measures through risk identification and measurement, thereby strengthening risk management capabilities and fulfilling its

responsibilities as an institutional investor. (For further details, please refer to Section 1.2.6 Supervision and Management, Section 3.1.1 Establishment of the Sustainable Development Committee, Section 3.1.2 Implementation of Socially Responsible Investment, Section 3.1.3 Adherence to Stewardship, and Section 4.2.1 Investment Risk Management in this report.)

5.1.2 Strategy

The Bureau manages fund investment and utilization operations in accordance with the law. To fulfill its fiduciary duty as a fund manager, uphold prudent operational principles, and safeguard beneficiary welfare amid growing global emphasis on environmental sustainability, the Bureau identifies climate-related risks and opportunities based on the TCFD framework, formulating assessment and response strategies to mitigate climate impacts and enhance organizational climate resilience. At the same time, the Bureau seeks to leverage capital allocation to encourage corporate low-carbon transitions and enhance climate resilience, thereby creating shared value through improved fund performance and positive social impact.

5.1. 2 .1 Identification of Climate Risks and Opportunities

To assist asset owners in identifying climate-related risks and opportunities, the Principles for Responsible Investment (PRI), based on the TCFD framework, recommends analytical approaches such as asset allocation, sector, individual stock, carbon footprint, stranded assets, and scenario analyses. The Bureau' s asset allocation strategy for the funds under management focuses on diversified exposure to global financial markets. As climate-related financial disclosure methodologies, regulatory requirements, and databases remain at an early stage of development, the Bureau takes an asset allocation approach and incorporates scenarios from The Network for Greening the Financial System (NGFS) to assess the potential impacts and time horizons of climate-related risks and opportunities. The climate-related risks and opportunities identified through this analysis are summarized in the table below. In general, the climate-related risks and opportunities facing investment assets mainly stem from the potential effects of changes in the prices of underlying assets, including those of investee companies. (For information regarding the Bureau's own operations in support of its core business, please refer to Section 3.1 Sustainability Strategy and Section 5.2 Low-Carbon Operations in this report.)

Category	Description of Risks and Opportunities	Potential Impact	Time Horizon	Applicable Asset Class	Materiality
Transition Risk	Market risk: Global policies and consumer demand are shifting toward carbon reduction and net zero, impacting investee companies' operations, profitability, debt repayment, and financing. Key factors include the burden of carbon costs, stranded transition assets, costs associated with developing and adopting new energy or technologies, reduced consumer demand for energy-intensive products, negative reputational impacts from litigation/disputes, and changes in credit ratings (default risk).	Asset price repricing	Short- and medium-term	Domestic and foreign equities Domestic and foreign bonds Foreign alternatives	V
	Regulations and policies: Imposition of carbon fees, improvement of equipment energy efficiency, and expansion of government fund loan programs	Increased operating costs or short-term working capital requirements	Short- and medium-term	Domestic alternatives	
Physical risk	Short-term: Increased frequency of extreme climate events Long-term: Shifts in climate patterns, rising temperatures and sea levels	Asset price repricing, increased operating costs, or business interruption	Short-, medium-, and long-term	Domestic and foreign equities Domestic and foreign bonds Domestic and foreign alternatives	V (Medium and long term)

Opportunities	Market opportunities: Shifts in consumer preferences, increased policy and regulatory subsidies, development of asset resilience, and R&D and innovation in low-carbon products (such as new energy, technology, or services)	Asset price repricing, green business opportunities, and resilient infrastructure	Short-, medium-, and long-term	Domestic and foreign equities Domestic and foreign bonds Foreign alternatives	V
	Energy/technology efficiency	Improved operational efficiency	Medium and long term	Bank deposits Domestic alternatives	

Note: The potential impacts and time horizons of climate-related risks and opportunities are determined with reference to changes in NGFS scenarios; materiality is assessed based on the Bureau' s exposure across its funds under management.

