Taiwan Mobile

Fly High with Digital Wings

2018 **Corporate Social Responsibility Report**

About the CSR Report

We are delighted that you are reading the 11th Corporate Social Responsibility (CSR) report issued by Taiwan Mobile. We will continue to issue this report every year in both Chinese and English versions. To learn more about Taiwan Mobile's efforts and achievements in corporate social responsibility, please visit our dedicated CSR website.

Reporting Period

The period of information disclosure of this report is 2018 (January 1 to December 31, 2018), covering our sustainability vision and strategies, responses to material topics, and specific practices and performance data in the economic, environmental and social dimensions.

Report Boundary and Scope

The report boundaries were defined in consideration of the nature of operations, industry linkage and the right to control. The financial data, verified by Deloitte Taiwan, is consistent with the figures in the consolidated financial statements, whose entities are revealed in the company's 2018 annual report. All environmental and social figures are of the same coverage from TWM, the Taiwan Mobile Foundation, and subsidiaries which TWM owns 50% or more of their shares, such as Taiwan Fixed Network Co., Ltd., Taiwan Digital Services Co., Ltd., Taiwan Teleservices & Technologies Co., Ltd., TWM Broadband (including Taiwan Fixed Network Media Co., Ltd., its subsidiaries and Win TV Broadcasting Co., Ltd.), Taiwan Kuro Times Co., Ltd., and Taihsin Property Insurance Agent Co., Ltd.. The scope of GHG Inventories is based on the boundaries published in the statement by SGS, a third party verification institution. Operational performance, corporate governance, environmental protection, and social participation represent the main subjects of this report pursuant to current international practices in the field of disclosure of information on corporate operations. Discrepancies in the measurement of categories and quantitative data compared to the previous version are specifically indicated in their respective paragraph. The statistical data provided in the report are derived from Taiwan Mobile's own statistics and surveys and are presented with conventional data description techniques.

Reporting Standard and Confirmation for Reliability of Public Information Disclosure

The CSR Report is compiled in accordance with GRI sustainability Reporting Standards published by the Global Sustainability Standards Board (GSSB) and in line with the Integrated Reporting structure from the International Integrated Reporting Council (IIRC). The content of the Report has been approved by the Chairman, and limited assurance has been obtained from the independent and credible KPMG in accordance with SAES No. 1 Assurance Engagements Other than Audits or Reviews of Historical Financial Information from the Accounting Research and Development Foundation (ARDF). It has been confirmed that the content disclosed in the Report is in line with 'Comprehensive' compliance option from the GRI Standards, and an Independent Limited Assurance Report has been issued from KPMG, which is also contained in this Report.

contact Informaiton

If you have any comments or questions about this report, please contact us:

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Taiwan Mobile CO. ▶

Taiwan Mobile Co., Ltd. (abbreviated to TWM) was established in February 1997 and was awarded a government-issued operating license for Type I telecommunication businesses in the same year.

Dear Stakeholders,

With the passing of the Telecommunications Management Act and the imminent deployment of 5G, AI and big data will gradually demonstrate key values. The IoT era where everything is connected will soon take over Taiwan. This also means the domestic ICT industry will usher in a cross-enterprise and cross-domain cooperation era. 2018 was the key moment for TWM's transformation into a new-generation Internet Technology company. "Cross-industry alliance" has become an important model for our development. We are honored to win the large-scale AI supercomputer project promoted by the Ministry of Science and Technology and led by the National Center for High-Performance Computing. We have also joined hands with ASUS and Quanta in the field of AI to create the "Taiwan AI A-Team" with resources from all three and successfully built TAIWANIA 2, the first high-speed supercomputer in Taiwan. TAIWANIA 2 provides the service of Taiwan Computing Cloud (TWCC), an AI cloud platform, to lay the foundation for Taiwan's industrial AI and AI industrialization.

Aside from seeking profit, TWM prioritizes sustainability in Taiwan as well as corporate sustainability with CSR as the highest guiding principle. TWM starts from the three major dimensions of ESG to meet stakeholder expectations for corporate governance, social participation, and environmental sustainability. TWM officially launched Zetta Connected 2030 at the Board of Directors meeting in 2017 to comprehensively respond to the 17 Sustainable Development Goals (SDGs) of the United Nations, covering 5 themes and visions of sustainability such as "Responsible Business," "Creating Stakeholder Synergy," "Elevating Future Experience," "Realizing Social Potential," and "Minimizing Footprint." The KPIs at each stage have been clearly defined and achieved. Moreover, as the leader of the ICT industry, TWM understands the importance of the industry's leadership and initiative for energy conservation and carbon reduction. Not only did the Company launch the "TWM Green Energy Promises a Brighter, More Sustainable Future" initiative in 2015, it has also been promoting the Green Power for Charity Project for the past 2 years.

In addition to contributing to Taiwan's carbon emission reduction, TWM has actively participated in matters related to international sustainability in recent years. In 2016, the Company joined the Global e-Sustainability Initiative (GeSI) to become the first in Taiwan and third in Asia. Since 2017, the Company has been elected and acted as the corporate representative of the board of directors. In 2018, the Company continued to participate in the operations of the Climate Change and Industry Responsibility Committees, including the development of SBT methodology in the ICT industry, the development of digital access indicator tools, and the development of the E-TASC supplier management platform. Together, we work hard for the international global village and constantly improve the corporate sustainability strategy at the highest standard. At the end of the same year, we also shared the Zetta Connected 2030 Project and practices in promoting SDGs with the global ICT industry and suppliers at the G-STIC (Global Sustainable Technology & Innovation Conference)/GeSI Forum and the RBA (Responsible Business Alliance)-GeSI joint meeting. Sharing experiences with top international sustainable companies demonstrates the world-class standards for TWN's sustainable business operations.

In the post-4G and -5G era, soft power will be the king. Taiwan Mobile's efforts in corporate social responsibility have been well recognized and won it many awards. In 2018, we were honored the first place in the DJSI World Index in the global telecommunications industry, and have been selected as the DJSI Emerging Market Index Component Stock for seven consecutive years. We were the first telecommunications service provider in Taiwan to receive the Prime rating from the ISS-oekom. In addition, we were rated as the Sustainability Leaders in the global telecommunication service industry and have won the Silver Class Sustainability Award in the "Sustainable Yearbook" of RobecoSAM for two consecutive years. We have not only won the Global Views Monthly Magazine's "Corporate Social Responsibility Award" for the 12th time, and also won the CommonWealth Magazine's "Corporate Citizenship Award" for the 11th time last year. In 2018, we also brought home eight awards at the "Taiwan Corporate Sustainability Award," and were the only Taiwan telecom enterprise selected for the Most Prestigious Sustainability Awards-Top Ten Domestic Corporate. With the complete digital convergence map and B2C e-commerce leadership as the most powerful backing, TWM will combine AI, cloud and IoT technologies to actively integrate related and IoT technologies to actively integrate related areas of the group, including finance, telecommunications, media, e-commerce and other fields for diversification, allowing the eight major stakeholders to enjoy unforeseen service experience. "Innovation" is the best driver for TWM's unlimited development. In the future, I believe that "innovation" will also lead TWM to continue to be a leader in digital convergence, expand its positive influence on the society, become the best model for the ICT industry and corporate sustainability, and lead industry forward in the future of cloud computing.

Chairman

President's Message

Dear Stakeholders,

In 2018, with the synergy of diversified management and effective cost control, TWM had a stable cash inflow from operating activities as well as the growth of free cash flow, offsetting the competition in the telecom industry, the decrease in mobile termination rates, and the impact of decreased demand for high-end smartphones. I am grateful for Mr. James Cheng, the outgoing president of TWM and the current chairman of Kbro, for his leadership as well as the efforts of all employees in the past five years. The Company's earnings per share have ranked first in telecommunications industry for seven consecutive years, and has ranked within the top 5% in the "Corporate Governance Assessment" for four consecutive years. In addition to pursuing steady business development and combining the "6C" business core and 5 main themes of "Zetta Connected 2030," the new "Super 5G Strategy" have been proposed. This means using big data and the 7 million user base (Gift) to develop group synergy (Group), maintain perseverance for the next 10 years (Grit), love Taiwan, love all human and love the earth (Green), and fulfill the responsibility for sustainable development as an international enterprise in order to make TWM a leading enterprise in the "Greater South East Asian" (GSEA). We have been actively promoting a number of environmental sustainability and social value enhancement projects. The overall performance is as follows:

1. Corporate Governance

TWM has established a self-monitoring mechanism to implement corporate governance, building a risk management system to reduce operational risks, as well as continuously linking the CSR assessment indicators to the performance and compensation of appointed managers in order to promote CSR from the top down. For employees, we have continued to introduce a 24-hour comprehensive staff assistance program, increased the number of employees who received CSR education by 439% compared with 2017, and implemented employee safety and health management (OHSAS 18001) to provide a balanced, safe and healthy workplace. For suppliers, we checked the sustainability performance of more than 300 suppliers by visiting as many as 62.75% of the first-grade key suppliers. In addition, the supplier's CSR performance has been included as an item for major tenders. Moreover, the Company has continued to introduce the GeSI supply chain management platform to ensure sustainable management of the supply chain.

2. Environmental Sustainability

The Company has implemented environmental and energy management policies in active response to initiatives such as the United Nations SDGs, Science-Based Targets (SBT) and Climate-Related Financial Disclosure (TCFD). Furthermore, the ISO14001 environmental management system, ISO50001 energy management system, ISO14064-1 greenhouse gas inventory, and smart energy-saving strategy have been integrated. The carbon emissions in 2018 reduced by 3.45% compared to 2016 (with the absolute reduction of more than 8,700 metric tons of CO_2e), the energy intensity greatly reduced by 43%, effectively saving 16.64 million kWh of electricity and 4.3% of water (excluding IDC). The commercial waste reduced by 48% compared with 2017, and more than 5 million kWh of electricity received renewable energy certification and was adopted voluntarily. In June 2019, the Company passed the review of the world's most stringent Science-Based Targets initiative (SBTi) to become the only telecommunications company in Taiwan that is approved by this international review. The SBT carbon reduction path has been formulated with the first and second scopes of reducing carbon emissions by 30% in 2030 compared with 2016, and the third scope of reducing carbon emissions by 15% in 2030 compared with 2018.

3. Social Values

Combining the core of TWM's operations and the needs of the society, the Company has raised more than NT$100 million, donated NT$780 million to charity as well as accumulating 4,294 corporate volunteer hours with public welfare micro-movies to provide charity organizations with fundraising capacity in the digital age as well as equipping them with the 5180 Mobile Donation feature. Over 20 social welfare projects have received support, including actively supporting excellent film and television talents, encouraging high-quality digital content, matching and cultivating amateur creators, launching rural programming education and cultivating local seed teachers. In 2018, over 33,000 people benefited from the TWM digital education resources, the coverage rate of broadband mobile services was 97.65% for rural areas, and the number of benefited disadvantaged users (student/senior) increased by 32% compared with 2017.

To welcome the coming of the 5G era, smart life, and the digital economy are the focus of future growth. The combination of "innovation" and CSR is an indispensable element for the future efforts of the Company. In 2019, in addition to continuously increasing the users' revenue contribution, the Company will work with corporate users to take up the cloud and IoT markets, expand the scale of e-commerce operations and maintain market leadership. We value innovation by setting no limit on the bonus of the innovation proposal system, developing the Taiwan AI A team, building the first AI supercomputer in Taiwan, constructing the IoT ecosystem, planning the NB-IOT technology development, conducting 5G tests with actual devices, demonstrating high-end Industry 4.0 technologies for AR, launching myAir portable PM2.5 detectors which provides smart air quality analysis to lead industry innovations. In the meantime, the Group's resources are effectively utilized. Differentiated products and services are created through strengthened and diversified sales channels and product mix to enhance market competitiveness.

The "Zetta Connected 2030" have developed 51 short-, medium- and long-term targets corresponding to the SDGs. We use innovation and technology to combine public welfare in order to promote environmental, social and governance projects. In 2018, the achievement rate was almost as high as 90%, showing our determination to engage in sustainable management with the target of being the CSR implementation benchmark in the international communications industry!

President

Key Performance and Awards

● Governance **●** Society **●** Environment

$780 million.
Sponsorship and donations in public interest totaled NT$ 780 million.

The total amount of fund-raising through Taiwan Mobile reached NT$ 102 million.

台灣大哥大 即時捐
手機直撥 5180
$102 million.

↑32%
The number of users benefiting from fees of disadvantaged groups (students/silver hair) increased by 32% compared with 2017.

Digital Learning Centers

Digital Education 33,000 persons
Number of persons benefiting from Taiwan Mobile's digital education resources reached 33,000 persons.

mySports online sports day, burned over 10.16 million calories

burned over 10.16 million calories

偏鄉玩程式 CODING FUN
Coding fun

Promotion of the Sports atmosphere

Received Gold Medal in Sports Activists Awards
Sports Activists Awards

Received over 1 million views in 6 days and held concert at Taipei Arena

myfone Mobile Composition Awards incubated OTT talent
MYFONE 行動創作獎

The coverage rate of mobile broadband internet service population in rural area reached 97.65%.
rural area reached 97.65%

I-Infinity Digital Welfare helped charity groups to raise over NT$ 25 million
i 無限 ↑25 million

'Coding Fun' was attended by 205 students, enhancing education in remote regions through coding
Coding Fun 205人

Employee CSR education reached 38,659 persons, an increase of 439% from 2017.

CSR Employee CSR education increase of 439%

Average training hours per employee: 68.4 (met 2020 target two years ahead of schedule).
Average training 68.4 hours

8.95 million 168KW
Raised NT$8.95 million from Green Power for Charity project, establishing photovoltaic system of nearly 168kW for disadvantaged groups

CDP B-Ranking in CDP Management, topping the telecom industry
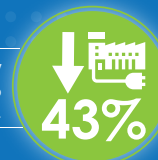
Energy intensity decreased by 43% compared with 2016.
↓43%
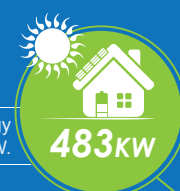
The cumulative green energy construction reached 483 kW.
483KW

Taiwan Mobile

Corporate Responsibility **Prime** rated by **ISS-oekom**
The first to win ISS-oekom evaluation Prime rating
The only one in telecommunications industry

FTSE4Good TIP Taiwan ESG Index / TIP
Selected as a constituent company in the FTSE4Good TIP Taiwan ESG Index for the first time

TOP 7%
Top 7% in the global industry ranking in human rights management

TWNSI
Selected as a constituent company in the Taiwan Sustainability Index for the first time

76%
76% employee satisfaction with the friendly working environment.

TOP.1%
Top 1% in the global industry ranking in information security management

TOP 5%
Top 5% in Corporate Governance Assessment

EPS $5.01
EPS of NT$ 5.01 for 7 consecutive years

ROBECOSAM Silver Class 2018
Received Sustainable leader-Silver Award in 2018

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM
Telecom Industry in the world **TOP.1**
Ranked Top 1 in Global Telecom Industry in DSJI World for the first time.
Received positive recognition from DJSI Emerging Markets for 7 consecutive years

Electricity consumption decreased by 3.68% compared with 2017, saving more than 16.44 million degrees.
saving more than 16.44 million degrees.

