

2025 TCFD Physical Climate Risk Financial Analysis

1. **Financial Impact from Climate-Related Disasters on Operations and Asset Impairment: NT\$112.836**

Climate-related hazards, including typhoons, extreme rainfall, and landslides, may cause service interruptions and disruptions to telecommunications network operations. Such impacts are quantified based on the actual financial losses associated with damaged telecommunications equipment and facilities. To assess the financial impact of physical climate risks, Chunghwa Telecom collected and analyzed equipment repair and emergency restoration costs incurred from actual incidents in 2025 and consolidated the following expenditure categories as the basis for disaster loss estimation.

- Cables: NTD 41.260 million
- Conducts: NTD 1.564 million
- Others: NTD 70.012 million

2. **Expenditures on Post-Disaster Resilience Planning and Infrastructure Enhancement: NT\$ 366.833**

To mitigate the risks associated with climate change, Chunghwa Telecom has invested in a range of resilience and adaptation measures. The related expenditures are summarized as follows:

- Power Backup Systems: NTD 124.970 million
- Network Redundancy and Backup: NTD 182.810 million
- NMOSS Operation and Maintenance Costs: NTD 11.640 million
- Disaster Prevention and Resilience Improvement Projects: NTD 47.413 million

3. **Projected Revenue Loss from Climate-Related Service Interruptions: NT\$431.233 million**

Assuming that each climate-related disruption results in an average telecommunications outage of one hour and referencing IPCC AR6 scenario modeling—along with domestic research jointly released by the National Science and Technology Council and the Ministry of Environment—severe typhoon frequency in Taiwan is projected to increase by approximately 105% by mid-21st century. Under this assumption, increased repair complexity may extend service downtime to four hours per event. Based on the four typhoon events that impacted Taiwan in 2025, and using CHT's average annual revenue of NT\$2361 billion as a basis, the estimated revenue loss attributable to service outages is calculated as: $\text{NT\$}236,100,000,000 \times (4/24 \times 4/365) = \text{NT\$}431.233 \text{ million}$

4. **Total Estimated Physical Climate Risk in 2025: Approximately NT\$910.902 million**

Physical Risk	Unit: NT\$'000
1.Financial Impact from Climate-Related Disasters on Operations and Asset Impairment(A)	112,836
2.Expenditures on Post-Disaster Resilience Planning and Infrastructure Enhancement (B)	366,833
3.Projected Revenue Loss from Climate-Related Service Interruptions(C)	432,233
Total(D)= (A)+(B)+(C)	910,902