5.1. 2 .2 Impacts of Material Climate Risks and Opportunities on the Bureau

Transition risks, physical risks, and opportunities occurring over the short, medium, and long term mainly affect fund returns through changes in the valuation of invested financial assets. Despite constraints in comprehensive cross-regional and cross-industry research analysis and data collection, the Bureau continues to actively explore the development and introduction of relevant

analytical models. Currently, utilizing publicly available international climate data, such as global GHG emissions reports published by the European Commission and the World Resources Institute (WRI) physical risk platform, the Bureau has identified that major global carbon emissions are concentrated in the electricity, energy, manufacturing, transportation, and industrial sectors, while emerging markets (or regions with less resilient infrastructure) remain relatively vulnerable throughout the climate transition. Furthermore, international consensus generally indicates that an orderly transition toward global net-zero emissions by 2050 will entail significant transition costs in the short to medium term. However, if international collaboration is postponed, leading to a delayed transition, or does not proceed successfully, resulting in a continuation of existing policies under a Hot House World scenario, the Bureau is expected to face greater physical risks in the long term. This highlights the need to consider the potential impacts of long-term physical risks alongside short- and medium-term transition risks.

5.1. 2 .3 Response Strategies

Through capital deployment, the Bureau aims to guide enterprises in executing transformative climate actions and implementing targeted response strategies, thereby strengthening the climate resilience of the funds under management.

1. Incorporate Climate Risks into Asset Allocation Considerations

Since 2023, the formulation of annual asset allocation and investment deployment plans has incorporated climate change issues, emphasizing climate factors as critical criteria for investment portfolio construction. This approach enables prudent assessment of climate-related risks and opportunities, captures medium- to long-term investment trends, and materializes sustainable investment practices.

2. Continuously Advance Investments and Partnerships in Climate Change and Sustainable Development

To continually advance responsible investment related to climate change and sustainable development, the Bureau, for the first time, introduced a sustainability requirement for domestic investment mandates in 2020, requiring mandated institution to invest only in companies that have

published sustainability reports. This requirement was progressively extended to new mandates, thereby expanding the scale of sustainable investment. Furthermore, since May 2024, all equity investments under the Bureau's domestic investment mandates have been restricted to companies that have published sustainability reports. The Bureau continues to seek potential investment opportunities arising from the transition to a low-carbon economy. Regarding domestic bond investments, the Bureau also factors in issuers' progress toward net-zero emissions, continues to increase its investments in green bonds. Through these efforts, the Bureau aims to leverage its influence in the capital markets to encourage enterprises to fulfill their social responsibilities and advance corporate sustainability, thereby putting its sustainable investment strategy into action.

Regarding foreign investments, the Bureau launched a the Global Sustainable Real Estate Securities mandate in 2024, becoming one of the first major global pension funds to adopt the FTSE EPRA Nareit Developed Green Index as its benchmark. In 2025, the Bureau rolled out the Global Passive Equity mandate tied to the MSCI World Climate Action Index, focusing on climate transition as its core investment theme and supporting companies demonstrating leading performance in this area. Looking ahead, the Bureau will continue to align its investment planning with the global

transition toward net-zero emissions, including initiatives related to climate transition and carbon reduction.

3. Adhere to Stewardship Principles and Capture Net-Zero Transition Opportunities

While high-carbon companies and those in climate-sensitive regions face elevated risks, they also present significant opportunities for transition investment. Accordingly, the Bureau regularly reviews its managed funds' exposure to high-carbon assets. While balancing financial performance with sustainability considerations, the Bureau employs stewardship engagement and mandate management mechanisms to evaluate and monitor the decarbonization transition strategies of high-carbon industries within its portfolio.

For domestic investments, the Bureau guides companies along transition pathways by exercising active shareholder stewardship. As a general principle, holdings in high-carbon and fossil fuel sectors do not exceed benchmark weights, and exposures are dynamically assessed and adjusted based on corporate net-zero transition initiatives. For foreign investments, the Bureau will progressively implement decarbonization allocations across existing portfolios according to their overall carbon profile, while balancing fund returns and asset allocation. Furthermore, the Bureau continuously

tracks developments in sustainable investment and international net-zero initiatives, integrating these insights into the mandate design to guide mandated institutions in managing climate risks and opportunities.

4. Harness the Influence of Capital Deployment

The Bureau continuously enhances staff expertise on climate change and actively engages with international institutional organizations. It joined the Asian Corporate Governance Association (ACGA) in May 2025 and the Asia Investor Group on Climate Change (AIGCC) in July of the same year. Through these collaborative exchanges, the Bureau seeks to stay abreast of climate-related risk issues while harnessing the influence of its capital deployment to encourage companies to embed sustainable business practices and climate risk management, thereby driving corporate sustainability and social responsibility.