SCIENCE BASED TARGETS
The First telecom and service company to pass the SBTi
The first telecom and service company to pass the SBTi (Science Based Targets initiative) evaluation in 2019

↓CO2e over 8,700 ton
SBT achieved: GHG emissions reduced by 3.45% (over 8,700 t-CO_2e) compared with 2016

Accounting and verification for the 15 categories of Scope 3 GHG emissions
Scope 3 15 categories verification

5.06 million degrees
Acquirement of renewable energy certificate totaled 5.06 million degrees and spontaneous use of renewable energy totaled 78 thousand degrees

NPO 268KW
A cumulative total of 268 kW of green power was established to help charity groups

215KW
A cumulative total of 215 kW of green power was established for self-use purpose

▶ ESG data statistic table, please refer to the appendix P128

RobecoSAM 2018 Yearbook
Global Telecommunication Services Group
Sustainable Leader - Silver Award

Magazine of The Asian Corporate
Governance Association (ACGA)
Asian Excellence Award 2018
Best Investor Relations/Best CFO

Dow Jones Sustainability Indices, DJSI
The World Index 2018
No. 1 Telecom business in the world
Selected as DJSI Emerging Market Components for 7
consecutive years
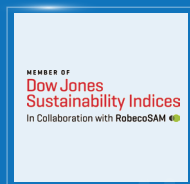
The first to win ISS-oekom
evaluation Prime rating
The only one in telecommunica-
tions industry

Gained 2018 CDP B grade
The only one in
telecommunications
industry

RobecoSAM 2019 Sustainable Yearbook
Global Telecommunication Services Group
Sustainable Leader-Silver Award

Small and Medium Enterprise Administration,
MOEA - "Buying Power for social creativity of
products and services procurement award" -
First prize/Special award

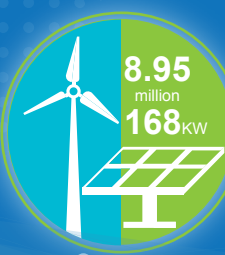| 2018 | FEB | MAY | JUN | AUG | SEP | NOV | DEC | 2019 | JAN | FEB |

The 14th Corporate Social Responsibility Award by
Global Views Monthly
CSR Annual Survey - Service Group Model Award

Corporate Governance Assessment
ranked top 5% for 4 consecutive
years.

CommonWealth Magazine
The 7th Corporate Citizen Award by CommonWealth
Magazine
The only award winner in the telecommunications industry

Sports Administration, Ministry of
Education
2018 Sports Activist Awards
Sponsorship Gold Award

Taiwan Corporate Sustainability Awards, TCSA
The only "Top Ten Sustainable Model Awards" in Telecom
Industry/Top 50 Enterprise Sustainable Awards

07

TWM board members:
Sitting position: Chairman Daniel M. Tsai (center left), Richard M. Tsai (center right), Hsueh-Jen Sung (Independent; left 1), Jack J. T. Huang (Independent; right 1)
Standing position: the other 5 directors from left to right are Hsi-Peng Lu (Independent), Chris Tsai, Jamie Lin, Char-Dir Chung (Independent), Howard Lin

Daniel M.Tsai
Chairman of Taiwan Mobile CO. Ltd

James Jeng
President of Taiwan Mobile CO. Ltd
(The term off office until 2019 March)

Jamie Lin
President of Taiwan Mobile CO. Ltd
(On board date 2019 April)

EVP & CFO
Rosie Yu

SVP & CBO
Jeff Ku

VP & General Counsel
Ariel Hwang

VP & CIO
James Chang

VP & CTO
Tom Koh

VP & COO
CH Wu

Company Profile

Taiwan Mobile Co., Ltd. was established in February 1997. In the same year, it obtained the government's issued license for the operation of the first type of telecommunications business. It set up headquarters, branch offices and related business sites in Taiwan. Among them, the physical channel service sites are all over Taiwan. In addition to being the first private telecommunications company listed on the Taiwan Stock Exchange, it was included in the Taiwan 50 Index in 2002 and in the MSCI Investment Index Component Stock. Since 2012, it has been selected as the Dow Jones Sustainability Indices (DJSI) Emerging Market Index Component Stock for seven consecutive years, and won the second place in the DJSI World Index Component Stock Global Telecom Industry in 2017. And in 2018, it has won the first place in the DJSI World Index in the world telecommunications industry and dominated the whole Asia.

In order to enhance the scale of operation and provide integrated services, the acquisition and merger of Taiwan Fixed Networks, Taiwan Telecom, TransAsia Telecom and MOBITAI Communications were completed successively from 2007 to 2008. The framework spans the mobile communications, fixed networks, broadband Internet access and cable TV industries to provide users with "seamless" multi-fluorescent and multi-cloud digital convergence services. With excellent product and service quality, innovative R&D capabilities and world-class information security, we create the best customer experience. It is the most complete telecom and media service provider in the fields of T (telecommunications), I (Internet), M (media & entertainment), E (e-commerce). The main business system and service scope of Taiwan Mobile Group are as follows.

Business System	Brand name	Business	Main Service Contents
Personal Users	TWM	Mobile	Mobile telecommunication services for individual users mainly include monthly rental, prepaid and value-added services.
Business Users	Taiwan Mobile Business Services	Fixed Network	Integration services of information and communication for enterprise users included fixed network (voice/data/Internet), Cloud, mobile enterprise, etc.
Home Users	TWM Broadband	Cable TV	Household user's video (CATV / DTV) and broadband Internet access (Cable Broadband / FTTx) service
Retail	momo	Retail	E-commerce, TV Shopping

Note: The market share and revenue of various businesses are detailed in Page 34.

Chapter 1
Sustainable
Management Strategies

Photo by :黃正雄

CSR Operational Mechanism

CSR Guiding Principles
TWM has internalized corporate social responsibility (CSR) in its operational strategies and management. The CSR Policy was passed by the Board of Directors in January 2011, and CSR Code of Practice was established as the guiding principles of long-term CSR implementation.

CSR Dedicated Unit
The Social Responsibility Department was established under the Public Relations and Brand Management Division in 2007 with designated personnel and independent budget. The department serves as the executive secretary to the CSR Committee and is responsible for integrating inter-departmental CSR tasks in addition to planning and carrying out CSR strategies and projects.

CSR Committee
The CSR Committee was officially formed under the Board of Directors in 2014. The Committee is chaired by the Chairman of the Board, and the President serves as the Vice Chairman. The senior management from each business group serves as members of the Committee to identify risks and opportunities relevant to environmental, social, and governance issues, so as to integrate operations with core resources, establish sustainable strategies, and enhance the levels of accountability, participation, and governance of the senior management to create circular performance. To strengthen CSR implementation, the compensations of the President and Vice President have been tied to the Company's CSR performance in accordance with the resolution of the CSR Committee. Please refer to Chapter 3.1.2 Compensations for Senior Management on P.123 for details.

CSR Policy
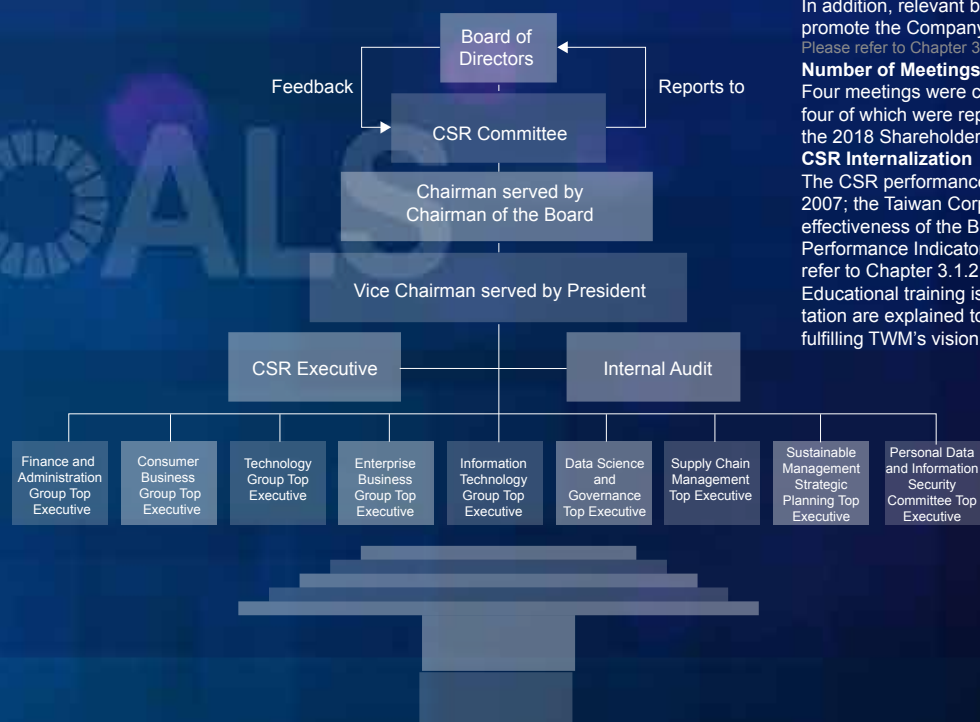
Frequency of Meeting
CSR Committee convenes meetings on a quarterly basis and reports to the Board of Directors. In addition, relevant business risks are reported to the Risk Management Committee to jointly promote the Company's sustainable development.
Please refer to Chapter 3.3 Risk Management on P125

Number of Meetings Held
Four meetings were convened by the Committee in 2018, eighteen resolutions were passed, four of which were reported to the Board of Directors. "Zetta Connected 2030" was reported to the 2018 Shareholders' Meeting.

CSR Internalization
The CSR performance self-assessment by the Board of Directors has been implemented since 2007; the Taiwan Corporate Governance Association has been commissioned to evaluate the effectiveness of the Board of Directors since 2018. Senior managers have established the Key Performance Indicators (KPIs) for CSR as the basis for annual performance evaluation. Please refer to Chapter 3.1.2 Compensations for Senior Management on P.123 for details. Educational training is held each year, in which CSR key strategies and methods of implementation are explained to the senior managers and staff, so that all employees can stay focused on fulfilling TWM's vision for sustainable operations.

Board of Directors

Feedback — Reports to

CSR Committee

Chairman served by Chairman of the Board

Vice Chairman served by President

CSR Executive — Internal Audit

- Finance and Administration Group Top Executive
- Consumer Business Group Top Executive
- Technology Group Top Executive
- Enterprise Business Group Top Executive
- Information Technology Group Top Executive
- Data Science and Governance Top Executive
- Supply Chain Management Top Executive
- Sustainable Management Strategic Planning Top Executive
- Personal Data and Information Security Committee Top Executive

Major Resolutions of the CSR Committee in the year of 2018

Zetta Connected 2030

Identification of CSR Material Topics

Identification of Risks and Opportunities

Analysis of Non-financial Taxation Risks

Amendments to Corporate Volunteer Guidelines

1.2 Sustainable Strategy Map

TWM has established the headquarters, branches, service centers, and related business establishments across Taiwan. We have invested in six major categories of capital and developed "T.I.M.E.," namely Telecom, Internet, Media & Entertainment, and E-Commerce by adopting a business model of diversification. By Combining the new Super 5G strategy with 6C business core, TWM has identified 22 material topics corresponding to the 17 Sustainable Development Goals (SDGs), which have helped create seven key brand values for the eight major categories of stakeholders. TWM is committed to becoming an outstanding sustainable pioneer in digital convergence.

Create seven key brand values

The key values are internalized in Sustainable Vision for the sustainability vision. Please refer to P14-16 in Chapter 1.3 for details.

- Ethical operation
- Sustainable partners
- Excellent brand
- Environmental sustainability
- Happy workplace
- Social inclusion
- Innovative accomplishments

Response to eight stakeholders

For sustainable performance created from responding to stakeholders, please see Chapter 1.3 P17-20 for details.

- Communities /NGO
- Media
- Competent authorities
- Employees
- Customers
- Shareholders/ investors
- Rating Agencies
- Suppliers

1.3

1.3 Sustainable Strategic Vision Plan Zetta Connected 2030

To prepare for the emergence of the era of 5G, TWM initiated the Sustainability Vision Blueprint for 2030 at the end of 2017. The blueprint is also geared to answer UN's 2030 Agenda for Sustainable Development as well as the 17 SDGs.

Ethical Operation

Happy Workplace

In addition to inclusive and sustainable economic growth, the Company focuses on corporate government that is evenly developed in ESG and provides our employees a happy workplace and participation in international sustainable businesses with a holistic perspective, making honor and sense of achievement to become the new attitude toward life in the future.

Responsible Business

Excellent Brand

Creating Stakeholder Synergy

Creating stakeholder synergy is our biggest momentum to stride to the future of sustainability. In the era of 5G IoT, we will exert our positive influence and energize our global partner relationship in sustainable development.

Sustainable Partners

Environmental Sustainability

Minimizing Footprint

Making use of the latest IoT and AI technology and implementing green policies and reducing carbon footprint of our supply chains will not only reduce environmental impact but also proactively create a better and more ideal universal ecosystem.

Innovative Accomplishments

Elevating Future Experience

Making use of 5G and IoT technology to establish connections between human, objects, and time and space so that we can create a future beyond our imagination with innovative vision.

Social Inclusion

Realizing Social Potential

The mode and application of innovative technology are able to surmount the obstacles brought forth by the long-standing value system constructed since time immortal, including issues such as poverty, inequality and unfair distribution of resources.

SUSTAINABLE DEVELOPMENT GOALS

How big your heart is; then how great your vision will be!

As the human civilization is getting ready to face a decade of unimaginable changes from 2020 to 2030, where massive amount of big data will be connected and assume the center of focus, we have selected the word "Zetta (1021)", a pun for "a very big heart" in Mandarin Chinese, as the theme for our vision plan for the next decade. Thus, "Zetta Connected 2030" will be our attempt in achieving the UN SDGs and our aspiration for everyone at TWM to bravely hypothesize and to actively set their own goals. The purpose is to review our current actions from the standpoint of 2030, which seems so far into the future, while we aspire TWM to become the center of connectivity for everything—besides establishing connections between human, objects, and time and space, the most important is to have heart-to-heart connections among people—by 2030, and to bring visions that encompass five major aspects to our stakeholders. Founded on the vision of being a "Responsible Business", TWM will lead suppliers in "Creating Stakeholder Synergy", two fundamental aspects to achieve three accomplishments of "Elevating Future Experience," "Realizing Social Potential," and "Minimizing Footprint." The five aspects are closely connected to TWM's seven key brand values, and step by step, we aim to work toward an unlimited future with our eight major stakeholders to achieve our fundamental goal of sustainable development.

