

# Sustainable Taxonomy

## Chinese Taipei

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# Five Authorities Jointly Issued "Sustainable Taxonomy" in Dec. 2022.



FSC



EPA



MOEA



MOTC



MOI



Support	Encourage	Enable
<p><b>Net-Zero Emissions by 2050</b></p>	<p>Companies to <b>make a public disclosure</b> according to the Taxonomy</p>	<p>A financial institution (FI) to <b>use the company's disclosure</b> to assess its investment and financing deals with the company.</p>

**Encourage, Not Mandate**

# Sustainable Economic Activities (EAs) Must Meet Three Criteria



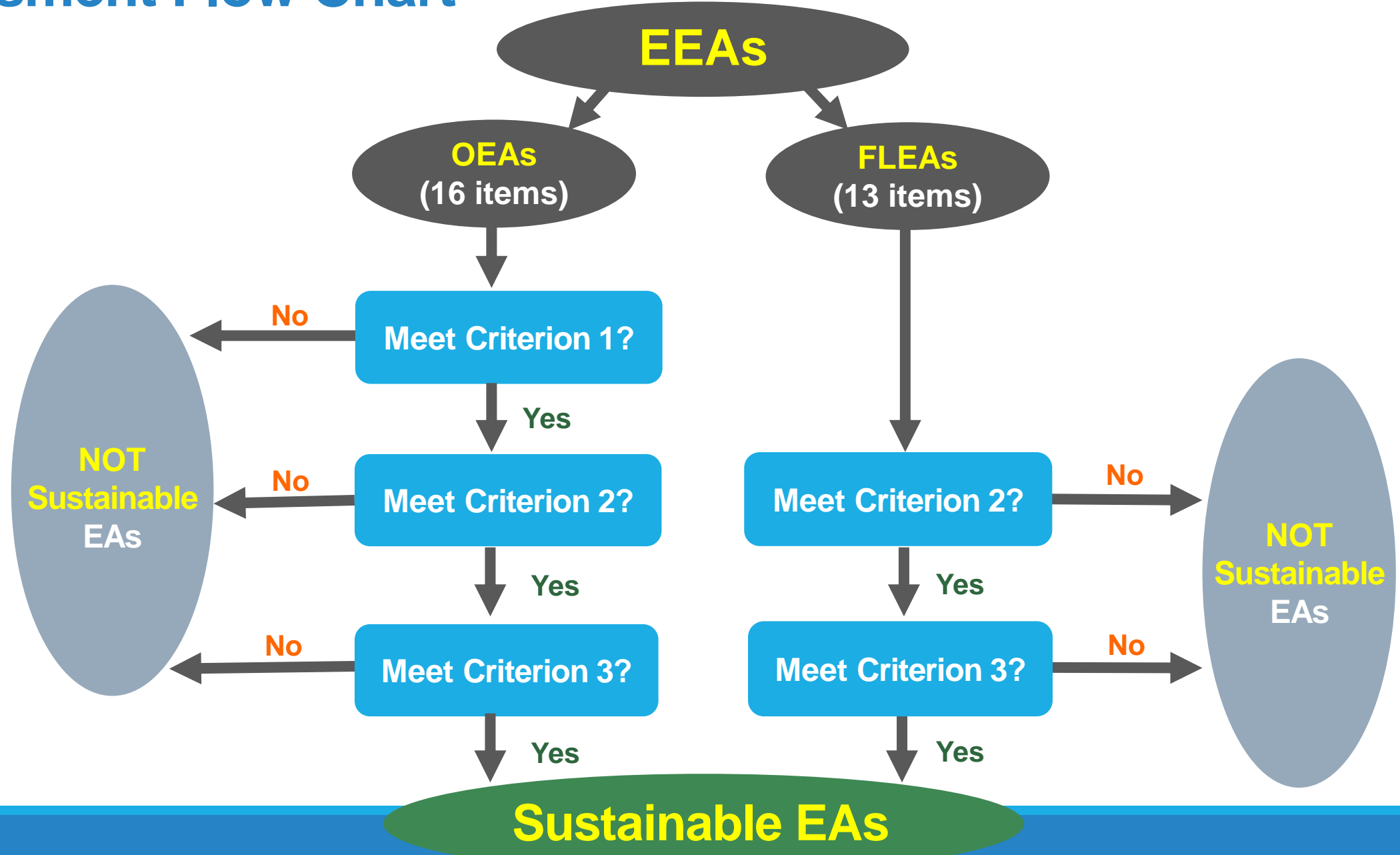
\*Currently only **climate change mitigation’s** TSC has been established.