5.1.3 Risk Management

To address investment risks arising from global environmental change, enhance the risk management framework, and fulfill institutional investor stewardship responsibilities, the Bureau

amended the " Directions for Risk Management of Funds Managed by the Bureau of Labor Funds" in December 2023 to incorporate climate change risk factors. The relevant risk management mechanisms are outlined below:

1. Domestic Investments

To balance investment performance and social responsibility, when adding new stocks to the domestic in-house investment universe, the Bureau first reviews their performance against sustainability-related evaluations or indicators. Following inclusion, the Bureau continues to monitor evaluations by credible independent institutions across various sustainability dimensions, paying close attention to corporate governance, environmental protection measures, social responsibility, and decarbonization strategies. Furthermore, to balance climate risks and social responsibility, investment caps are established for high-carbon and fossil fuel industries. The Bureau also actively practices shareholder activism through ongoing dialogue and engagement with investee companies to understand industry risks and response strategies, comprehensively assessing and adjusting investment strategies based on their management and related actions.

As global net-zero emissions targets and the transition toward a low-carbon economy become increasingly clear, corporate carbon emissions disclosures and decarbonization strategies have emerged as vital considerations for investment evaluation and portfolio management. Regarding domestic investment mandate, in addition to requiring mandated institutions to regularly assess and report on the progress of the low-carbon transition in high-carbon industries, the Bureau continues to monitor whether these institutions integrate investee companies' carbon emissions data and climate-related information into investment decision-making, investment portfolio management, and underlying investment evaluation processes. Through regular reporting and communication mechanisms, the Bureau tracks the execution of climate risk management and sustainable investment by mandated institutions. Looking ahead, the Bureau will further evaluate whether mandated institutions have planned or established clear decarbonization targets and specific decarbonization pathways for mandated accounts, alongside related management and tracking mechanisms, to continuously enhance the investment portfolio's capacity to respond to climate risks.

Regarding domestic bond investments, all funds under management evaluate issuers' fulfillment of social responsibility and their progress toward net-zero carbon emissions targets in response to climate change. This aims to leverage the influence of institutional investors to encourage issuers to uphold corporate governance and social responsibility.

2. Foreign Investments

To gain an in-depth understanding of the sustainability performance of foreign mandated investment portfolios across equity securities and debt securities, the Bureau has required foreign mandated institutions to disclose portfolio-level sustainability information on a quarterly basis since Q3 2023. This includes quantitative data, such as ESG ratings and carbon emissions data, as well as qualitative insights, such as active engagement activities. Amid expanding international climate change regulatory requirements and growing supervisory focus, these disclosures facilitate the Bureau's implementation of sustainable investment and provide insight into the practices of international mandated institutions, pension funds, and other institutional entities. This enables the Bureau to identify sustainability-related investment risks, such as climate change, and capture

investment opportunities arising from the low-carbon transition in capital markets. Going forward, the Bureau will conduct carbon emissions analyses on managed fund positions. While balancing fund profitability with overall asset allocation strategies, the Bureau will systematically integrate climate risks into its asset allocation framework, prudently advancing strategic decarbonization to achieve its long-term, fund-wide decarbonization goals. For in-house investments, sustainability considerations are incorporated at appropriate stages of the investment process when selecting targets such as ETFs, funds, and bonds, in order to manage potential underlying sustainable investment risks (see 4.3.1.3 Foreign Investments under 4.3.1 Integrating Sustainability Assessment into In-House Investment Processes).

3. Climate Change Risk Reports

In 2022, the Financial Supervisory Commission published the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies," promoting a phased approach for all domestic TWSE/TPEx listed companies to complete greenhouse gas inventories by 2027 and obtain assurance for greenhouse gas inventories by 2029. Accordingly, the Bureau has collected carbon emissions and

financial data disclosed by companies with reference to the aforementioned timeline and approach. Furthermore, referencing the *Financed Emissions Standard of the Partnership for Carbon Accounting Financials* (PCAF), the Bureau is progressively compiling climate change risk reports for investment positions in phases and incorporating them into risk management reports for the reference of investment units.

