Chang Hwa Bank Internal Carbon Pricing Mechanism		
Mechanism Operation	Governance Structure	Under the Bank’ s Sustainable Development Committee, a cross-departmental ESG Task Force has been established, with the President serving as the head responsible for supervising the promotion and price-setting of the Bank’ s internal carbon pricing mechanism.
	Scope / Applicable Targets	The Bank’ s internal carbon pricing mechanism applies to all domestic and overseas operations, with priority given to facilities generating Scope 1 and Scope 2 greenhouse gas emissions. The mechanism has been successively introduced in procurement of lighting and air conditioning equipment, leasing of official hybrid vehicles, as well as the installation of solar power systems and the purchase of green electricity.
	Carbon Pricing	The Bank’ s internal carbon price is determined primarily by the General Affairs Division, with reference to carbon fee rates announced by competent authorities. In 2022, the rate was set at NT$1,500 per ton and was revised in 2024 to NT$300 per ton in line with the Ministry of Environment’ s announcement. The Bank will continue to monitor regulatory updates and global carbon price trends, as well as peer practices in the financial industry, to adjust the internal carbon price on a rolling basis, ensuring applicability across all domestic and overseas operations.
Implementation Status	Purpose of Implementation	To achieve the 2030 reduction target, the Bank has set annual reduction ratios for electricity and fuel consumption relative to the base year. Through internal procurement guidelines and the “Internal Carbon Pricing Calculation Table,” the Bank calculates the carbon reduction and cost savings generated by procuring energy-efficient products, guiding capital toward environmentally beneficial equipment to improve energy efficiency and promote low-carbon transition.
	Implementation Description	The Bank formulated a “Voluntary Greenhouse Gas Reduction Project,” implementing reduction measures such as lighting replacement and solar power installation at Hsi-Sung, Changhwa, and Hsi-Tainan branches. The project has passed registration review by the Climate Change Administration of the Ministry of Environment, with monitoring and verification to follow for carbon credit applications. Going forward, internal carbon pricing will be referenced to determine external carbon trading prices, and revenues from carbon credit trading will be used to incentivize internal units to implement reductions.
	Performance	In 2025, the Bank carried out three major reduction measures: • **Energy efficiency improvements in air-conditioning and lighting:** replacement of old equipment in 27 branches; • **Fuel-to-electric/hybrid transition in vehicles:** introduction of electric scooters and hybrid cars in 63 and 162 branches, respectively; • **Increased renewable energy use:** six solar power installations and green power transfer projects. These measures reduced emissions by 1,755.65 tCO2e, equivalent to about NT$526,695 in carbon cost savings. Compared to the base year, carbon emissions were reduced by 29.09%, exceeding the 2025 reduction target of 21%.