2015-2016

Preparation Stage (completed)

- Convening of the CSR Committee
- Participation in international rankings
- Communication with external stakeholders
- Adoption of ISO 14001
- Carbon emission risk management-Quantification of Scope 3 carbon emissions
- Established Carbon Reduction Objectives
- Get Carbon Footprint Labeling
- Subscription green power
- Industry-academia collaboration in Product Carbon Footprint
- Implementation of SROI

2017-2018

Strategy stage

Achieving target ahead of schedule

- Promotion of CSR strategy integration
- Continuing to receive CDP leadership rating
- Organized supplier CSR conference
- Green energy constructions
- Issuance of integrated reporting

- Transformation into a benchmark enterprise of international caliber
- 100% adoption of ISO 14001
- Organizing CSR Forum
- Plan a green energy philanthropy campaign
- GHG emission absolute reduction
- Industry-academia collaboration in climate change mitigation and adaptation
- Evaluation of the social benefits of public welfare projects
- Subscription of green power/renewable energy certification
- Verification Science-based target
- Build TWM Sustainability Vision Blueprint for 2030

2019-2020

Value Creation Stage (mid-term)

Achieving target ahead of schedule

Selection as a leader for international awards (Top 1 in Telecommunication Services Industry in 2018 DJSI World)

- Reach 280kW installed capacity in our renewable energy generators
- Achieve 10% renewable energy in total energy consumption
- Reduce 5.7% in total carbon emissions from 2016 levels
- Build CSR brand image
- Climate change management in value chain
- Optimize social benefits from welfare projects
- Review (and propose new) target objectives in 2020
- Review (and propose new) target objectives in 2030

2021-2030

Value Creation Stage (long-term)

- Reach 6,000kW installed capacity in our renewable energy generators
- Achieve 20% renewable energy in total energy consumption
- Reduce 30% in total carbon emissions from 2016 levels
- Service rooms are built with 100% resilient infrastructure
- Reach NT$17.7 billion revenue from innovative products/services
- Assistant NPOs fundraising through TWM channel in total of NT$200 million
- Achieve 50% growth in total number of benefited disadvantaged subscriber from 2017 levels
- Network infrastructure coverage for population in remote areas up to 99%
- Cumulative sponsorship and donations for the public welfare reaches NT$1.2 billion.
- Average 55 hours of training for every employee
- Maintain top 5% in industry in terms of information security management
- Reduce 20% in carbon emissions of the supply chain from 2020 levels

- ● Achieving target ahead of schedule (original target: 2020)
- ● Achieving target ahead of schedule (original target: 2018)
- ● On going
- ● New plans that are added voluntarily for the current year
- ● New plans that are added voluntarily in 2018

1.3.2 The Goal and Performance of Zetta Connected 2030

We convened interdepartmental colleagues for implementing CSR to hold two Zetta Connected 2030 workshops to identify the Company's key and secondary SDGs through employee voting. Each department focused on 11 key SDGs and developed 51 sustainable targets corresponding to SDGs. The commitment level and inspection points of 2030 for each target were set, and the target attainment rate in 2018 was nearly 90%. The specific performance is as follows:

The Main Themes of Zetta Connected 2030 and the Corresponding Key and Secondary SDGs

Key SDGs

Responsible Business

Realizing Social Potential

Elevating Future Experience

Minimizing Footprint

Creating Stakeholder Synergy

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

3 GOOD HEALTH AND WELL-BEING

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Secondary DGs

5 GENDER EQUALITY

5 GENDER EQUALITY

2 ZERO HUNGER

10 REDUCED INEQUALITIES

4 QUALITY EDUCATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

6 CLEAN WATER AND SANITATION

14 LIFE BELOW WATER

15 LIFE ON LAND

Legend: Exceeding the target | Target achieved | Target not achieved

2018 Strategic objectives → **2018 Performance / Target achieved** → **2020 Strategic objectives** → **2030 Strategic objectives** → The corresponding material topics[Note5] → Improvement plan

Main Themes	SDGs	Dimension of strategies	2018 (objective / performance)	2018 Performance	Target achieved	2020 Strategic objectives	2030 Strategic objectives	The corresponding material topics[Note5]	Improvement plan
Mini-mizing Foot-print	7 AFFORDABLE AND CLEAN ENERGY	Renewable energy	Total installed capacity of renewable energy reached 180kW	215kW	Exceeding	280kW	6000kW	Climate change mitigation and adaptation; Green operations	
			IDC's renewable energy consumption reached 20%.	24.8%	Exceeding	25%	35%		
			Total renewable energy consumption reached 1.2% .	1.2%	Achieved	10%	20%		
		Energy efficiency	Energy intensity decreased by 38% compared with 2016.	43%	Exceeding	56%	86.7%	Climate change mitigation and adaptation; Green operations	
			The electricity consumption of the information equipment room decreased by 5% compared with 2016	11.2%	Exceeding	10%	15%		
			IDC's average annual power usage effectiveness (PUE) was 1.87	1.87	Achieved	1.75	1.5		
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sustainable usage of natural resources	Total water consumption decreased by 1% compared with 2017 (excluding IDC)	4.3%	Exceeding	3% (excluding IDC)	15% (excluding IDC)	Green operations; Green application and circular economy; Climate change mitigation and adaptation	
			The amount of paper for application forms saved has increased by 10% per year.	10%	Achieved	10%	10%		
			E-bill service users reached 58%.	68%	Exceeding	62%	85%		
		Sustainable recycling	Total un-recyclable business waste decreases by 2% compared with 2017	48%	Exceeding	6%	15%	Green operations; Green Application and Loop Economy	
			The number of recycled cell phones reaches 10,000 per year.	over 20,000 phones	Exceeding	10,000 phones	10,000 phones		
	13 CLIMATE ACTION	Resilience and adaptation	The number of base stations with generators in natural disaster-prone areas reached 140.[Note1]	178 base stations	Exceeding	200base stations	250base stations (with a ratio of 25%)	Climate change mitigation and adaptation	• FMC host : In line with the newly launched service, Cloud PBX and a telecom cloud platform were being established; the FMC project is expected to be completed in 2020. • HUB: The work in Taichung, Taitung, Yilan, and Hualien has been completed, but due to construction issues and local opposition, Taoyuan is expected to be completed in 2019.
			TWM computer and equipment rooms are built with 100% resilient infrastructure	100%	Achieved	100%	100%		
			• Improved the internet routing of Eastern Taiwan • Completed building FMC host in Taichung host room • Split the secondary Hub station into five new realms	The integration of Yilan, Yihua, and Central Cross-Island Highway platforms has been completed	Not achieved	• Establish microwave transmission in important districts of remote areas at 10 base stations • Add 10 more realms of double backup shelter cycle Hubs	100% of the key infrastructure are with cross-district backup equipment		
		Low carbon footprints	Developed SBT and sent to SBTi for review.[Note2] Reduce total carbon emissions by 2.8% compared with 2016.	3.45%	Exceeding	5.7%	30%	Climate change mitigation and adaptation; Green operations	
			The carbon emissions of the outsourced roving logistics fleet are reduced by 6% compared with 2016.	9.86%	Exceeding	12%	40%		
Elevating Future Experi-ence	3 GOOD HEALTH AND WELL-BEING	Digital healthcare	The coverage rate of digital healthcare services in the operating areas reaches 43%[Note3]	43.8%	Exceeding	90%	100%	Technology innovation & application; Digital inclusion and social innovation	
		Mobile health management	Mobile health care products or services generate revenues of NT$15 million.		Not achieved	70 million	300 million	Technology innovation & application	providing basic health services for blood sugar/blood pressure in collaboration with hospitals in 2019.
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Communications infrastructure	Advanced telecommunications users account for 85% of the total users.	96%	Exceeding	95%	99%	Customer experiences; Technology innovation & application; Network reliability and coverage rate	purchasing distributed racks for network equipment to increase the coverage rate in 2019.
			The coverage rate of wired high-speed network service reaches 69% of the operating areas.		Not achieved	90%	98%		
			The revenues from the fixed-network users changing into "advanced integrated telecommunications services" reached NT$5 million.	17.29million.	Exceeding	120 million	800 million		
		Smart innovation and application	Innovative products or services generate revenues of NT$5 billion	5 billion	Achieved	6.6 billion	17.7 billion	Technology innovation & application; Customer experiences	

Legend: 😄 Exceeding the target | 🙂 Target achieved | 😐 Target not achieved

Main Themes	SDGs	Dimension of strategies	2018 Strategic objectives	2018 Performance	2018 Target achieved	2020 Strategic objectives	2030 Strategic objectives	The corresponding material topics Note9	Improvement plan
Elevating Future Experience	11 SUSTAINABLE CITIES AND COMMUNITIES	Smart living	The home security products or services reach up to 20,000 households in the operating areas. Note4	over 20,000 households	🙂	34,000 households	100,000 households	Customer experiences Service impact management Technology innovation & application Digital inclusion and social innovation	
			Revenues from digital multimedia products or services reach NT$1.2 billion. Note5		😐	1.5 billion	2.2 billion		evaluating the countermeasures to the competition regarding the free-of-charge strategy in the market to increase revenues in 2019.
			The sum of mobile commerce service transactions reach NT$1.5 billion.	1.72 billion	😄	1.52 billion	2 billion		
			The revenues generated from the Internet of Vehicles reach NT$3.5 million.	47.2 million	😄	80 million	1.6 billion		
		Sustainable city	Base station service operation rate reaches 99.7% Note6	99.88%	😄	99.8%	99.9%	Customer experiences Technology innovation & application	
			The coverage rate of village image surveillance or river hydrology/flood image surveillance reaches 6%.	6%	🙂	30%	78%		
Realizing Social Potential	1 NO POVERTY	Fundraising events	The cumulative amount of funds raised through TWM channels since 2006 reaches NT$ 99.24 million Note7	102 million	😄	120 million	200 million	Giving back to society Transparent and fair marketing Customer experiences	
			The cumulative sponsorships and donations conducive to the public interest since 2003 amount to NT$730 million.	780 million	😄	820 million	1.2 billion		
		Service affordability	The coverage rate of the mobile broadband Internet service in rural areas reaches more than 95%.	over 97.65%	😄	over 97%	over 99%	Giving back to society Customer experiences Technology innovation & application Digital inclusion and social innovation	
			The number of disadvantaged people (students/the elderly) who benefited accordingly grow by 15% compared with 2017.	32%	😄	35%	50%		
		Reinforce resistance to disasters	Over 95% of the population living in remote areas receives emergency warning service within 5 seconds after a disaster happens.	over 97.65%	😄	over 97%	over 99%	Social emergency responses Climate change mitigation and adaptation Digital inclusion and social innovation Technology innovation & application	
			Established a 3G mobile positioning system	completed the establishment of the 3G mobile network positioning system	😄	Complete the Advanced Mobile Location (AML) service development for Android phones	The coverage rate of the positioning services for victim location tracking in disaster areas reaches 99.83% of the communications population.		
	3 GOOD HEALTH AND WELL-BEING	Accessibility to remote healthcare	The number of people benefiting from telehealth products or services reaches 2,500 persons		😐	16,000 people	70,000 people	Digital inclusion and social innovation Technology innovation & application	providing basic health services for blood sugar/blood pressure and organize rapid heart tests in collaboration with hospitals in 2019.
		Transportation safety	Installed 1,000 smart street lights	over 3,100 street lights	😄	10,000 street lights	200,000 street lights	Technology innovation & application	
		Environmental quality monitoring	Completed product testing and development	completed the development of myAir, which will be launched in 2019	🙂	More than 20,000 air quality monitoring devices are available across Taiwan, and relevant applications are provided.	Over 100,000 devices	Technology innovation & application	
	4 QUALITY EDUCATION	Equal opportunity	The number of people benefited from TWM digital education resources reached 33,000. Note8	33,000 people	😐	62,000 people	150,000 people	Digital inclusion and social innovation Technology innovation & application	Since the current teaching systems and planning of curriculum guidelines are not conducive to teachers' investment in science and technology education, we are planning to strengthen cooperation with the National Chiao Tung University and other digital teaching materials/platforms. In response to teachers' needs and dilemmas, new programs for trainee teachers are planned to increase the number of participating trainee teachers.
			500 technological education teachers are cultivated.		😐	1,500 people	6,000 people		
		Knowledge and skills education for sustainable development	Through internal employee education and training, the number of employees who come across sustainability-related information increases by 1% from that of 2017.	439%	😄	3%	13%	Talent development and retention Supply chain management	
			The number of people reached by external CSR-related activities and events increases by 1% from that of 2017.	3%	😄	3%	13%		
			The number of online visits to the category or special section of sustainability has accumulated to 30,000 since 2018.	over 83,000 people	😄	100,000 people	500,000 people		

| | Exceeding the target | Target achieved | Target not achieved |

Main Themes	SDGs	Dimension of strategies	2018 Strategic objectives	2018 Performance / Target achieved	2020 Strategic objectives	2030 Strategic objectives	The corresponding material topics Note9	Improvement plan
Respon-sible busines	8 DECENT WORK AND ECONOMIC GROWTH	Employee cultivation	Assist employees in improving work efficiency and career development and continue to track training hours per person	Average number of training hours per person was 68.4 hours. (Target achieved)	Over 50 hours.	Over 55 hours.	Talent development and retention	
		Friendly workplace	80% of pregnant employees received prenatal education 80% of postnatal employees received caring phone calls 4 points (out of 5) in terms of satisfaction with parenting lectures or study groups 4 points (out of 5) in terms of satisfaction with the use of breastfeeding rooms	85.15% 80.8% 4.92 points for lectures; 4.5 points for study groups 4.89 points (Exceeding the target)	90% 90% 4 points 4 points	95% 95% Maintained at 4 points Maintained at 4 points	Employees' physical and mental health	
			73% of employees are satisfied with the friendly work environment.	76% (Exceeding the target)	75%	83%		
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Human rights and justice	Rated top 20% in the global industry ranking of third party evaluation in terms of information security management	Top1% (Exceeding the target)	Top10%	Top5%	Respect for and protection of human rights Information security and privacy protection Customer experiences	
			Ranked top 20% in the global industry ranking of international sustainability ratings in terms of human rights management	Top7% (Exceeding the target)	Top10%	Top5%		
		Transparency and honesty	Set the target number of seats for Directors for 2020	The target set (Target achieved)	At least one female Director	Increase the number of seats for female Directors (at least one seat)	Corporate governance and operating performance Ethical operation Legitimacy/legal compliance	
			Corporate governance assessment scores remain in the top 5%.	Top5% (Target achieved)	MaintainedTop5%	MaintainedTop5%		
			Zero tolerance of any violation of Ethical Corporate Management Best Practice Principles	Zero tolerance (Target achieved)	Zero tolerance	Zero tolerance		
Creat-ing Stake-holder Syner-gy	17 PARTNERSHIPS FOR THE GOALS	Sustainable supply chain management	Suppliers must complete the CSR self-assessment questionnaire before getting information about the bidding projects.	Suppliers for major bidding projects all completed the CSR questionnaire. (Target achieved)	Complete supply chain carbon emissions inventory between 2020 and 2023	Carbon emissions of the supply chain decreased by 20% from that of 2020	Supply chain management	

Note 1: As the purpose of setting up the "Communications Platforms for Disaster Relief Operations" last year was to strengthen the base station resilience of disaster hotspots, this target with the same purpose is decided to be included via resolution.