5.1.4 Metrics and Targets

In alignment with national policy to achieve the 2050 net-zero greenhouse gas emissions target, the Bureau is dedicated to achieving net-zero emissions across both its investment portfolio and office premises, implementing targeted carbon reduction initiatives across investment and operational dimensions.

5.1.4.1 Investment

The Bureau prudently manages every fund and, while securing stable long-term investment returns, adheres to the UN Principles for Responsible Investment (PRI) and the Sustainable Development Goals (SDGs) to continuously enhance its sustainable investment strategies. It actively

positions capital to capture low-carbon and climate transition opportunities. In addition, the Bureau has set targets to exclude investments in controversial sectors and fossil fuel companies lacking proactive transition efforts, while continuously exercising influence through shareholder action and engagement to guide investee companies and mandated institutions to prioritize environmental sustainability and take climate transition actions.

1. Financed Emissions of Investment Positions:

According to the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" released by the Financial Supervisory Commission in 2022, all domestic TWSE/TPEx listed companies are required to complete greenhouse gas inventories by 2027 and obtain assurance for greenhouse gas inventories by 2029 across different phases based on paid-in capital and industry type, fostering a robust sustainable development ecosystem. At this stage, greenhouse gas emissions disclosures from domestic TWSE/TPEx listed companies frequently suffer from incomplete inventory boundaries, YoY boundary inconsistencies, or a lack of assurance by qualified third-party bodies, leaving room for improvement in overall data objectivity and comparability.

To effectively manage climate change risks, the Bureau amended the "Directions for Risk Management of Funds Managed by the Bureau of Labor Funds" in December 2023, incorporating climate change as a formal risk category to be assessed across each fund and progressively introducing relevant evaluation metrics. At this stage, to understand the financed emissions of the Bureau's investment portfolio, we rigorously review greenhouse gas emissions disclosures from underlying investments and strive to maintain data reliability under present constraints. For domestic TWSE/TPEx listed companies, data is mainly sourced from disclosures on the Market Observation Post System (MOPS), supplemented by adjustments based on individual companies' Sustainability Reports. In 2024, the Bureau completed the 2023 Climate Change Risk Report for Domestic Equity Securities (In-House Investments) and, in 2025, further completed the 2024 Climate Change Risk Report for Domestic Equity Securities (In-House and Mandated Investments).

Regarding foreign investments, the Bureau allocates across a highly diversified range of global financial asset categories. To conduct a greenhouse gas inventory of overall foreign investment positions, and recognizing that monitoring investment portfolio carbon emissions requires substantial data and technical infrastructure, the Bureau has tracked developments in international

climate databases and management platforms since 2023. Given that major global pension funds currently lack a unified standard for carbon disclosure boundaries, YoY inventory data stability varies, and emissions data for certain financial instruments remains limited, ongoing inventory efforts are still required for overall foreign investment holdings. In the future, the Bureau will progressively utilize database analytics and select appropriate metrics to evaluate the carbon emissions of foreign equity and bond investments managed within its funds, thereby supporting ongoing climate risk management.

The Bureau manages eight major funds: the Labor Pension Fund, Labor Retirement Fund, Labor Insurance Fund, Employment Insurance Fund, Labor Occupational Accident Insurance and Protection Fund, Arrear Wage Payment Fund, National Pension Insurance Fund, and Farmers' Pension Fund, encompassing a broad and diversified range of investment products. To ensure disclosure quality following two years of trial calculations and data source verification, the Bureau publicly disclosed the financed emissions of its domestic equity and mandated foreign equity securities portfolios this year. The investment portfolio carbon emissions disclosed at this stage are calculated based on Scope 1 and Scope 2 emissions disclosed by investee companies and serve mainly as a reference for

