

SUSTAINABILITY SPOTLIGHTS

LAUNCH OF DOMESTIC CARBON CREDIT TRADING PLATFORM USHERS IN NEW ERA FOR CARBON MARKET

The TCX was commissioned to establish the Domestic Carbon Credit Trading Platform in September 2024 in accordance with the Ministry of Environment's "Regulations Governing Trading, Auctions, and Transfer of Greenhouse Gas Reduction Credits" (provisional translation), which was announced on July 1, 2024. The platform aims to increase incentives for companies to reduce carbon emissions, boost green job opportunities, and align with international practices. The TCX is responsible for handling carbon credit trading and auctions, along with has formulated matters of guidance and trading account agreements. The platform was officially launched in October, with the first batch of projects undertaken through set-price trading. The first batch included six projects in total, which were China Steel Corporation's energy conservation from furnaces for steel billets, Taipei 101's adoption of high-energy efficiency lighting in its building parking space, Han-bao agricultural renewable energy project, Han-Bao Agriculture and Livestock's power generation with methane from wastewater treatment (third-phase), Chimei Corporation's replacement of fuel oils with natural gas, and Han-Cheng Bus Traffic Company's electric buses. Their combined carbon credits were equivalent to 6,080 metric tons of carbon dioxide, priced at TWD2,500 to TWD4,000 per metric ton.

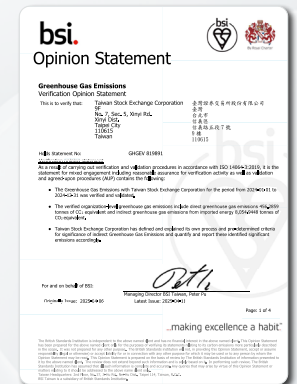
In December 2024, the transaction of the first batch was successfully completed, setting a solid foundation for the domestic carbon credit market. In contrast to the past when companies had to find their own buyers and sellers, now the Domestic Carbon Credit Trading Platform matches buyers and sellers and provides publicly available information on projects, listed products, and other carbon trading information. These measures create a fairer and more open market, providing incentives for companies to participate in carbon reduction.

TWSE AWARDED FIRST CARBON NEUTRALITY CERTIFICATE, DEMONSTRATES LEADERSHIP IN SUSTAINABILITY

In July 2024, the TWSE became the world's first exchange to be awarded the ISO 14068-1 carbon neutrality verification certificate by BSI. Harold Pradal, President of Assurance Services and Executive Committee Member of the BSI Group, personally presented the certificate, recognizing the TWSE's achievements in promoting sustainable development while adhering to the highest international standards.

The TWSE has long been committed to sustainability practices, continuously enhancing its operational mechanisms and quality across environment, social, and governance aspects. In early 2023, the TWSE responded to Taiwan's 2050 net zero transformation goal by setting a near-term goal to reduce greenhouse gas emissions by 37.8% (from the 2022 baseline) by 2030, with the ultimate objective to reach net zero emissions by 2050. As part of its path to carbon neutrality, the TWSE will reduce emissions through equipment replacement and renewable energy adoption, and plans to offset residual emissions through carbon credits from 2040 to 2050. We aim to lead by example, fostering sustainable development among listed companies in Taiwan.

Carbon neutrality verification certificate and opinion statement by BSI.



Taiwan Stock Exchange becomes the first exchange in the Asia-Pacific region to receive the ISO 14068-1 carbon neutrality verification issued by BSI. From left to right: Managing Director Peter Pu of BSI NE Asia Region; President Harold Pradal of Assurance Services and executive committee member of BSI Group; Chairman & CEO Sherman Lin of the TWSE; Senior Vice President Tsai Hsiu-Sheng of Administration Department of the TWSE; and CEO Joshua Tien of the TCX.