Note 2: Revisions are made in line with the science-based target to simultaneously update the annual emission reduction target and remove the emission intensity target.

Note 3: The original target scope included the Kbro Co. Ltd.; in order to lie within the boundary of this report, the definition of the target is decided to be revised via resolution.

Note 4: The original target scope included the Kbro Co. Ltd.; in order to lie within the boundary of this report, the definition of the target is decided to be revised via resolution.

Note 5: Because the development of M+ is mainly applied to the integration of enterprise mobile and fixed-line phone services, the product is decided to be removed from the category of digital multimedia services and incorporated into the fixed line voice services in the category of "advanced integrated telecommunications services."

Note 6. Service Operation Rate = 1 - [Total Base Station Obstacle Hours (hours)] / Number of Base Stations Providing Services * 24 (hr) * 365 (days)]

Note 7:The original inspection point for 2020, 130 million, was typo, and is revised to 120 million.

Note 8: As the purpose of creating the "myBook service phone number in rural areas" last year was to increase digital education resources for the beneficiaries, this target with the same purpose is decided to be included via resolution.

Note 9: Please refer to Chapter 1.5 Identification of Material Topics on P.27 for details.

► We have selected nine material indicators and targets from the five major pillars of sustainability and tracked the performance over the past three years (2016-2018). Please refer to Appendix P.129 for details.

1.3.3 International Initiatives

GeSI
In 2016, we joined the Global e-Sustainability Initiative (GeSI) and was elected to the Board of Directors in 2017. In 2018, we continued to engage in the operations of Climate Change Committee and Industry Responsibility Committee, including the development of science-based methodology in the ICT industry, the development of digital accessibility indicator tools, and the development of E-TASC supplier management platforms. At the end of the same year, we shared Zetta Connected 2030 and SDGs implementation examples with global ICT industry and suppliers at the Global Sustainable Technology & Innovation Conference (G-STIC)/GeSI Forum and joint meeting of Responsible Business Alliance (RBA) and GeSI.

TCFD
The CDP and DJSI began to include the Task Force on Climate-related Financial Disclosures (TCFD) in the rating in 2018; we responded to this policy up-front by starting to introduce TCFD at the end of the same year; Chapter 1.4.3 also discloses climate information with reference to the TCFD framework.

Commit to Action
We responded to the "Commit to Action" initiated by CDP and We Mean Business Coalition, and promised to establish the Science-based Targets (SBT), participate in climate policy negotiations, and disclose climate information in mainstream reports.

SBT
We have committed and developed SBT (see Chapter 2.5.1.2 on P.73 for details) which has been approved by SBTi (Science Based Targets initiative) in June 2019.

1.4.1 Industrial Analysis and Response Strategies

The growth in telecom market has slowed in recent years, and intense competition from the five major telecom providers in Taiwan have severe impact on the profitability of our core business in telecom. Therefore, TWM saw a need to pursue for new revenue drivers. As for the future trends of the telecommunications, with the support of new technologies, such as big data, Internet of Things, artificial intelligence, cloud platforms, and information security, the demand for personalized smart services will continue to increase based on the analyses conducted by international industries. In addition, with the evolution of basic network technology, the 5G network will make services faster, with lower latency and more connection options. As a leader in digital convergence, we monitor industry trends, actively seize opportunities, avoid risks, focus on actions and innovation, and co-develop with relevant companies, and actively develop newer and better services to drive the growth of revenue. Accordingly, we have analyzed the opportunities and threats in TWM's business activities to plan for feasible innovative strategies:

Business activity	Industry trends	Opportunities	Threats	Innovative strategy/service	Corresponding company
New media services	・Video/audio personalized recommendation services ・Integration of cross-screen displays	・Recommend content in a timely and accurate manner to increase user usage and stickiness ・Promote personal devices to be used at home to increase the level of use	・Continuously optimize competitive product recommendation mechanism ・Device connectivity and network stability affect viewing quality.	・Personalized recommendation services ・Large Screen Project (Smart TV and TV boxes)	・TWN ・TFN Media
Mobile business	・Personalized e-commerce ・Member ecosphere	・Have telecommunications and e-commerce big data to improve forecasting ability ・Have real-name user data, a large amount of user behavior data, and low user-communication costs	・Consumers are concerned about personal information protection. ・Competitors have many years of experience with the platform that features membership points ・Threats from non-telecommunications field, such as Line	・Data recommendation model ・Wali discount platform ・Ecosystem of co-branded membership	・TWN
IoT and platform	・eSIM cards are replacing physical SIM cards.	・Digitalization of SIM card activation	・A decrease in demand for physical stores	・eSIM cards can be downloaded remotely. ・Used in wearable goods and mobile phones	・TWN
Mobile advertising business	・Digital advertising automation ・Standardized buying method, allowing advertising to be delivered more accurately	・Have exclusive telecommunications database, which can help advertisers target recipients precisely	・There are many competitors in the advertising display network, causing the cost of splitting the proceeds to increase.	・TAmedia DMP data analysis ・Diversified video and audio advertising formats (In stream and Interscroller)	・TWN
Personal user services	・Consumers' environmental awareness is high. ・Mobile Internet is prevalent; users make good use of online services and self-service channels ・The trend of traveling alone is popular.	・Integrate group resources to provide environmental products ・Provide real-time services with data technology ・Upgrade self-service channels ・Develop roaming products	・Increase the difficulty of selecting products ・Manual services are declining; maintaining brand loyalty is a daunting challenge ・Low price competition for roaming products	・Choose as You Want ・Prepaid Card Top-up Butler ・CRM Instant Notification ・Roaming Prepaid Cards	・TWN
Corporate customer services	・Internet of Everything (IoE) ・Artificial Intelligence (AI) ・Cloud economy ・Information security ・Mobile office	・IoT technology is gradually mature; business opportunities are increasing significantly. ・AI technology starts to be developed. ・Enterprise digital transformation with a great demand for cloud services ・An increase in information security services as well as outsourcing demand and opportunities ・The work model is flexible and not limited to the office.	・A great deal of resources are invested in IoT platforms, but initial revenues are less significant. ・Need to invest great deal of resources to develop AI technology, but the probability of success is difficult to estimate ・Many international cloud platform competitors ・Fast development of information security attack methods ・Difficult to integrate employees' multiple communications methods	・The greater IoT ecosphere ・AI high-speed computing platforms launched by the National Center for High-performance Computing ・Azure Stack cloud services ・Information Security Police/CDN ・M+ Mobile Extension Phone	・TFN Media
Information technology	・Information security ・Independent software development to meet diverse business needs	・Increasing demand for information security ・Share software resources to lower development costs	・Information security attacks are a threat to business operations ・Cultivate professional ability for high technology	・Adopt automation approaches to strengthen information security in systems ・Develop reusable software	・TWN
Household customer services	・Smart home	・Security monitoring accounts for the highest proportion in smart home output.	・International businesses enter the market with low prices.	・HomeSecurity cloud filming 24/7 with a smart time-lapse function	・TFN Media
Telecommunications network services and technology	・Global 5G NR Phase 2 Standard Release	・The development of 5G new technology enables telecom companies to provide high speed, low latency, big connection of the new generation network	・5G technology development, poses a threat to the existing 3/4G service	・The Company has built up the NB-IOT network to introduce the edge of the edge computing network, and provides low-latency and high-end online networks. ・The Company cooperated with the industrial leaders such as Nokia and ITRI to jointly develop 5G networks.	・TWN

1.4.2 Operating Environment and Risk Analysis

In view of the changes in the business model of the industry trends, we will strive to respond to various challenges and opportunities, but the risks are not only competition from the business activities. Therefore, the risk management system is not only to compete for the business activities, but also conduct a comprehensive review of the risks that may be faced by the Company. In particular, we established a Risk Management Committee in 2015, which will be concerned with the risk issues of the operation and the business attributes are discussed by the business attributes, opportunities and countermeasures. Risk Management Procedures (Fig. The Figure Below).
Please refer to the Chapter 3.3 on Page 125.

Referring to the enterprise risk management framework published by the United States COSO (Committee of Sponsoring Organizations of the Treadway Commission) organization, composed of the Board of Directors, Risk Management Committee, and Risk Management Responsible Unit, 19 major risks were identified based on the International Research Report, Industry Trend Analysis and Internal and External Investigation of Enterprises and Corporate Decision-making and Judgment, which can be grouped into 7 risk categories, including "Regulation", "Internet Bandwidth Resources", "Information Security", "Business", "Market", "Talent Cultivation" and "Innovation Management". Then, considering the probability and extent of the impact, the Company's map is built. With reference to recent trends, the risk level of three issues in 2018 has increased compared with the previous year, including climate change/natural disaster, intense competition and changes in customer demands, and was approved by the CSR Committee.

Risk Assessment
3

2
Risk Identification

4
Risk Response

1
Operating Environment

5
Comprehensive Supervision and Management
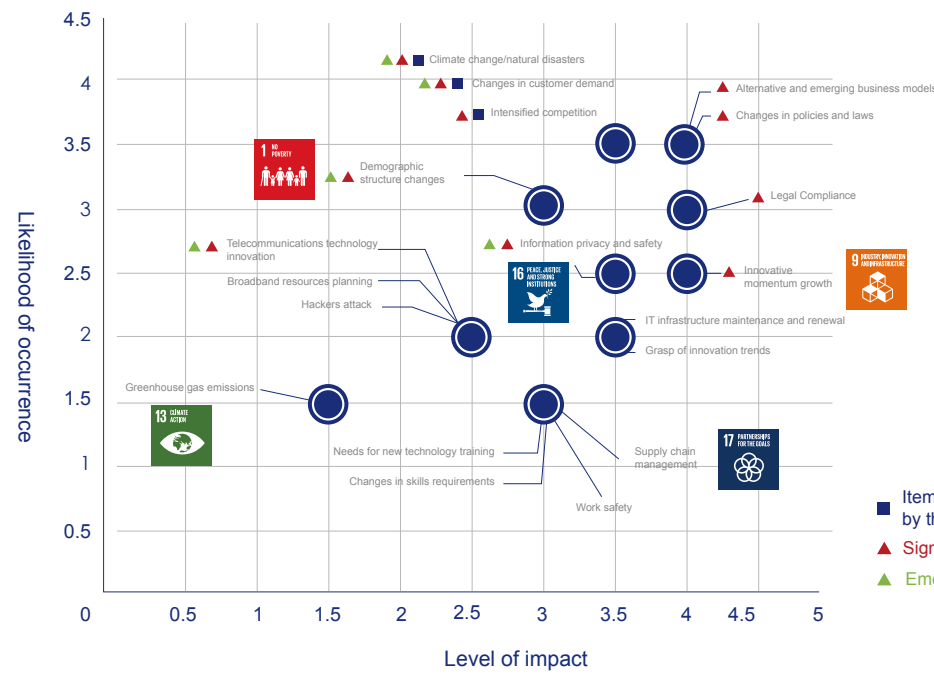
◄ We have further selected 10 key (including 5 emerging risks) risks and assessed the potential impacts, countermeasures taken (to reduce risks and seize opportunities), and actual projects

Please refer to our website Risk Management

■ Items with Elevated Risk as Resolved by the CSR Committee in 2018

▲ Significant risks

▲ Emerging risks

1.4.3 Climate Change Risks and Opportunities Management

According to the risk map analysis in 2018, climate change risks belong to the Company's material risks. Considering its material financial impact on business operations, therefore, according to the TCFD* framework, the inventory and disclosure of climate change risk and opportunity management are carried out, enabling relevant stakeholders to grasp the climate change risks and opportunities as well as financial impact more systematically.

Note: "Task Force on Climate-related Financial Disclosures (TCFD)" was officially released in June 2017 by the Financial Stability Board (FSB).

Climate Change Governance

The identification and management of climate change risks and opportunities are handled by the Environmental Management Committee, and the climate risk issues and environmental risk issues are reported to the Risk Management Committee on a regular basis in accordance with the Company's risk management system, and then relevant mitigation and adaptation projects are assessed and approved by the Risk Management Committee.

In addition, the Risk Management Committee reports the Company's risks (including climate risks) to the Board of Directors on a regular basis to allow the Board of Directors to understand and monitor the risks faced by the Company. For detailed risk management procedures, please refer to Chapter 3.3 P.125 Risk Management.

Climate Change Risk Management

With reference to TCFD's and standard enterprises' lists of risks, the Company invited all business units in the Company to attend a TCFD workshop to discuss and prioritize climate risks in terms of significance and distributed a questionnaire about the identification of the significance of climate risks after the workshop to prioritize the risks in terms of potential impact, potential vulnerability, and likelihood; the results are shown below. In 2018, a total of 12 major climate risks were identified, four of which belonged to high-risk impacts on operations, namely increased frequency and severity of typhoons/hurricanes, increased costs of greenhouse gas emissions, increase in demand and regulations relating sustainability, and increase in the cost of transformation to low-carbon technology.

The management of climate-related risks has been internalized to the Company's risk management process. Please refer to Chapter 3.3 P.125 Risk Management for details.

TWM Climate Risk Matrix
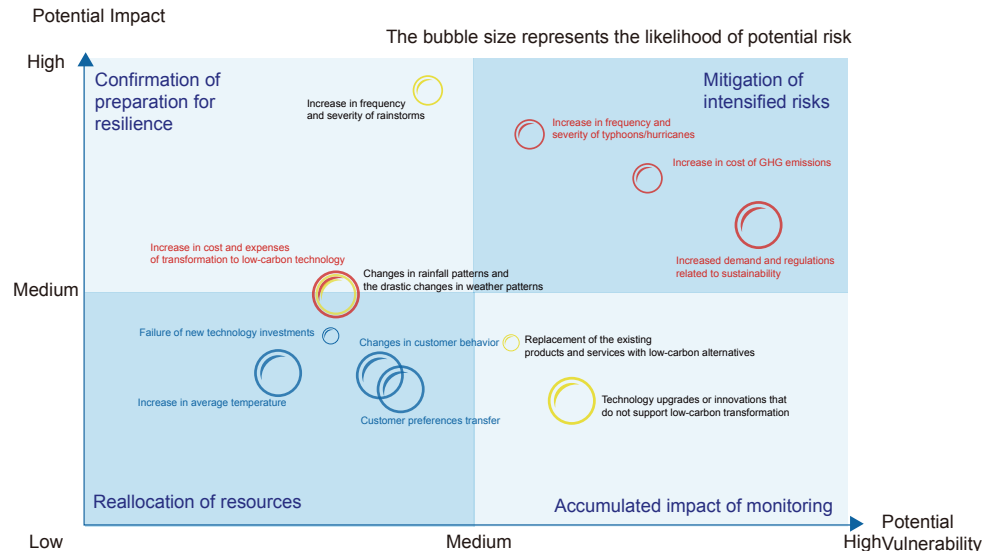
Note：After the two axes of the matrix are normalized, the diagram is prepared with the average of all risks as a midpoint.