climate risk management, trend observation, and sustainable investment evaluations. As figures may vary depending on data sources, disclosure timing, estimation methodologies, or inventory boundaries, they should not be used as an absolute basis for YoY, cross-institutional, or cross-asset comparisons between different underlying investments. Financed emissions for the domestic investment portfolio are calculated using the "Sustainability Performance – Portfolio Financed Emissions Calculator" on the Taiwan Depository & Clearing Corporation (TDCC) ESG IR platform, with certain corporate emissions data adjusted based on published Sustainability Reports. In 2024, the financed emissions attributed to domestic equity investments (including in-house and mandated investments) managed by the Bureau totaled 2,242,998 tCO_2e. The economic emissions intensity was 1.251 tCO_2e per NT$ million invested, the weighted average carbon intensity was 4.693 tCO_2e per NT$ million in revenue, and an inventory coverage rate of 100%. For mandated foreign equity securities, calculations were conducted using the MSCI Climate database based on the net asset value of each mandate, converted at the year-end 2024 US$/TWD exchange rate of 32.78. Accordingly, the financed emissions attributed to mandated foreign equity securities were 3,047,968 tCO_2e. The economic emissions intensity was 1.617 tCO_2e per NT$ million invested and the weighted

average carbon intensity was 3.998 tCO_2e per NT$ million in revenue. Furthermore, foreign equity securities mandates include investment targets such as individual stocks and derivative financial instruments. Because the carbon emissions of certain financial instruments have not yet been incorporated due to the complexity involved in calculating them, the coverage rate of the carbon emissions inventory was 95.81%.

To effectively track emissions across its managed investment portfolio, the Bureau will continue to monitor sustainability policies issued by the FSC and major international pension insurance funds, while assessing the greenhouse gas inventory and assurance status of investee companies. Taking into account data objectivity and availability, the Bureau will progressively enrich portfolio greenhouse gas emissions data and broaden disclosure boundaries to demonstrate tangible sustainability governance outcomes. Furthermore, aligning with the *Financed Emissions Standard* developed by the Partnership for Carbon Accounting Financials (PCAF), the Bureau is planning to establish methodologies for measuring and calculating the carbon emissions of its investment portfolio, thereby laying the groundwork for strengthening future risk management and establishing

decarbonization targets. With due consideration given to the funds' long-term stable returns, the Bureau will strategically adjust asset allocation in pursuit of its long-term decarbonization goals.

2. Engagement with High-Carbon Industries:

Government agencies, including the Ministry of Environment, the Ministry of Economic Affairs, and the Financial Supervisory Commission, have successively introduced measures to support industries such as petrochemicals and oil refining in their low-carbon transition. Recognizing that sectors such as petrochemicals, cement, steel, and fossil fuels continue to play essential roles in Taiwan's economic development, employment, and capital markets, and that their low-carbon transition may present emerging investment opportunities, the Bureau evaluates climate-related risks and opportunities while balancing broader impacts on domestic industries and labor rights. Through active engagement on climate issues and by requiring domestic mandated institutions to regularly report on their monitoring and engagement with high-carbon investee companies regarding decarbonization initiatives, the Bureau works with mandated institutions to enhance the sustainability practices of investee companies, progressively reduce portfolio carbon emissions, and encourage companies to place greater emphasis on social responsibility and take proactive climate

transition actions. The Bureau continues to refine its engagement initiatives by drawing on international experiences and developments. Since 2023, it has progressively developed an in-depth understanding of domestic investee companies' short-, medium-, and long-term climate commitments, including their comprehensiveness, decarbonization pathways, and concrete results, thereby enhancing both the depth and breadth of engagement. To maximize engagement effectiveness, the Bureau prioritizes companies with higher shareholding proportions or those in high-emissions industries, harnessing shareholder engagement and the exercise of voting rights to guide and encourage investee companies in implementing their net-zero transition.

3. Expand the Scale of Green Bond Investments:

In recent years, the Bureau has actively allocated capital to environmental- and climate-related green bonds, steadily expanding its investment scale YoY. As of the end of 2025, green bond investments as a proportion of total domestic bond investments in the funds under management had increased steadily YoY, increasing from 1.40% in 2020 to 4.49%. In the future, the Bureau will continue to actively pursue green bond investment opportunities, aiming to leverage capital

allocation to drive corporate transition toward a low-carbon economy and progressively achieve the 2050 net-zero goal.

