

Chunghwa Telecom Biodiversity and No Deforestation Commitment

Chunghwa Telecom has consulted the **Natural Capital Protocol**, and as described in the framework provided by the Protocol, adopted

Scope 1+2 of the GHG Protocol.

- With regard to the internal emissions/monitored emission sources covered in Scope 1+2, we shall comply with Taiwanese environmental assessment laws and regulations in the construction of our facilities and related buildings (assessment items include assessments of the intensity and Scope of the impact to the living environment, natural environment, and the ecological environment. Before construction, scientific, objective, and comprehensive investigations, predictions, analysis, and assessment would be carried out, and used to prepare an environmental management plan which would be publicly presented and open to review), as well as other relevant environmental protection laws and regulations (such as those regulating air pollution, wastewater, waste products, toxic chemicals management, soil, noise pollution, forests, and greenhouse gas emissions management standards). At the same time, key locations shall meet ISO 14001:2015 standards, and a PDCA-style project plan shall be implemented.
- With regard to the external emissions/monitoring (Scope 3) required under Chunghwa Telecom's Scope 1+2 system, we are the first telecom in Taiwan participate in the CDP Supplier Program. Through the CDP supplier questionnaire, we guided our suppliers to implement governance measures, strategies, and risk assessment measures to address climate change risks, and helped them begin taking carbon inventory and set carbon reduction goals, raising awareness of environmental protection and climate change. Using greenhouse gases as an example (Taiwan's **Greenhouse Gas Reduction and Management Act**), Chunghwa Telecom has led the Taiwanese telecommunications industry by proposing our Sustainable Supply Chain Initiative, and by participating in the **International Carbon Disclosure Project (CDP) Supplier Program**. In 2021, we requested 80 of our suppliers to respond to our sustainability questionnaire, which was submitted by 39 suppliers (49%). Out of these suppliers, 79% responded that they have incorporated climate change into their long-term business strategy, 72% have established climate risk assessment procedures, and 62% have set carbon reduction goals. In all, these suppliers have implemented carbon reduction measures which have decreased their CO₂e emissions by 41.84 million tons. With regard to other environmental requirements, Chunghwa Telecom has also required our suppliers to strictly comply with Taiwanese laws and regulations (such as the environmental assessment and protection laws and regulations described above) before they are qualified to become our suppliers (adopting the ISO 20400 sustainable procurement guidance standards, our long-term goal is to have our green procurement spending exceed 50% of our total procurement spending).
- Chunghwa Telecom's environmental sustainability policy is consistent with **Taiwan's biodiversity development and strategy. We are committed to placing a high value on biodiversity, and are opposed to deforestation.** Apart from following these principles internally, we also require that our suppliers provide products which comply with environmental requirements, allowing Chunghwa Telecom and our suppliers to fully comply with relevant environmental laws and regulations. Through organizing training and other activities for both our internal and external stakeholders, we have raised awareness of environmental protection and climate change, advocated for protecting biodiversity, stopped doing damage to our ecological environment, and encouraged the industry to become greener and reduce carbon emissions. Through developing low-carbon energy sources and green technologies, we have advanced green energy and cultivated a greener industry while also adopting a green economic development model able to reduce the impact of climate change.
- Chunghwa Telecom plans to adopt the Natural Capital Protocol in 2022 and implement plans to expand the ISO 14001:2015 standards to multiple different locations. At the same time, in line with the Convention on Biological Diversity, we shall proactively begin implementing conservation and sustainable use measures in compliance with internal standards/protocols, allowing us to stay consistent with international efforts.