1.4.3 Climate Change Risks and Opportunities Management

Climate Change Strategy

The impact of 12 major climate risk factors on TWM's strategy, operations, and financial planning as well as relevant response measures are displayed in the table below:

Type of risk	Aspect of risk	Risks	Description of financial impact
Transformation risk	Regulations and policies	Increased demand and regulations related to sustainability	In response to the direction of the amendments to the Renewable Energy Development Act, the operating locations may have an increased cost of installed capacity of renewal energy and subscription of green power certificates.
		Increase in cost of GHG emissions	In response to Taiwan's Greenhouse Gas Reduction and Management Act, the Company shall upgrade the energy efficiency of the equipment rooms\operating locations; the Company may face increased operating costs due to the potential carbon tax and carbon trading system.
	Technology	Increase in cost and expenses of transformation to low-carbon technology	The progress of global low-carbon transformation technology will prompt Taiwan to accelerate the replacement of equipment rooms/equipment/vehicles to improve energy efficiency, resulting in increased operating costs.
		Technology upgrades or innovations that do not support low-carbon transformation	As the smart services and solutions of the ICT industry are the keys to assisting other industries in reducing carbon emissions, there lies many business opportunities; there is a need to collaborate with external partners and invest a great deal of resources in research and development.
		Replacement of the existing products and services with low-carbon alternatives	The replacement of existing products and services with lower-carbon products and services may result in significant damage to revenues and may also lead to a decline in sustainability ratings, affecting the Company's reputation.
		Failure of new technology investments	The services we provide mainly rely on the technological progress of equipment manufacturers in the telecommunications industry. In the context of low-carbon transformation, it is less likely to invest in high-carbon technology (compared with our own telecommunications equipment suppliers) in terms of new technology investment. Therefore, it is not possible that there is no return on a large investment; the financial impact is relatively insignificant.
	Market	Changes in customer behavior	As customers' awareness of sustainability is rising, the demand for low-carbon products and services increases, and it is likely for them to shift to lower-carbon services, impacting the revenues.
	Goodwill	Customer preferences transfer	High-carbon emissions and low-climate resilience will affect the customers' trust in the Company, damage the Company's goodwill and further affect the Company's revenue.
Physical risks	Extreme risks	Increase in frequency and severity of typhoons/hurricanes	Extreme physical risks may damage telecommunications equipment, which will accelerate asset depreciation and increase equipment maintenance costs, while inducing complaints due to network instability, affecting the brand image.
		Increase in frequency and severity of rainstorms	
	Long-term risks	IChanges in rainfall patterns and the drastic changes in weather patterns	The long-term drought caused by changes in rainfall patterns will affect the water stability of the equipment rooms, causing operational disruption. Dramatic changes in temperature, such as the increase in the number of extreme-high-temperature days, will also change customers' consumption patterns and even cause the Company to invest a certain amount of resources to change its business models.
		Increase in average temperature	The increase in the average temperature will increase the electricity costs related to air-conditioning in the equipment rooms, which will also affect the customers' consumption patterns and even cause the Company to invest a certain amount of resources to change its business models.

A more in-depth climate scenario analysis is conducted in terms of 4 high climate risks to understand the impact of climate risks in different scenarios in Taiwan. The impact path of high-risk factors in the 2°C scenario is displayed in the diagram below.

Climate Risk Path

Sources of Climate Change Scenarios	→	Climate Risks	→	Impact and Influence on TWM	Affected Financial Items

CCPI 2DS Path

IEA ETP 2DS Scenario

LCTPi carbon pricing forecast

IIASA low carbon investment scenario

IPCC AR5 RCP 2.6 scenario

IPCC 1.5DC Report

Transformation risk
Regulations and policies
Increased requirement and regulation of sustainability

Transformation risk
Regulations and policies
Increased cost of GHG emission

Transformation risk
Technology
Costs to transition to lower emissions technology

Physical risks
Extreme weather
Increased freqency and severity of typhoon/hurricane

Impact and Influence on TWM

Telecommunications Operations
According to the information of IEA Energy Technology Outlook, in the 2°C scenario, renewable energy will become the main source of energy, and it is reasonable to estimate that the government should invest more in renewable energy development or renewable energy certificate purchases, resulting in an increase in operating costs.
→ Operating Costs

General Operations | Telecommunications Operations
TWM's equipment rooms accounted for the highest proportion of electricity consumption, including 83% from the equipment rooms at base stations, 4% from the equipment rooms of IDC Cloud, 2% from information equipment rooms, as well as 3% from offices. In the future 2°C scenario, TWM will replace telecommunications equipment with high power consumption and improve energy efficiency, which will increase operating costs while accelerating depreciation of existing equipment assets at the same time.
→ Operating Costs / Value of Assets

Telecommunications Operations
If the speed of carbon emission reduction by TWM is unable to meet the 2°C reduction path, it may be subject to fines caused by carbon pricing policies, including carbon trading and carbon tax, which will increase operating costs. (Currently, the carbon trading system has less regulation toward the ICT industry, so it is estimated that the impact will not be high in the future.)
→ Operating Costs

General Operations | Telecommunications Operations | Operations and Sales of Branch Stores
Purchase and introduce new management tools and equipment; in addition to the costs of purchases, the necessary costs of new technologies and procedure development, and transitional operational impacts are included.
→ Operating Costs / Value of Assets

General Operations | Telecommunications Operations | Operations and Sales of Branch Stores
The increase in the frequency of level-4 and level-5 typhoons may lead to an increase in repair and maintenance and renovation costs for TWM's own operating locations, data centers, and equipment at base stations due to damage or disruption caused by strong typhoons or flooding or even result in complaints due to network instability, affecting the Company's brand image. As for branch stores, since the stores have all been insured against natural disasters, the stores' financial losses should not be great.
→ Operating Costs / Value of Assets

Telecommunications Operations
The increase in the frequency of level-4 and level-5 typhoons may influence outdoor employees' safety (repair personnel on typhoon days), raising the employees' occupational injury rate and increasing operating costs of the Company.
→ Operating Costs

Electricity Suppliers
Taiwan's relevant power facilities, such as electric towers and utility poles, may be damaged due to the appearance of a level-4 or level-5 typhoon, resulting in shortage and instability of power supply, leading to power outages (may be more than 4 hours) or planned power cuts (major electricity users may face a 5% to 15% electricity consumption limit); this prompts TWM to have its own generators/backup generators provided by suppliers to generate electricity for equipment rooms. What's worse, the operations (data centers, equipment rooms, branch stores, and base stations) may be interrupted, which may result in network instability and complaints affecting the Company's brand image.
→ Operating Costs / Value of Assets

Logistics
The increase in the frequency of level-4 and level-5 typhoons may lead to road disruption or port closure, which may affect the operations of logistics and reduce the service quality of most of TWM's services, resulting in a slight impact on future revenues. Greenhouse gases related regulations may also have an impact on logistics suppliers, as they may have to purchase vehicles with low carbon emissions, such as electric vehicles, which may pass on the logistics costs to TWM indirectly.
→ Operating Revenue / Operating Costs

CCPI：Climate Change Performance Index
IPCC：Intergovernmental Panel on Climate Change
IEA：International Energy Agency
IIASA：International Institute for Applied Systems Analysis
LCTPi：Low Carbon Technology Partnerships initiative

1.4.3 Climate Change Risks and Opportunities Management

Climate Change Indicators/Targets

In order to effectively manage the impact of relevant climate change risks and opportunities on TWM, in addition to completing the Scope 1 and 2 greenhouse gas inventory, we have gradually completed the Scope 3 and set short-, mid- and long-term targets for greenhouse gas reductions, renewable energy use, and climate change resilience improvement.

The climate risk and opportunity management objectives are as follows (please refer to Chapter 1.3.2 P17-19 The Goal and Performance of Zetta Connected 2030 for details).

Conducted inventory of all 15 categories in 2018	Introduced in 2018	30% of electricity was saved in 2030 compared with 2016	Use of green energy reaches 20% by 2030	Generate 6,000kW by 2030
Scope 3 Inventory	Climate Financial Disclosure (TCFD)	Smart Energy Conservation in Equipment Rooms at Base Stations	Renewable Energy Certificates (T-REC)	Development of Green Energy for Self-use

1.5.1 Material Topics Identification Process

Step 1 Collect topics concerning sustainability

2018 GeSI material topics for ICT/Sustainability Accounting Standards Board (SASB)/topics from six benchmark enterprises in the industry

Step 2 Investigate stakeholders' level of concern/degree of influence of the Company on the society

nearly 330 copies of online questionnaires/one physical seminar

Step 3 Analyze the importance of the topics to the Company's operations/degree of influence of the Company on the society

CSR committee resolutions

Step 4 Decide material topic matrix

Please refer to Material Topics Matrix for details

Step 5 Identify key topics

7 key topics

Based on the five-step identification process, 22 topics concerning sustainability were selected in 2018 (the number of topics remained the same as last year). With surveys through the online questionnaires and physical seminar, the level of influence of the topics on stakeholders' assessment and decision-making (Y-axis) and the degree of impact (bubble size) of TWM on the society in each topic considered by external stakeholders were understood. In addition, the CSR Committee confirmed the importance of each topic to the Company's operations (X-axis) and the impact of the Company on the society (bubble size) via resolution. Finally, we identified the Company's key topics based on the scores on the X-axis, Y-axis, and the bubble size for each topic.

1.5.2 Material Topics Matrix

Based on the results of the material topic matrix, we further identified the most important topics for the Company. We gave priority to the topics that were more important to the Company's operations, concerned stakeholders more, and in which the Company had high impact on ESG, including green application and circular economy, network quality and coverage, digital inclusion and social innovation, climate change mitigation and adaptation, information security and privacy protection, and technology innovation and application. Among them, corporate governance and operating performance is a common topic for disclosure. Thus, the Company did not include it in the key topics. We also consider the topics that the Company would manage internally in an autonomous manner. The Company confirmed that it should invest in long-term sustainable management with its supply chain, so supply chain management was included in the key topics. There are a total of seven key topics for the Company in 2018, please refer to the diagram below; refer to Appendix on P.130-131 for the detailed description of the material topic boundary.

The bubble size represents the level of impact of TWM in the ESG aspects on the society.

Text in red: key topics

Material Topics Matrix. Y-axis: The level of influence on stakeholders' assessment and decision-making (Low to High). X-axis: The level of importance to TWM (Low to High). Topics: Green application and circular economy; Network quality and coverage; Digital inclusion and social innovation; Green operations; Climate change mitigation and adaptation; Transparent and fair marketing; Ethical operation; Information security and privacy protection; Electromagnetic field safety; Service impact management; Respect for and protection of human rights; Employees' physical and mental health; Risk management; Customer experiences; Corporate governance and operating performance; Supply chain management; Giving back to the society; Legitimacy/legal compliance; Talent development and retention; Technology innovation & application; Communication mechanism; Social emergency responses.

1.5.3 Key Topics and Strategies

We conducted an impact analysis of the seven key topic for 2018 to explore how to respond to the impacts and set strategic targets, as well as continue to track the progress of implementing the targets; the information is detailed in the table below.

Key topics	Materiality prioritiza-tion	Impact			Corresponding brand highlight values	Impact on the Company	Response	Strategic objectives	Progress for 2018	Target Year
		Cost	Reve-nues	Risks						
Climate change mitigation and adaptation	High			●	Environmental sustainability	·Carbon emissions are claimed to be the culprit for warming, and TWM may, therefore, be positioned as a non-environmental company. ·The phenomenon of global warming has resulted in extreme climate events, causing intensified windstorms to increase damage to outdoor base stations; thus, the risk of not being able to provide stable services increases. As for relevant climate risks and impacts, please refer to Chapter 1.4.3.	·Carbon emissions reduction ·Infrastructure resilience enhancement 4.3.	Carbon emissions decreased by 30% from that in 2016	Decreased by 3.45%	2030
								Equipment rooms are built with 100% resilient infrastructure	100% are resilient equipment rooms	
Green application and circular economy	High			●	Environmental sustainability	We have recognized the impact of extreme climate on operations, so we plan to enhance resource utilization efficiency, process industrial waste properly, reduce the losses caused by climate change, and mitigate the negative impact on the Company's image.	Waste management	Total unrecyclable business waste reduced by 15% compared with 2017	Decreased by 48%	2030
							Identify and match the suppliers who have the willingness to cooperate in circular economy	Match at least one supplier to jointly draft a statement on circular economy cooperation	Establish new targets	2019
Network quality and coverage	High		●		Excellent brand	Problems with the network or poor network coverage will directly affect the quality of the Internet experience, and users may not even have the access to the Internet, which will affect users' satisfaction towards the Company brand.	·Continue to improve the network coverage (including the coverage in rural areas) ·Continue to increase network capacity ·Adjusting parameters and implementing relevant measures that affect users' online activities are carried out in early morning instead	Network infrastructure coverage for population in remote areas reaches 99%	Reached 97.65%	2030
Information security and privacy protection	High			●	Excellent brand	The telecommunications industry owns a large amount of users' personal privacy information. If it is leaked accidentally, it has to take on legal liability, and the Company's images will be seriously tarnished.	·ISO 27001 Information Security Management Standard Certification ·BS 10012 and ISO/IEC 29100 Privacy Framework Certification ·Continue to improve security mechanisms such as control and management of illegal leaking of personal information	The number of cases of illegal leaking personal information is reduced by 10% year on year.	Decreased by 10%	2019
								Maintained in top 5% of the sector regarding information security management rated by third-party entities.	Maintained in top 5%	2030
Technology innovation & application	High		●		Innovative achievements	Innovative technologies and the resulting new business models often bring new business opportunities or pose challenges to existing business, so we actively adopt and integrate innovative technologies to existing services or create new services to continue to lead the competition.	Establish the Innovation Management Committee to coordinate development strategies and mechanisms, set department KPIs and employee proposal awards, and develop 4G+ diversified charges, digital media smart services, mobile business/payment/adver-tising/enterprise communications platforms, equipment room services for Cloud, IoT phone number management platforms, as well as remote healthcare rooms.	Revenues from innovative products/services reached NT$17.7 billion	Reached NT$5 billion	2030
Supply chain management	Medium			●	Sustainable partners	·Management of supplier human rights and labor rights and interests, environment, and other actions concerning sustainability are significantly linked to the Company's commitment to sustainability. ·Supply chain management has significant influence on the Company's brand and operations.	·Sustainable supply chain management ·Supply chain ESG assessment	Carbon emissions of the supply chain decrease by 20% from that in 2020	Carbon inventory education and training provided to suppliers	2030
Digital inclusion and social innovation	High		●		Innovative achievements / Social inclusion	We hope to make good use of the Company's core technology to create a non-discriminatory, barrier-free, and inclusive society and create sustainable values for the Company and society.	Provide products and services that are accessible to diverse social groups or that can solve social problems	·The coverage rate of digital healthcare services reaches 100%. ·The number of users of home security products reaches 100,000.	·Digital healthcare reached 43.8%. ·Home security products reached 20,000.	2030

We have identified eight types of stakeholders based on the AA1000 principles and internal assessment and identification and set up dedicated communication channels to accept and respond to stakeholders' needs. We hold physical seminars to communicate with stakeholders face-to-face regularly to respond to their expectations specifically, which serves as the basis for us to strive for economic, social and environmental sustainability, so as to lay a foundation for sustainable development for TWM.