5.1.4.2 Operations

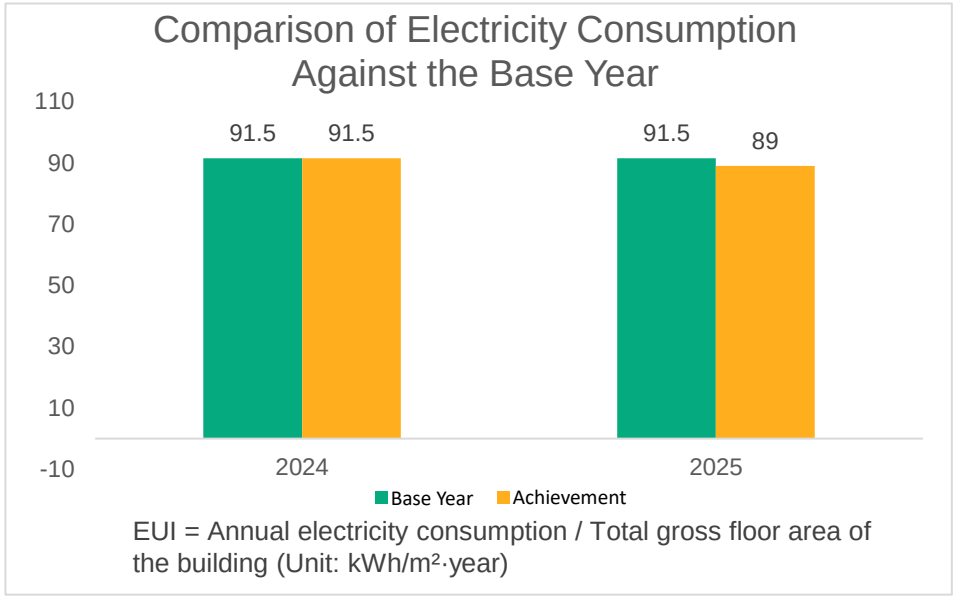
To reduce carbon emissions from office operations and achieve environmental sustainability goals, the following measures have been implemented:

1. Green Procurement:

In alignment with government policy, the Bureau procures eco-friendly products designated by the Ministry of Environment. In 2025, the achievement rate reached 100% (exceeding the 2025 target of 95% for designated government green procurement items). The annual objective remains to consistently maintain an achievement rate of 95% or higher for designated green procurement items.

2. Reduce Carbon Emissions from Operations:

In 2024, the Executive Yuan approved the "Electricity Efficiency Management Plan for Government Agencies and Schools," setting an overall target of a 3% improvement in electricity efficiency by 2026 compared to 2023, while assigning annual electricity-saving targets for individual agencies to achieve between 2024 and 2026. The Bureau engaged the Foundation of Taiwan Industrial Service to issue an energy conservation technical advisory report for government agencies and schools, reviewing the Bureau' s power consumption patterns and identifying energy-saving strategies. In alignment with this plan, energy-saving measures were implemented, successfully meeting the electricity-saving targets in both 2024 and 2025. In addition, the Bureau has



	2024	2025
Scope 1 absolute carbon emissions (tCO_2e)	2.91	2.91
Scope 2 absolute carbon emissions (tCO_2e)	119.79	111.82

Note: Scope 1 fugitive emission sources include emissions from air conditioners, chillers, refrigerators, and water dispensers; Scope 2 mainly comprises emissions from electricity consumption.

transitioned its official vehicle fleet to electric vehicles, making fugitive emission sources the primary contributor to Scope 1 emissions. Scope 2 emissions, calculated based on electricity consumption, have also decreased as a result of effective electricity conservation efforts.

3. Create a Low-Carbon Digital Environment:

Actively implement an online document approval system, electronic data exchange, online meetings, and online education and training while procuring electric vehicles to promote paperless operations and fuel conservation, thereby achieving low-carbon and environmental benefits.

5.1.4.3 Sustainability Target Setting

In 2026, the Bureau announced the carbon emissions of its investment portfolio ahead of schedule, demonstrating phased outcomes in implementing sustainability governance. To advance its decarbonization pathway, the Bureau further referenced the TCFD "Metrics and Targets" framework to establish medium- and long-term goals and key strategies for climate change management. These targets encompass core dimensions including sustainable investment, investment portfolio carbon emissions management, responsible investment, and information

disclosure. Drawing upon international best practices from major pension funds, financial institutions, and international organizations, and aligning with Taiwan's 2050 net-zero emissions policy as well as domestic and global sustainability trends, the Bureau is progressively establishing a target management mechanism tailored to its fund management characteristics, moving climate risk management from institutional frameworks toward medium-term action strategies with specific sustainability targets.

