

Climate Change Transition Risk - Regulatory Change Risk

- Prior to the implementation of any transition risk mitigation measures, CHT estimates potential financial exposure of approximately NT\$180 million.**

Assuming a carbon pricing mechanism of NT\$300 per metric ton of CO₂e, as proposed by the Taiwan government, and based on CHT's 2024 Scope 1 and Scope 2 emissions totaling 625,294.61 metric tons of CO₂e, the estimated carbon fee—under a scenario without voluntary reduction actions—would be calculated as: (total emissions – 25,000 metric tons of CO₂e) × NT\$300, which results in a projected carbon cost of approximately NT\$180 million in the future.

2. Climate Transition Risk – Regulatory Risk

(1) Renewable Energy Initiatives

To respond to regulatory and market shifts related to climate change, CHT has advanced renewable energy initiatives by developing in-house solar power systems and green base stations, while progressively increasing the annual procurement of renewable energy. CHT has also joined the global RE100 initiative and committed to achieving 100% renewable energy usage across all operations by 2040.

- **Renewable Energy Procurement:** In 2024, CHT procured 72.53 million kWh of green electricity, with a total expenditure of approximately NT\$409.078 million, including wheeling service charges.
- **Renewable Energy Development:** Capital expenditures related to self-built solar systems at green base stations amounted to approximately NT\$16.680 million.

(2) Other Energy Efficiency Investments

Reduce electricity demand and thereby ease procurement pressure on renewable energy, CHT continues to upgrade to more energy-efficient equipment. Reductions in energy use also support overall emission reduction targets.

- **Related Capital Expenditures:** Investments in power efficiency, air conditioning efficiency, switching equipment efficiency, access network efficiency, and mobile equipment energy savings totaled approximately NT\$2.35 billion.

(3) Total Estimated Financial Impact from Transition Risk

Total projected financial impact from climate-related transition risks is approximately NT\$2.77 billion.

Item	Deployment		Unit: NT\$
Green Power Procurement (A) Electricity Supplied via Wheeling: 72,531,900 kWh	Green Power Procurement	398,987,548	409,078,937
	Electricity Supplied via Wheeling	10,055,125	
Capital Expenditures (B) = (C) + (D)			2,364,680,000
Self-Built Capital Expenditures (C)	Green Base Stations and in-house Solar Power systems		16,680,000
Other Replacement Costs (D)	Power Efficiency	842,000,000	2,348,000,000
	Air Conditioning Efficiency	550,000,000	
	Switching Equipment Efficiency	162,000,000	
	Access Network Efficiency	130,000,000	
	Mobile Equipment Energy Savings	566,000,000	
	Transmission Equipment Efficiency	98,000,000	
Total Estimated Financial Impact from Transition Risk Total (E)=(A)+(B)			2,773,758,937 (2.77 billion.)