Stakeholder Communication Guidelines

We value and prudently respond to stakeholders' concerned issues.
In 2018, two penalties were imposed concerning violations of customer interests and labor rights; the description and improvement measures are as follows:

Time	2018/1/7	2018/5/28
Event	Customer A was renewing the contract at the Chuiyang direct branch store in Chiayi. When the store provided customer A with a contract copy, it provided customer B's contract copy mistakenly; customer A doubted if the personal information was leaked and asked to retrieve his/her contract information and claimed to file a lawsuit and report to the police. Reached a settlement with both parties, there were no subsequent lawsuit or penalty.	Due to the 499 promotion project triggered by the competition, the Company was forced to propose the same plan to protect the customers' rights and interests, which caused some employees to work overtime in response to customers' large demand. The Department of Labor of the Taipei City Government believed that the Company has violated the Labor Standards Act and fined a total of NT$1.2 million.
Improvement measures	The customer's personal information leakage, after investigation, is caused by the negligence of personnel, and improvement measures included personnel punishment, education and training, and further promotion of the concept of information security.	The Company has fully cooperated with labor inspection and improved the situation immediately . In addition, for the immediate and rapid response to customer needs, the Company is the first among the three major telecommunications companies to launch online applications. Compared with the other two major competitions, overwork and violations at the Company are the least serious.
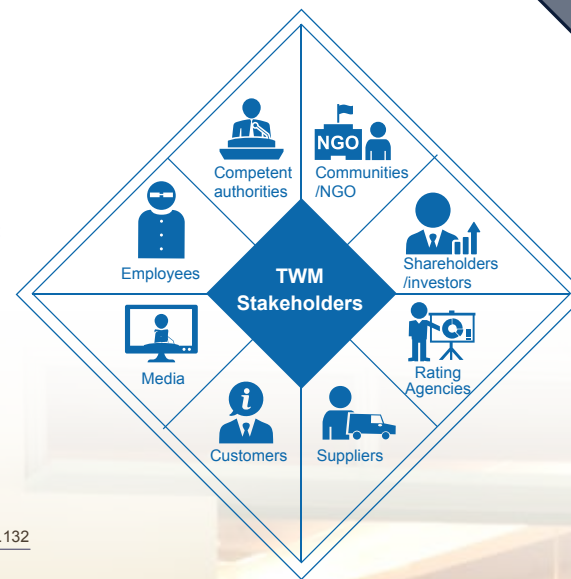
▶

Competent authorities
Communities /NGO
Employees
TWM Stakeholders
Shareholders /investors
Media
Rating Agencies
Customers
Suppliers

2018 台湾大哥大
利害關係人座談會

Chapter2
Creating Key Values

Excellent brand

Sustainable partners

Innovative accomplishments

Happy workplace

Environmental sustainability

Social inclusion

Ethical
Operation

Sustainable
Partners

Excellent Brand

Innovative
Accomplishments

Environmental
Sustainability

Happy Workplace

Social Inclusion

2.1 Ethical Operation ▶▶▶ ▶▶▶

Core concept:

Adhere to the principle of integrity, implement corporate social responsibility, and create maximum value for stakeholders such as employees, suppliers, competent authorities, community/NGO, customers, shareholders/investors, media and rating agencies.

Commitment and action:

Take the corporate governance of international benchmark as self-demand, transparency and integrity as the operating basis, provide customers with the best quality communication and digital convergence services, and create the best customer experience. We also actively formulate sustainable management strategies and use digital resources to build new digital public welfare technology as a concrete practice of being responsible to stakeholders.

Material Topic

Corporate governance and operating performance / Risk management / Ethical operation / Legality /legal compliance / Respect and protection of human rights / Communication mechanism

The chapter fully responds to the 8 major stakeholders

| Competent authorities | Communities/ NGO | Shareholders/ investor | Media |
| Employees | Customers | Rating Agencies | Suppliers |

Photo by ANDY

Net profit
after-tax of

13.6 billion

Set a target of at least
one female director by
2020

Top 7 %
in Human rights in the
global same industry

Top 1 %
in Information security
management in the global
same inudusty

Ethical Operation
Results &
Performance

EBITDA

31.7 billion

Earnings per share
ranked first in
telecommunications industry for

7 consecutive years

Top 5 %
For Corporate
Governance
Assessment

Total consolidated
revenue reached

118.7 billion

2019 Objective:

- Corporate Governance Assessment maintains at Top 5%

- Look for suitable female directors and discuss feasible lists internally

- Zero tolerance of any violation of Ethical Corporate Management Best Practice Principles

- Maintain Top 15% in Information Security Management in the same industry

- Maintain Top 15% in Human Rights Management in the same industry

Ethical
Operation

Sustainable
Partners

Excellent Brand

Innovative
Accomplishments

Environmental
Sustainability

Happy Workplace

Social Inclusion

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Operation

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Environmental Sustainability

Happy Workplace

Social Inclusion

2.1.1 Business Strategy and Performance

1.Financial Performance/Strategy/Objectives

Under the synergy of diversified operation and the effective control of cost and expenses, Taiwan Mobile's cash inflows generated by operating activities are stable, free cash flows grow, offsetting the declining trend of revenue in the telecommunications industry. In 2018, earnings per share reached an annual target of NT$ 5.01, which has been the top earnings per share in telecommunications industry for 7 consecutive years. As the telecommunications industry enters the era of 4G in an all-round way and is ready to welcome the arrival of 5G, Taiwan Mobile will spare no effort in integrating group resources, developing 5G applications and investing in new technologies to provide more innovative services. In addition, Momo has achieved a leading position in B2C e-commerce and expects to expand its lead and revenue growth. Looking forward to the future, Taiwan Mobile will move towards a Company that combines telecommunications with

Consolidated Operating Performance in 2017-2018

■ 2017 ■ 2018
Unit: NT$ billion

	2017	2018
Operating revenue	117.17	118.73
EBIDA	32.78	31.72
Net income after tax (NIAT)	14.19	13.64
Free cash flow	20.52	21.28
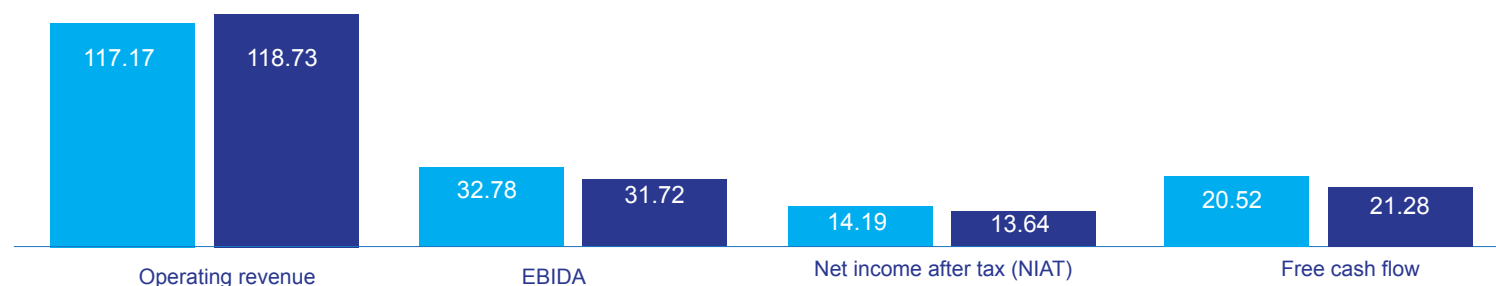
Business	Telecommunication business	Cable TV Business	Retail business
Market position	Revenue from mobile services accounts for about 28% of market share, the second largest in Taiwan,	covering 11% of Taiwan's householdsin Taiwan,	B2C e-commerce is the largest in Taiwan
2018 Revenue$_{Note}$(NT$ million)	70,031	6,345	42,017
2018 EBITDA$_{Note}$(NT$ million)	26,192	3,188	1,743

Note 1: Data sources are financial information of departments in financial reports, and the difference between the sum and the consolidated number is inter-departmental write-offs and adjustments.
Note 2: In 2018, the main income came from domestic sources, of which domestic income accounted for 97% and foreign income accounted for 3%.

2.1.1 Business Strategy and Performance

2.Dividend Policy and Shareholders' Equity

In terms of dividend policy, Taiwan Mobile adopts residual dividend policy and dividend policy with high earnings distribution rate. Every year, it distributes earnings according to the Articles of Incorporation and current laws. The dividend distribution in the last three years is as follows:

Taiwan Mobile's Shareholder Structure

- Individuals 10.99%
- Foreign Institutions and Foreigners 18.88%
- Government agencies 7.19%
- Financial institutions 22.63%
- Other legal persons 40.31%

Data Date: 2018.07.16
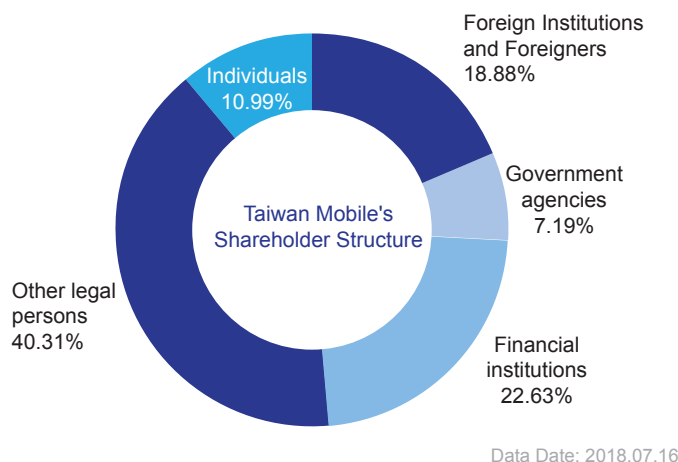
Year	2015	2016	2017
EPS	5.6/per share	5.6/per share	5.6/per share
Dividend	$15,244	$15,244	$15,244

Unit: NT$ million

In addition, the shareholders' meeting of the Company has adopted the system of case-by-case voting and electronic voting since 2012, and the voting results of all motions in the proceedings will be disclosed on the Company website and MOPS, providing multiple channels for shareholders' deliberation and voting, so that shareholders can fully exercise their rights. In 2018, electronic voting rights accounted for 98.11% of the attendance rights, which shows the effectiveness of corporate governance implementation.

3.Tax Policy and Government Subsidie

The following are excerpts of our tax policies, which are regularly reported to the board of directors and relevant committees. The board of directors has the responsibility of supervision to ensure the effective operation of the tax management mechanism:
•Following the tax laws and regulations of various countries and international taxation standards, formulating profit allocation in accordance with the general rules and avoiding improper taxation planning, reporting honestly and paying taxes
•Financial reporting is transparent and tax disclosure has been handled in accordance with relevant regulations and standards.
•Establish a relationship of mutual trust and honest communication with tax authorities, and conduct timely communication on tax issues
•Important decisions and transactions take into account the risk and impact of taxation
•Promoting the quality of tax profession and personnel training, facing the changes of relevant tax laws and regulations, we can quickly assess the impact and respond to changes.
In addition to tax exemption for domestic investment dividends and preferential tax deduction for investment, the remaining shall pay the income tax for profit-making undertakings at the statutory tax rate of 20%. 100% of net income tax paid to the Government of the Republic of China. Relevant data are detailed in the following table:

2018	NT$ thousand
Payment of Income Tax	2,667,261
Tax Concession	101,722
Government Subsidy Income	1,185

Source: The Company's Consolidated Financial Statement

Complete Tax Policy

Ethical Operation

Sustainable Partners

Excellent Brand

Innovative Accomplishments

Environmental Sustainability

Happy Workplace

Social Inclusion

Ethical Operation

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Social Inclusion

2.1.2 Ethical Governance and Compliance

1.Employee Code of Ethics/Procurement Rotation system

Employee Code of Ethic

"Code of Ethics" training is a compulsory course for all employees. 100% of the Company's existing and new employees complete the training and pass the exam. Case studies are used to illustrate and strengthen employees' understanding of the provisions of the Code of Ethics, and to show correct behavior and abide by ethical norms in their daily work. In addition to online courses, there are also learning resource files to help employees understand the importance of abiding by ethical principles. At the same time, there are also courses on related topics, such as group work code, law reporting for your information, education on rule of law for employees, information security, etc.

The Company establishes an employee complaint system to provide a rigorous and safe reporting mechanism so that employees can convey their opinions in a safe and confidential manner.

Procurement Rotation System

In order to strengthen the internal control mechanism, starting from 2015, a comprehensive inventory of the group's purchase and acceptance business has been conducted. Conduct management for continuous large quantity requisition, acceptance and procurement functions above a certain amount, and relevant personnel will be regularly forced to rotate to different positions, and the restrictions on not returning to their original positions within a certain period of time has been stipulated. Each year, continuous inspection and inventory of requisitions, acceptance and procurement functions is carried out in accordance with this standard, and new duties are included in the management. The Human Resources Division is responsible for the filing and management of the aforementioned persons in charge and their immediate supervisors to regularly review their seniority and arrange mandatory rotations for those who meet the regulated length of service.

Employee Code of Ethics

2.Ethical Corporate Management Best Practice Principles/Employee Corruption Cases /Management measures

Strategies

In January 2011, the "Ethical Corporate Management Best Practice Principles of Taiwan Mobile" was formulated. Its scope of application includes subsidiaries, consortium legal persons with direct or indirect donation funds totaling more than 50% and other organizations or legal persons with substantive control ability. It clearly regulates the behavior and interests of dishonesty, preventive programs and handling procedures.

Ethical Corporate Management Best Practice Principles

Ethical Corporate Management Best Practice Principles for Companies Listed on TWSE and TPEx

Reference to Transparency International's "Corporate Anti-Corruption and Transparency as Evaluation Report" of 2009/Hong Kong ICAC's "Guidelines for the Prevention of Corruption of Listed Companies"/Taiwan's "Codes of Ethical Conduct for TWSE/TPEx Listed Companies"

TWM Directors, Managers, Employees, Trustees or Persons with Substantive Control Ability

Supplier

Anti-corruption	Compliance	Confidential	Training Programs	Fairness/trans-parency
•Bribery and receiving bribes, illegal political contributions, improper charity contributions or sponsorship, and other improper interests are prohibited. •All employees sign the Declaration of Integrity every year. •Establishing a system of reporting, punishment and appeal	•Securities regulations •Environmental regulations •Labor, safety and health regulations •Fair Competition Regulations •Other Commercial Act Decree	•Business confidential and business sensitive information •Customer information •Identity and reporting contents of whistle-blowers	•Advocacy with directors, managers and employees by e-mail •Online and physical courses	•Establishment of a complaint channel •Identifying and evaluating the sustainable risk of supply chain •Suppliers sign "Declaration of Integrity in Business Conduct"

2.1.2 Ethical Governance and Compliance

Management approach

Through three measures of detection, improvement and prevention, we implement the Ethical Corporate Management Best Practice Principles and regularly announce and notify all employees, managers and directors of relevant regulations every year. At the same time, we report to all members of the board of directors on the status of implementation. In 2018, we communicated on anti-corruption issues such as ethical operation, covering 100% of the board members.