Amid global climate change, the net-zero transition, and the rapid development of sustainable finance, climate risk has become a critical issue impacting global economic development and financial markets. As Taiwan's largest pension fund management authority, the Bureau bears the responsibility of safeguarding workers' retirement security and ensuring the sustainable operation of the funds. While balancing long-term stable returns with the protection of workers' retirement rights, the Bureau will continue to monitor implementation status through regular monitoring, rolling reviews, and continuous improvement mechanisms. It aims to progressively enhance investment portfolio carbon emissions management, sustainable investment outcomes, and responsible investment practices, while continuously improving the quality and transparency of sustainability

disclosure. While maintaining long-term stable returns, the Bureau will continue to enhance climate risk management capabilities, bolster sustainability governance, and partner with investee companies and mandated institutions to promote the low-carbon transition. This approach will enhance the funds' resilience against future environmental changes and generate long-term benefits that deliver both financial and sustainability value for the funds managed by the Bureau.

Strategic Direction	Target Setting and Key Strategies
Net-Zero Commitment and Target Timeline	Continue advancing sustainable investment in alignment with the national 2050 Net-Zero policy
Short- and Medium-Term Sustainability Targets	● In line with the FSC's roadmap for TWSE/TPEx listed companies to complete greenhouse gas inventories by 2027 and obtain assurance by 2029, the Bureau will prepare emissions data and assess carbon reduction targets in a timely manner. ● Funds managed by the Bureau shall not invest in individual stocks in controversial sectors* ● Starting from 2030, funds managed by the Bureau shall not make new investments in individual stocks of fossil fuel companies that have not actively transitioned** ● Achieve an outstanding balance of US$20 billion in foreign sustainability-related mandates by 2030
Investment Portfolio Carbon Emissions	● In line with the FSC's greenhouse gas inventory roadmap, disclose investment portfolio carbon emissions information annually and maintain continuous tracking and

Management Indicators	management ➢ Verify the quality of carbon emissions data and disclose carbon emissions information for domestic equities and foreign equity securities mandates ahead of schedule between 2026 and 2027. ➢ Further disclose carbon emissions information for other investment categories, such as domestic bonds, in 2028, progressively expanding the disclosure scope of the investment portfolio's carbon emissions.
Climate Strategy and Responsible Investment	● Broaden the promotion of sustainable and responsible investment and expand sustainable investment strategy capacity and capabilities. ● Specify in the Investment Policy Statement of Labor Funds and related operational guidelines that sustainable investment shall be practiced while balancing fund returns. ● Stipulate in the risk management guidelines for funds under management that climate change risks must be incorporated into investment considerations, integrating sustainability principles into investment analysis and decision-making processes.

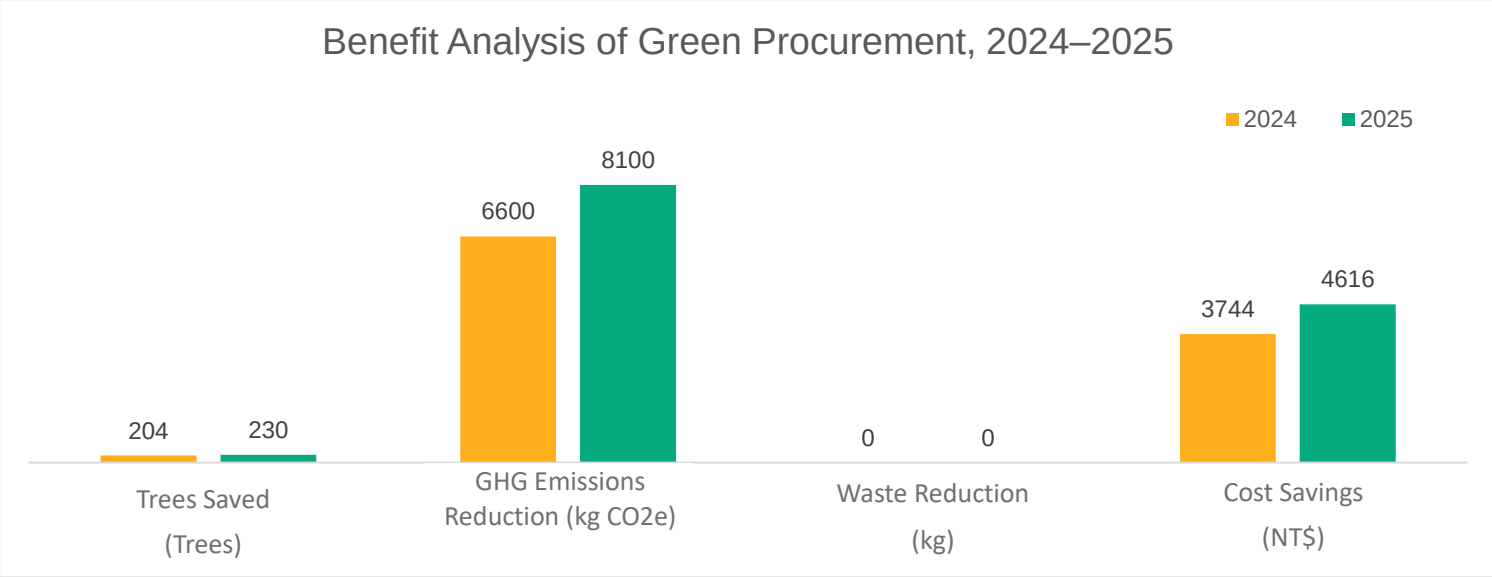
Note: * Such as the manufacture of weapons of mass destruction, the adult entertainment industry, and the illicit drug industry.

