

CHT's Climate Adaptation Plan

TCFD Adaptation Plans for Climate Change in the Short-/Mid-/Long-term of Chunghwa Telecom

Extreme weather events such as typhoons and floods may result in damage to critical infrastructure, including data centers and base stations, causing service disruptions and leading to significant repair and restoration costs. These impacts pose potential risks to CHT's revenue and financial performance, as well as customer retention. On the other hand, long-term climate changes — including rising average temperatures, shifting precipitation patterns, and rising sea levels may further increase energy demand for cooling systems, elevate asset damage risks, and cause operational disruptions, collectively presenting material threats to the telecommunications industry. Nevertheless, these challenges also present opportunities for business transformation. They enable CHT to accelerate the deployment of energy-efficient technologies and develop low-carbon operational models, thereby enhancing climate resilience and unlocking new opportunities for sustainable growth.

In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Chunghwa Telecom conducts a comprehensive assessment of climate-related risks and opportunities across four key dimensions: Governance, Strategy, Risk Management, and Metrics & Targets. Climate-related risks and opportunities are identified and evaluated annually to ensure a thorough understanding of their potential impact on the Company. To support the sustainability development strategy promoted by Taiwan's Financial Supervisory Commission (FSC), the Company officially adopted the International Financial Reporting Standard S2 (IFRS S2) Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB) in 2025. This adoption further enhances the quality and transparency of climate-related risk and opportunity disclosures.

By aligning the requirements of both the TCFD framework and IFRS S2, the Company classifies the potential timing of climate-related impacts into short-term (within 1 year), medium-term (1–5 years), and long-term (more than 5 years) horizons. Corresponding adaptation plans have been developed and implemented, achieving 100% coverage of all existing and newly established operational sites and telecommunications infrastructure across Taiwan, thereby strengthening the Company's climate resilience and long-term sustainable development capabilities.

To mitigate the operational impacts of climate change, CHT has been actively implementing both climate mitigation and adaptation strategies, as outlined in Table 1. The Science Based Targets initiative (SBTi) serves as the primary benchmark for setting emission reduction targets. Key transition measures include “low-carbon technologies for telecom data centers” and the “adoption of renewable energy,” aimed at achieving 100% renewable energy usage by 2040 and net-zero emissions by 2045. Relevant strategies and implementation plans for capturing climate-related opportunities are presented in Table 2.

In addition, CHT utilizes revenues generated from its internal carbon pricing mechanism as a dedicated funding source for advancing climate strategies. A carbon price of NT\$1,600 per metric ton is applied as the internal benchmark for calculating the cost of GHG emissions, and an internal carbon fee fund has been established accordingly. In 2025, a total of 57 innovation proposals were approved and funded through the internal carbon fee mechanism. The use of this fund is not limited to emission reduction initiatives—it also supports business transformation. Through innovative low-carbon strategies and technologies, CHT aims to develop new products and services aligned with climate-related opportunities.

Table 1. Climate Risk Mitigation and Adaptation Strategies and Implementation

Strategy Category	Risk Issue	Duration of Impact	Strategy Description	Implementation Details
Climate Mitigation	Domestic 2050 Net Zero Emission Policy	Long-term	Establishing a decarbonization pathway aligned with the SBTi roadmap, targeting net-zero emissions by 2045—five years ahead of the national 2050 goal	<u>SBTi Net-Zero Target</u> SBTi Net-Zero Target Surpassing the national 2050 net-zero emissions target, CHT has set its Science Based Targets initiative (SBTi) net-zero goal for 2045. To achieve this, it has committed to a range of emission reduction measures, including improving energy efficiency, adopting renewable energy, implementing telecom data center energy-saving programs, and promoting internal environmental responsibility.
		Mid-term	Procuring and installing renewable energy systems and promoting the use of electric vehicles through CHT’s EV100 commitment.	<u>RE100</u> • CHT joined the RE100 initiative in 2023 and committed to achieving 100% renewable energy use across all operations by 2040. • In 2025, the total volume of renewable electricity generated and procured reached 90.912 million kWh, accounting for 6.93% of total electricity consumption. <u>EV100</u> In 2024, CHT officially joined the EV100 initiative and pledged to fully electrify all engineering and administrative vehicles by 2030.
		Short-term	Leveraging technology to reduce carbon emissions by progressively	<u>Low-Carbon Technology for Internet Data Centers</u> • Replacement of legacy equipment to optimize the configuration of Uninterruptible Power Supply (UPS) systems and Switch Mode Rectifier (SMR) equipment to improve power

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			lowering the Power Usage Effectiveness (PUE) of Internet data centers.	efficiency. We have also adopted advanced energy-efficient technologies, including replacing conventional chillers with high-efficiency magnetic-bearing variable-speed chillers and upgrading legacy pumps to ultra-high-efficiency pumps rated IE3 or higher, demonstrating our commitment to technological innovation in decarbonization.
Climate Adaptation	Damage to telecommunications infrastructure caused by extreme weather events	Short-term	Invest in Enhancing Operational Resilience	<u>Pre-Event Inspections</u> - To strengthen resilience against natural disasters, all telecommunications network and facility management units maintain comprehensive Business Continuity Plans (BCP) and Emergency Response Plans (ERP). Regular exercises and simulations are conducted to test personnel evacuation procedures, equipment redundancy mechanisms, and operational recovery capabilities, ensuring uninterrupted service delivery and rapid restoration of critical telecommunications infrastructure during extreme weather and disaster events. <u>Establishing Standard Operating Procedures (SOPs) for Repairs</u> - CHT has deployed mobile transmission backup equipment and conducts integrated disaster response drills involving both fixed Network and mobile networks to enhance emergency response and repair efficiency.

Note: Short-term (under 1 year), medium-term (1–5 years), and long-term (over 5 years).

Table 2. Climate Opportunity Strategies and Implementation

Strategy Category	Duration of Impact	Opportunity Issue	Strategy Description	Implementation Details
Climate Opportunities	Provision of climate resilience enhancement services to customers	Short-term	Developing digital, telecommunications, and smart solutions—including cloud computing, data processing, data-driven carbon reduction solutions,	<u>Invest in the research and development of sustainable products</u> Developing digital, telecommunications, and smart solutions—including cloud computing, data processing, data-driven carbon reduction solutions, and low-carbon digital services—helps enterprise customers strengthen climate resilience and operational stability. It also provides individual users with stable, uninterrupted telecommunications services, reducing climate risk exposure and supporting sustainable business opportunities as well as revenue growth.
	Development of energy-efficient telecommunications infrastructure and green data centers	Short-term	Deploying energy-efficient telecommunications equipment and green data centers reduces energy consumption and carbon emissions, enhances energy efficiency and corporate reputation, and delivers operational cost savings and	<u>Reduce Operating Costs</u> By reducing energy consumption and carbon emissions, enhancing energy efficiency, and strengthening brand reputation, the initiative delivers dual benefits of operational cost savings and sustainable business development.

Strategy Category	Duration of Impact	Opportunity Issue	Strategy Description	Implementation Details
			sustainability benefits.	
	Investment in renewable energy projects to enhance stability of energy supply	Short-term	Investing in renewable energy projects	<u>Enhance green power stability</u> Investing in renewable energy projects enhances renewable energy access stability, strengthens energy transition resilience, and reduces future carbon emission risks and compliance costs.

Note: Short-term (under 1 year), medium-term (1–5 years), and long-term (over 5 years).