Performance results in 2018

Since January 1, 2014, 100% of employees have signed a Declaration of Integrity regularly every year, and no violation of Ethical Corporate Management Best Practice Principles has occurred in 2018. In the future, we will continue to publicize the importance and necessity of ethical business behavior to our employees.

Legend: ■ Corruption ■ Other (2018: 0; 2017; 2016)
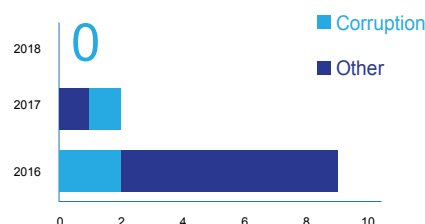
2019 target

Zero tolerance of any violation of Ethical Corporate Management Best Practice Principles

TWM Management Measures

- Detection
- Rectification
  - •Incentive-disincentive system
  - •System control mechanism e.g. sending automated copies of emails to direct supervisors when employees send emails to external parties
- Prevention
  - •Hold Education training
  - •Sign 'Declaration of Integrity in Business Conduct'

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Social Inclusion

3.Political Donation

The Company strictly abides by the "Political Donations Act" of the government and the "Ethical Corporate Management Best Practice Principles" within the Company. It prohibits illegal political donations directly or indirectly to political parties or organizations or individuals involved in political activities. We have never provided political donations.

4.Compliance

We strictly abide by the administrative guidance and relevant regulations of the competent authorities. Sixteen cases were fined for violation of laws and regulations due to the provision and use of products and services. The total amount of fines was NT$ 12.3 million, which was NT$ 800,000 less than 2017. As reflected by the trend from 2015 to 2018, both the number and amount of fines have decreased. 2018 violation type, number of cases, amount of violation and improvement countermeasures are as follows:

Violation type	Number of cases	Amount of violation	Improvement countermeasures
Base station	12	6million	With proper handling of fined cases and review of negligence, we will continue to communicate with stakeholders to protect consumer communications rights and interests in the future.
Internet	2	5.4million	Make improvements in compliance with regulatory requirements to comply with the competent
Operation	1	0.6million	Strengthen the advocacy and education training of customer service and sales staffs, diversify the online store, and improve the relevant operating procedures to meet the requirements of the competent authorities.
Rates	1	0.3million	To inform the competent authorities by letter in accordance with the regulations and implement complete disclosure of consumer information.

Number of violations: 2015: 26, 2016: 25, 2017: 16, 2018: 16

Fined amount: 2015: 14.75 million, 2016: 12.20 million, 2017: 13.10 million, 2018: 12.30 million
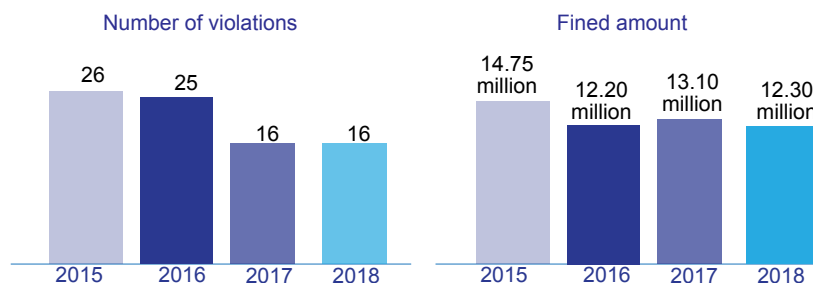
In 2018, there were no major environmental or economic violations, and there were two other cases related to social violations (1 labor and 1 personal data) (Chapter 1.6, P.29)
Note: Major violations refer to cases with fines amounting to NT$ 300,000 or more.

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2.1.3 Respect for and Protection of Human Rights

Human Rights Policy

We recognize and support the United Nations' Universal Declaration of Human Rights, the Global Compact and the Guiding Principles on Enterprises and Human Rights, as well as the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and local statutory norms, which require suppliers and partners to operate in a manner that ensures that fundamental human rights are not violated and that both internal and external members of the company are treated with fairness and dignity.

Taiwan Mobile's Human Rights Policy is divided into four main axes:

Support for international human rights conventions

We support and respect the principles of the Global Compact of the United Nations. In support of human rights, we do not violate human rights, and nor do we condone or collude with those who are human rights violators. With respect to labor, we comply with objectives established in the UN's"Universal Declaration of Human Rights" and International Labor Organization Conventions and prohibit all forms of discrimination, forced labor and child labor. Moreover, we do not interfere with our employees if they choose to exercise their freedom of association.In terms of the environment, we are committed to making the workplace more secure and healthier for our employees, and we comply with all laws and regulations to improve the environment's safety and sanitary conditions. We protect employees from occupational hazards. We also respond to the UN's International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). By raising human rights awareness, we ensure that all stakeholders are respected and are treated fairly.

Respect for human rights in the workplace

We comply with the provisions of the Labor Standards Act and the Act of Gender Equality in Employment, and we fulfill the requirements of diversity in the workplace. We do not permit our employees to be treated differently or allow any form of discrimination based on gender,sexual orientation, race, class, age, marital status, language, ideology, religion, party affiliation, and ethnic origin, place of birth, appearance, facial features, disability status, or labor union membership. We strive to create a work environment with dignity, safety, equality and freedom from harassment.

Full implementation of information security

privacy. We strive to protect our customers' personal data by adopting and complying fully with the policies laid down by the Information Security Management Committee. We have implemented ISO's international information security management system and ensure that every single aspect of the business processes involving the access of users' private information is compliant with the requirements of the professional information security management system. We continue to enhance our service personnel's awareness of information security and help them to internalize it in all operations and business activities in order to achieve maximum security and protection for our customers.

Responding to the needs of society with core resources

In the event of a natural disaster, by leveraging the resources available to us in the telecom industry,we are able to provide broadcast push messages for disaster response and mitigation in collaboration with the authorities to urge citizens to take precautionary measures. In the wake of a disaster, we shall endeavor to minimize the duration of service outage and restore communication as quickly as possible to help alleviate the loss of life and property. We promise to abide by the provisions of the ITU International Telecommunication Regulations (ITR) and we are committed to following the code of conduct advocated therein with substantive action.

Human Rights Due Diligence

Through due diligence such as human rights assessment, we strengthen and promote human rights awareness of our colleagues and stakeholders The survey covers all departments and major subsidiaries of the Company. The survey process consists of five steps:

•Every year, the process of identifying human rights issues, the major human rights issues identified, the impacted parties and countermeasures are disclosed publicly.

•If remedial measures are taken, they are also stated publicly.

Information Disclosure

Review annual results and improvement plans

•Review the performance of human rights issues management, review the need for improved management practices and the need for compensation practices.

•To compile due diligence reports and serve as reference for improvement in the following year.

•Regular reviews are conducted annually in accordance with the above procedures.

Human Rights Due Diligence

Tracking international human rights norms, domestic laws and regulations

•Tracking international norms: Keeping an eye on the trends of international and industrial human rights issues, such as the principles related to human rights in the Global Compact, the UN Guiding Principles on Business and Human Rights, and GeSI's Analysis Reports on Human Rights.

•Tracking domestic decrees: Continue to pay attention to domestic human rights related reports, laws and regulations, such as Labor Standards Act, Gender Equality Act, labor security related provisions; and refer to complaint channels, actual interviews, topics covering basic human rights, working environment, physical and mental safety, etc.

•Adjust the Company's human rights commitments and practices as required by the aforementioned norms/decrees.

Identification and ranking of human rights issues

•Examine the Company's value chain and identify the "stakeholders" that may be involved in human rights issues, including suppliers, employees, customers, etc., and include specific and vulnerable groups.

•Discuss with relevant responsible departments and stakeholders to identify salient human rights issues that have a significant negative impact on different stakeholders.

Human rights issues management measures

•Responsible departments: According to identified issues, identify departments that have business with each "stakehold-ers", such as procurement, human resources, labor safety/information security, marketing, etc.

•Hold interdepartmental group meetings to discuss the management planning, management objectives and possible compensation measures of each unit in response to various human rights issues, and identify whether there is a need to strengthen management.

2.1.4 Communication Mechanism

We set up a complete internal and external communication channel on the official website to accept and respond to the needs of stakeholders in order to protect the rights and interests of internal staff and external customers.

Stakeholders'
Communication Channels

1.Employee Complaints

The Company has formulated the "Employee Appeals Process" and established the following complaint and appeal channels, which shall be handled exclusively by the Internal Audit Office.
1. The content of the complaint can be sent to the Internal Audit Office in writing or through fax line (02) 66361600.
2. Employees can also make complaints or appeals through exclusive intermail e-mails.
3. In 2018, a total of 6 employee appeals were accepted, all of which have been closed. For the cases accepted, the investigations have been carried out in accordance with the Company's methods.

2.Sexual Harassment Complaints

The Company is committed to building a friendly, non-harassment and discriminatory environment. It abides by statutory norms, formulate guidelines for sexual harassment prevention, complaint and punishment, and set up special lines and mailboxes for sexual harassment complaints. In addition, through new employee orientation, compulsory courses for all staff, instant messaging software, intranet, computer boot screen and recruitment official network, etc., actively advocate the prevention and control of sexual harassment to internal and external personnel.

In 2018, there was a complaint of sexual harassment within the Company. Correction, punishment, follow-up remedies and prevention measures have been implemented.

3.Complaints of Unlawful Infringement of Duty

Formulate "Prevention and Control Measures and Operational Guidelines for Unlawful Violation in the Performance of Duties" to teach employees to identify workplace violence, seek assistance and appeal channels, so as to avoid physical or mental violations in the performance of duties. The internal announcement "Statement on Prohibiting Workplace Violence" takes a confidential investigation into the complaints and disposes of them according to the results of the investigation.

4.Customer Complaint

There were no major environmental, social or human rights complaints in 2018. Please refer to Customer Service Commitment/Mechanism for details.

We appointed President Transnet for goods delivery. If the goods and application materials are damaged or lost due to personnel negligence, they will be reissued immediately. We will regularly review the process, review the cases, set quality observation indicators, and continuously optimize service quality. In 2018, all 13 reported cases have been settled.

5.Supplier Communication and Exchange

Our supplier related communication mechanism is detailed in Chapter 2.2 Sustainable Partners P40.

Ethical
Operation

Sustainable Partners

Excellent Brand

Innovative Accomplishments

Environmental Sustainability

Happy Workplace

Social Inclusion

Ethical Operation

Sustainable
Partners

Excellent Brand

Innovative
Accomplishments

Environmental
Sustainability

Happy Workplace

Social Inclusion

2.2 Sustainable Partners

Core concept:

Through the four major objectives of the supply chain management, "excellent quality, stable service, risk control and implementation of sustainability", we require our suppliers to provide high-quality products and services to ensure the best customer experience, we also exert our influence, strengthen and promote the supply chain performance in environmental, social and governance aspects. We are convinced that the joint participation of suppliers will enable the true implementation of the corporate social responsibility of TWM's supply chain.

Commitment and action:

We promise to cooperate with the suppliers to focus on and support the sustainable investment in the industry, which is embodied in supervising suppliers' implementation of sustainability and corporate governance, enhancing information transparency, implementing supply chain risk management, and tracking suppliers' performance with new technology platforms. The Company also plays the role of the supply chain educator, continuing to educate suppliers on sustainable knowledge, expecting the growth and elevation of supply chain.

Material Topic

Supply chain management

The chapter fully responds to the 4 major stakeholders

Competent authorities

NGO Communities/ NGO

Shareholders/ investor

Media

Employees

Customers

Rating Agencies

Suppliers

Photo by :Iris Liu

Reviewed CSR self-assessment questionnaire on sustainability of

305 suppliers and Target achievement rate

122%

Hosted the supplier conference and educational trainings for

a total of **315** suppliers

6 business partners with great CSR performance received recognition.

Completed the on-site audits on corporate sustainability of 40 suppliers and achieved coverage rate of

62.75% for the critical tier-1 suppliers

Target achievement rate

100%

Con-tinuously imported and invited suppliers to join GeSI E-TASC supply chain management platform

Sustainable Partners Results & Performance

Maintained **100**%

signing rate of "Declaration of Integrity Operation" and "Declaration Letter for Environmental and Occupational Health and Safety Policy for Contractors"

Taken CSR performance of suppliers as part of the evaluation score for material

tenders, with a total of **17**

cases included in the review

Worked with **26** suppliers in the "Green Power for Charity" project; the number of suppliers increased by for

100%

Completed education and training of carbon inventory

for **146** suppliers

2019 Objective:

- To achieve an 80% on-site audit coverage rate on corporate sustainability for the critical tier-1 suppliers

- To maintain 100% signing rate of "Declaration of Integrity Opera-tion" and "Declaration Letter for Environmental and Occupational Health and Safety Policy for Contractors"

- Suppliers to receive material tenders only when they reach a certain score in CSR performance

- Continue to invite suppliers to join GeSI E-TASC supply chain management platform

- Select test vendors to conduct carbon inventory counseling and data\ confirmation

Sustainable Partners

Ethical Operation

Excellent Brand

Innovative Accomplishments

Environmental Sustainability
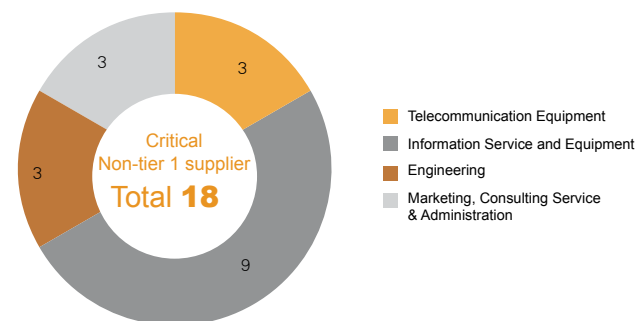
Happy Workplace

Social Inclusion

2.2.1 Supply Chain Overview

TWM provides integrated telecommunications and media services in the four major areas of T.I.M.E. We cooperate with more than 748 suppliers and firmly believe that supply chain management is an important part of the development of corporate sustainability. Our purchase of mobile phone products, tele-communications, network and other equipment from domestic and foreign vendors amount to NT$27.5 billion annually. Taiwan Mobile classifies suppliers into six categories according to the types, amounts and importance of procurement. In 2018, the sub-category of mobile phones in the category of "consumer electronic products" is categorized as a major contributor to procurement expenditure.

To further understand the overall supply chain situation and control risks, we identified the critical tier-1 suppliers according to the definition of purchase amount and market irreplaceability for differentiated management. Finally, a total of 102 critical suppliers were selected in 2018. Although the number accounted only for about 10% of the total quantity, the amount accounted for about 81.73% of the total procurement expenditure.