** The fossil fuel industry refers to companies with more than 50% of operating revenue derived from fossil fuels in the most recent fiscal year. Operating revenue derived from fossil fuels refers to revenue generated from commercial activities involving the exploration, production, transportation, refining, or distribution of fossil fuels (oil, coal, or natural gas), as well as fossil fuel power generation (with reference to the green securities accreditation system of the TWSE and TPEx).

5.2 Low-Carbon Operations GRI：201-2

5.2.1 Green Procurement

During procurement and tendering processes, priority is given to green and eco-friendly products to actively advance green procurement practices. In 2024 and 2025, procurement expenditures on eco-friendly products designated by the Ministry of Environment amounted to NT$2,087,051 and NT$2,112,870, respectively, achieving a 100% green procurement rate in both years



5.2.2 Energy Conservation and Carbon Reduction

Key energy conservation and carbon reduction initiatives:

1、 An Energy Conservation Team was established to hold regular annual meetings and convene cross-departmental proposal sessions to collectively review energy conservation and carbon reduction performance. The Bureau implemented controls on photocopy paper consumption and advanced the digitalization of official document attachments, continuously enhancing resource efficiency and minimizing waste. In 2025, the "Green Operation Management Principles of the Bureau of Labor Funds, Ministry of Labor" was formulated, actively fostering a low-carbon digital operating environment to embed energy conservation awareness into organizational management.

2、 The Bureau engaged the Foundation of Taiwan Industry Service to conduct an energy efficiency audit and issue an assessment report, replacing outdated and inefficient air conditioning equipment with Class 1 energy efficiency units. Additionally, maintenance contractors or personnel are commissioned annually to inspect refrigerant levels in central air conditioning systems to maintain operational efficiency and lower electricity consumption. The Bureau also utilizes Chunghwa Telecom's IEN energy-saving platform to centrally control air conditioning and power

scheduling. Air conditioning is managed by zone, with indoor temperatures maintained between 26°C and 28°C, supplemented by electric or circulation fans to enhance cooling efficiency.

3、 Official vehicles have been converted to electric vehicles (EVs). An EV consumes an estimated 1,469 kWh of electricity annually, generating 710 kg of CO2, compared with a conventional vehicle's fuel consumption of 785 liters, which generates 1,775 kg of CO2. This results in an annual reduction of 1,065 kg of CO2 emissions.

4、 Except for physical contracts, classified documents, or complex cases requiring physical attachments, all documents are filed and managed as electronic official records. Training and meeting materials are made available in the Bureau-wide shared drive for employees to download as needed, thereby minimizing the need for paper-based printing. The Bureau has also established document specifications for partner vendors, strictly prohibiting plastic covers to enhance paper recyclability and environmental friendliness while reducing marine microplastics.

5、 All faucets in office pantries have been fully replaced with water-saving models and fitted with water-saving aerators. Toilets have been retrofitted with water-saving devices, and displacement bottles have been placed in toilet tanks to reduce flush volumes.