6 Environmental Objectives	
1. <b>Climate change mitigation</b>	4. Circular economy
2. Climate change adaptation	5. Pollution prevention
3. Water resource protection	6. Biodiversity

# Two Types of EEAs to the Taxonomy

	16 Ordinary Economic Activities (OEAs)	13 Forward-Looking Economic Activities (FLEAs)
Eligible EAs	<ul style="list-style-type: none"><li>◆ <b>Manufacturing (2 items)</b> : cement production; glass production.</li><li>◆ <b>Building and Construction (7 items)</b> : new buildings; renovation of existing buildings, etc.</li><li>◆ <b>Transportation and Storage (7 items)</b> : passenger and commercial vehicle transport; automotive cargo transport; warehousing, etc.</li></ul>	<ul style="list-style-type: none"><li>◆ <b>Renewable energy generation</b></li><li>◆ <b>Hydrogen energy R&amp;D and construction</b></li><li>◆ <b>Smart grid and energy storage R&amp;D and installation</b></li><li>◆</li><li>◆</li><li>◆</li></ul>
Sustainable EAs	OEAs meet all of the 3 criteria.	FLEAs meet criterion 2 and criterion 3.

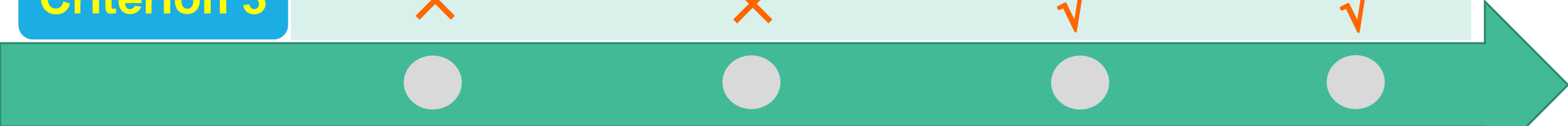
# Assessment Flow Chart



# Sustainability Level of an EEA

- Criterion 1
- Criterion 2
- Criterion 3

Criterion 1	×	×/√	×	√
Criterion 2	×	×/√	√	√
Criterion 3	×	×	√	√



**Not aligned**

Not able to meet any of the criteria and no improvement plan.

**Improving**

With improvement plan.

**Working on it**

With improvement plan.

**Aligned**

Meet all of the 3 criteria.

# Case Illustration – Company X

1. EA and <b>the % of its revenue to the total revenue</b> in the past year.	A	B	C	D	E	
	30%	25%	20%	15%	10%	
2. <b>OEA</b> or <b>FLEA</b> ?	OEA	OEA	OEA	FLEA	N/A	
3. Meet the <b>3 criteria</b> below?						
• <b>Criterion 1:</b> Substantial contribution to at least one of the 6 environmental objectives.	Yes	Yes	No	/		
• <b>Criterion 2:</b> Do not cause significant harm to the other 5 environmental objectives.	Yes	Yes	Yes			Yes
• <b>Criterion 3:</b> Comply with minimum safeguards.	Yes	No	Yes			Yes
4. With <b>improvement plan</b> ?	/	Yes/No	Yes/No	/		
Sustainability Level	Aligned	Improving /Not aligned	Working on it /Not aligned	Aligned	N/A	

## Main contents of Company X's public disclosure :

1. **4 EAs** (A~D) are **eligible** to the Taxonomy, which accounted for **90%** of total revenue.
2. **2 EAs** (A and D) are **sustainable EAs**, which accounted for **45%** of total revenue.

# Disclosure and Application

## Enterprise

- ✓ **Encourage** listed companies to make a public disclosure in their **sustainability reports, annual reports, or official websites.**

## Financial Institutions

- ✓ **Encourage** FIs to refer to the Taxonomy for **investment and financing assessment, product design, and engagement with companies**, and to support enterprises' transition towards a sustainable and low-carbon economy.



**Thank you!**