

## Physical Climate Risk Adaptation

In order to provide the best experience for our customers to enjoy telecommunications services from anywhere, we have attempted to build base stations in various places such as low-lying areas, or areas where extreme rainfall frequently land. Accordingly, the risk of extreme rainfall is one of the most serious physical risks for TWM. The resulting damage impacts include equipment damage of the telecom infrastructure and unstable supply of power and water, leading to interruption in our operations and additional operating costs. In order to prevent the potential damage, we have implemented the following plan:

- a. Build fixed disaster prevention and mobile communications platforms with more than 72 hours of power backup in case of a power outage. In the event of power outage or equipment damage caused by extreme rainfall, we can effectively assist the disaster-stricken area with emergency mobile communication services, allowing normal operations of disaster relief, offering people a way to ask for help and a certain degree of normalcy.
- b. Increase climate resilience by introducing moisture resistant equipment.
- c. Reinforcing the SOP of emergency repair as well as recovery after major disasters caused by extreme rainfall and holding disaster prevention drill regularly.
- d. Adding back-up electricity generators to the base stations located in natural disaster hotspots.

The risk assessment and plan to adapt to **physical climate risks cover 100% of our existing operations**. The calculation is as follows:

**Percentage of total revenues** = (Revenues from telecom rooms and base stations that can adapt to extreme rainfall risks in 2022) / (Total revenues from all of our telecom rooms and base stations in 2022) = NT\$ 65,692mn / NT\$ 65,692mn = **100%**.

Source of Revenue: 2022 Annual Report, P.90, at [https://english.taiwanmobile.com/english/upload/investor/2022\\_Annual\\_report\\_e.pdf](https://english.taiwanmobile.com/english/upload/investor/2022_Annual_report_e.pdf)

The risk assessment and plan to adapt to **physical climate risks cover 100% of our new operations**. The calculation is as follows:

**Percentage of new operations** = Number of new telecom rooms and base stations (including planning, under construction, and completed construction) for adapting to extreme rainfall risks / Total Number of all the new telecom rooms and base stations = 1,136 / 1,316 = **100%**.

Region	Number of new telecom rooms and base stations for adapting to extreme rainfall risks	Total Number of all the new telecom rooms and base stations
North I Region	270	270
North II Region	400	400
Central Region	371	371
South Region	275	275
Total	1,316	1,316

**The plan includes two targets to implement relevant adaptation measures in a timeframe that aligns with our overall ESG strategy “Zetta Connected 2035. 2.0”; namely, to continue the resilient infrastructure plan of telecom rooms and base stations, and to maintain 100% of TWM's key infrastructure are with cross-district backup equipment. We carry out annual progress check for each target to monitor our performance:**

**Target 1. TWM's telecom rooms and base stations are built with 100% resilient infrastructure by 2035.**

2022 performance: Target for 2022 was achieved. Our telecom rooms and base stations were all built with 100% resilient infrastructure.

2023 plan: We will keep carrying out routine maintenance to ensure the resilience of our telecom infrastructure.

**Target 2. 50% resilience enhancement of Hub double router by 2035.**

2022 performance: Target for 2022 was achieved. To provide high-speed internet service, we added more than 40 areas of double backup shelter cycle Hubs (target is 40).

To enhance network reliability and prevent from hub single point of failures, 269 access rings for mobile base station transport are re-structured from single home hub to dual home hub architecture.

2023 plan: We are planning to add 40 Hubs every year, paired with existing Hubs, to provide backup for base stations.

### **Adaptation Actions according to TCFD Report (P.82-86)**

For owned assets' locations were low-risk: we maintain the facilities as the primary response and establishes emergency plans and risk management measures to assess and enhance the water resistance of the buildings and risk management systems. Moderate-risk : we

maintain the facilities and intensify monitoring of potential disasters, e.g. for landslides, TWM focus on slope stabilization, structural safety assessments, and reinforced risk management etc. High-risk : we implements measures to prohibit non-essential establishment of facilities and reduces operational facilities to locations with moderate or lower risk levels.

For the suppliers' location were low-risk : we maintaining cooperation and requires the enhancement of disaster prevention measures. This includes strengthening drainage systems, repairing flood defenses etc. Moderate-risk : we adheres to cooperation and requests suppliers to strengthen their focus on the trend of potential hazards and enhance disaster prevention measures. High-risk : we implement more proactive disaster prevention measures, such as enhancing drainage systems and improving building structures etc.