In addition, we identified 18 critical tier-2 suppliers that indirectly provided our services and are irreplaceable, such as software, hardware, equipment-bound materials of major information systems. We also further tracked the status of tier-2 suppliers through collaborative evaluation with tier-1 suppliers and public information to ensure the stability and sustain-ability of our services.

In supply chain management, TWM has always implemented the concept of local procurement and created local employment opportunities, as well as continuously strengthened the flexibility of supply chain scheduling to reduce the risk of supply imbalance. We are constantly thinking about how to reduce the transportation costs of supply operations and reduce the carbon emissions caused by logistics transportation. We also hope to enhance the cooperation with sustainable partners by controlling and managing supplier selection and evaluation. In 2018, the total local procure-ment amount of Taiwan Mobile reached NT$26.3 billion, accounting for 95.82% of the total annual procurement amount. The quantity of suppliers and the proportion of expenditure from each category and the proportion of local procurement for various suppliers are shown in the following figure:

In order to achieve the supply chain management goal of "Implementing Sustainability", TWM has focused on reducing the environmental damage caused by the value chain. Since the establishment of the Environmental Management Committee, we have defined different types of procurement projects and set relevant environmental standards shown in the following figure. We strived to promote different departments to procure products and services with less impact on the environment, and the total amount of green procurement in 2018 was NT$221.97 million.

Supply Chain Spend Analysis

- 4.98%
- 0.75%
- 0.80%
- 9.84%
- 18.83%
- 64.80%

Consumer Electronics 132 vendors
Telecommunication Equipment 107 vendors
Engineering 155 vendors
Information Service and Equipment 165 vendors
Marketing, Consulting Service & Administration 140 vendors
Installation and repairs 49 vendors

Local procurement pecentage

- 95.82%
- 4.11%
- 0.07%

Taiwan
Asia
Other

Critical tier 1 supplier Total 102

- 18.63%
- 11.76%
- 41.18%
- 20.59%
- 7.84%

Consumer Electronics 19
Telecommunication Equipment 12
Engineering 42
Information Service and Equipment 21
Marketing, Consulting Service & Administration 8

Critical Non-tier 1 supplier Total 18

- 3
- 3
- 3
- 9

Telecommunication Equipment
Information Service and Equipment
Engineering
Marketing, Consulting Service & Administration

2.2.2 Supply Chain Management Framework

Suppliers and Taiwan Mobile are jointly responsible for fulfilling corporate social responsibility and responding to the needs of stakeholders. To this end, we have established a supply chain management framework and sustainable integration strategy to manage and control potential supply chain risks in advance by integrating environment, society and governance (ESG) management, and encourage partners to work with Taiwan Mobile to promote sustainable development capabilities.

Supplier Sustainable Governance

Supplier classification Management

New Supplier Selection:	Supplier Maintenance:

The signing of new supplier policy and data assessment

- Assess basic information (corporate governance, financial, on-site inspection)
- Sign Declaration of "Integrity in Business Conduct" & "Safety, Health and Environmental Regulations"
- Promote 'Guidelines on Corporate Social Responsibility for Suppliers of TWM'
- Complete " Self-assessment of New Supplier in EGS Performance"

CSR Assessment
- Self-assessment questionnaire in CSR for suppliers
- Documentary review
- On-site audit

Risk Assessment
Identify and evaluate sustainability risk in supply chain

Improvement and corrective plan
- Supplier CSR assessment report & recommendations for improvement
- Demand for high-risk suppliers to improve

Project collaboration
Include sustainability performance to technical evaluation for major bidding projects

Supplier educational training & annual supplier conference

Educational training for procurement personnel

Electronic Procurement Platform

Sustainable Partners

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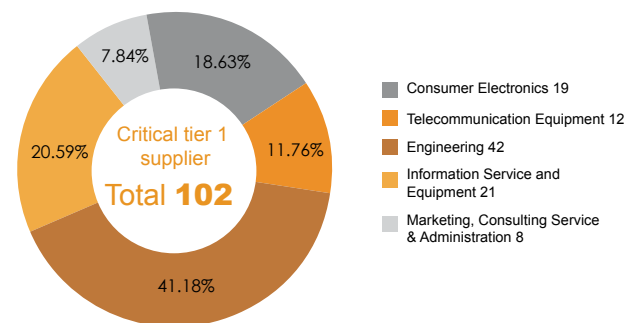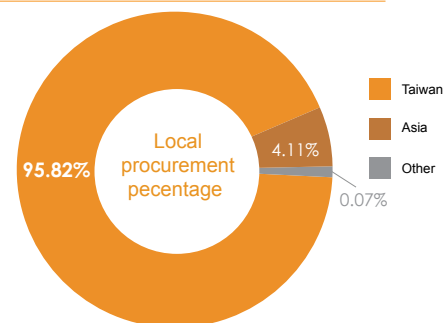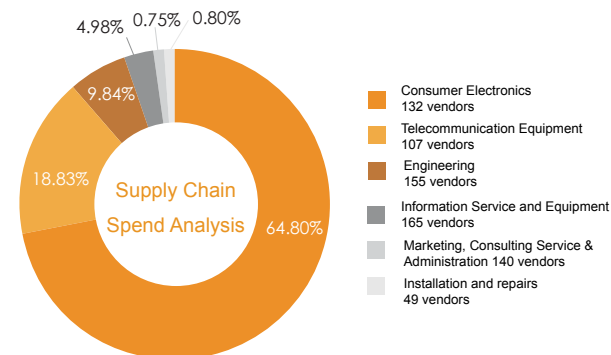## Taking e-purchasing platform as a foundation, TWM has built the key management of suppliers' sustainable management as follows:

In addition to formulating the related internal procurement regulations, Taiwan Mobile also strictly requires suppliers to abide by the relevant rules and regulations on corporate sustainability, as a criterion for suppliers to implement relevant business practices. The rules include: Guidelines on Corporate Social Responsibility for Suppliers, Code of Information Security Management, Regulations on Safety, Health and Environmental Protection, Confidentiality and Protection of Intellectual Property Rights as well as the rewards and penalties. Among them, Guidelines on Corporate Social Responsibility for Suppliers are built on the conventions of International Labor Organization and applies to all suppliers, which cover:

Sustainable Governance

1. Human Rights and Labor Rights: ：including anti-discrimination, anti-forced labor, non-use of child labor, working hours, pay and benefits, protection of freedom of association, and protection of the right of collective bargaining
2. Occupational Health and Safety：Occupational safety, occupational health, injury and disease, and occupational health
3. Environmental management: ：Environmental standards for supplier process, product or service, such as toxic substances management, water and effluents management, waste management, emissions management, environmental licenses and relevant certifications, energy saving and pollution prevention
4. Business Ethics：Fighting against corruption and unjust profits, implementing fair governance, and supporting transparent disclosure of information
5. Sustainable procurement：Suppliers should establish sustainable procurement policies to regulate their suppliers

Classified Management of Suppliers

According to the procurement type, amount and key conditions, the suppliers are classified into six categories. In each category, the suppliers are classified into key suppliers and general suppliers for differentiated management to ensure the appropriateness and effectiveness of the management resources.

New Supplier Selection

New vendors are required to pass corporate governance review, sign Declaration of Integrity in Business Conduct, pass credit financial review and site survey, and fill in self-assessment form of ESG performance for new suppliers. Suppliers will be qualified suppliers of the Company in the future after the suppliers implement sustainable management. Suppliers must sign the Safety and Health Code and the Commitment Letter when undertaking orders.

Supplier Maintenance

Through suppliers' CSR assessment and risk assessment, we can get the status of sustainable supply chain management and identify supply chain risks. Taiwan Mobile proposes differentiated improvement plans based on the evaluation results, and tracks the improvement results of partners every year. For material procurement projects, the sustainable evaluation is an important element of suppliers' tender acquisition, and the evaluation results are considered in the tender scoring.

Training and Communication

1. Procurement personnel training program: regular education and training on the internal procurement personnel is conducted to ensure the awareness and familiarity of sustainable supply chain management.
2. Cooperative supplier education and training: organize supplier sustainability education and training, and hold annual supplier conference to praise and share high-performance suppliers.

2.2.3 Integration Strategy of Sustainable Supply Chain

TWM has set up four key strategic objectives for supplier management, which are "excellent quality, stable service, risk control and implementation of sustainability". To implement the strategic objectives and integrate the sustainable management framework of Taiwan Mobile, the supplier management strategy focuses on the following four aspects:

Quality management

By using a technology evaluation mechanism, we can verify whether the equipment or service meets the needs of Taiwan Mobile. At the same time, we can understand the establishment of the supplier quality management mechanism according to the performance of economy-oriented sustainable supply chain.

Management Objectives

Risk Control

The Company will monitor the suppliers' integrity and sustainability. In addition to requiring suppliers to sign "Declaration of Integrity in Business Conduct", Taiwan Mobile also requires suppliers not to violate relevant laws and regulations, such as fair competition, environmental laws and regulations, copyright, labor law, etc. In the meantime, the Company will use the supplier sustainable management mechanism to check supplier's implementation of sustainability and implement risk analysis to identify supplier's risks according to the risk occurrence and impact degree, as a reference for future cooperation.

Stable services

As for service and delivery schedule, suppliers are required to make commitment on delivery time as they offer the quote. If they cannot deliver the products on time, they may be assessed as disqualified.

Sustainability implementation

In addition to the integrated management measures as mentioned above, the Company also strengthens the transparency of supply chain information and the building of supply chain capacity. Taiwan Mobile has increased its responsibility and duty for its supply chain by disclosing the management practice of suppliers. At the same time, by providing regular education and training for employees and suppliers, we ensure that internal staff and suppliers are fully aware of and familiar with the sustainable supply chain management strategies and methods.

2.2.4 Supplier Selection and Assessment

New suppliers review

To build up a sense of common sustainability with partners, TWM has started to implement "Self-Evaluation form in ESG Performance for new suppliers" since October 2017. It has been used to investigate the compliance of suppliers in environmental protection, labor, ethical operation, energy resource management, waste and pollution management, and policy formulation of human management protection. The purpose is to enable suppliers to show their information transparency in economic, social and environmental aspects to help the purchasing agent understand the risks of sustainability during the cooperation, and select suitable suppliers. In 2018, a total of 192 ESG initial self-assessment forms were collected with 100% recovery rate. The purchasing also advocated the "Guidelines on Corporate Social Responsibility for Suppliers of Taiwan Mobile". In 2018, no supplier was excluded because of a failure in sustainability performance according to the criteria.

New Supplier

Preparation of application information
- Corporate governance
- Financial performance
- ESG performance

Sign principles & provide information
- Declaration of Integrity Operation
- Declaration Letter of Environmental and Occupational Health and Safety Policy for Contractors
- ESG Self-Assessment

Qualification assessment
- Confirm the signing of the principles
- Confirm the signing of the principles
- Confirm the compliance with ESG standards
- On-site inspection

New suppliers must sign the "Declaration of Integrity Operation". If a supplier provides project contracting services, in order to ensure that the relevant personnel can understand the safety, hygiene and environmental protection regulations beforehand, we will provide "Environmental and Occupational Health and Safety Policy for Contractors" when an order is established, describing the safety, hygiene and environmental protection regulations, requiring suppliers to read the regulations and sign "Declaration Letter for Environmental and Occupational Health and Safety Policy for Contractors". In 2018, there were 540 project contracting orders, and the signing rate of the guarantee letter was 100%.

Audit items	Applicable objects	Number of suppliers being audited in 2018	Completion Rate in 2018
Signing "Declaration of Integrity in Business Conduct"	All Suppliers	1,175	100% signing rate
Signing "Safety and Health Protection Declaration for Contractors"	Engineering suppliers	540	
Fill in the ESG initial self-assessment form	All Suppliers	192	100% audit rate

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2.2.4 Supplier Selection and Assessment

Regular assessment on existing suppliers
Documentary review

WM has implemented CSR self-assessment questionnaire for results filling since 2014. Every year, before the questionnaire is distributed, we provide training program to the Company's procurement personnel and suppliers, and the contents include not only the key training for supplier management direction in that year, but also the periodic evaluation schedule and key items. In 2018, self-assessment questionnaire was issued to the evaluated material suppliers, requiring the suppliers to explain the current management situation and provide relevant data as evidence of evaluation for the questionnaires covering 15 categories of sustainability related issues in economic, environmental and social aspects. A total of 305 questionnaires were collected in August of this year. We appointed a third-party organization as a proxy to review and verify relevant data, and score supplier's sustainable performance as one of the considerations for future cooperation. In addition, we also conducted regular assessment on the critical tier-2 suppliers to expand the influence of supplier management and extend the scale of sustainable cooperation in the supply chain. In 2018, a total of 6 critical tier-2 suppliers were reviewed.

Existing Suppliers

Routine Assessment
- CSR Self-Assessment Questionnaire
- Documentary review
- On-site audit
Supplier CSR Assessment

Identify and evaluate sustainability risks in supply chain
CSR Risk assessment of Supplier

- Supplier CSR Assessment Report & Recommendations for Improvement
- Demand for high-risk suppliers to improve
Improvement & Develop Competency

Partnership Assessment
Technical evaluation of significant bidding projects
- Established minimum CSR threshold for bidding qualification
- Incorporated 'sustainability performance' as a criterion in technical assessment of major bidding projects.

Number of CSR Self-Assessment Questionnaire for Supplier returned

Year	Value
2016	250
2017	268
2018	305
2019(Target)	250
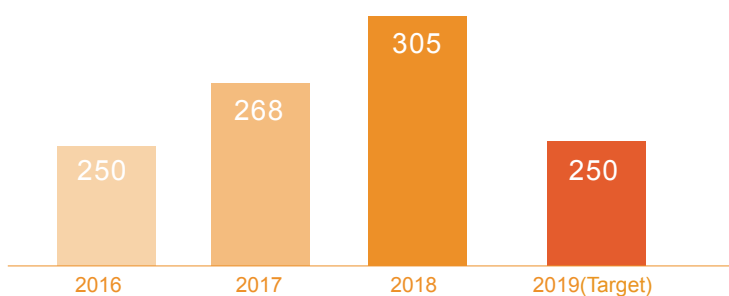
Selection method	Environmental Impact Assessment	Social Impact Assessment	Economic Impact Assessment
Assessment quantity	311	311	311
Number of suppliers (supply chain) with negative impact	19	0	0
Proportion of suppliers with negative impact being included in the improvement plan	100%	100%	100%
Proportion of suppliers with negative impact terminating cooperation	0%	0%	0%

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Happy Workplace
Social Inclusion

Ethical Operation

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Partners

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Environmental
Sustainability

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2.2.4 Supplier Selection and Assessment

On-site audit

We also selected 40 critical tier-1 suppliers for on-site audit to understand the status of supplier sustainability management. Through in-depth on-site audit, listening to explanations and confirming information, we fully understand the results of supplier self-evaluation and ESG practice, and provide appropriate improvement suggestions to extend the concept of corporate sustainability and our persistence in CSR to supplier cooperation. The relevant on-site audit plan is expected to visit 80% of the critical tier-1 suppliers by 2020. By 2018, the visits had reached 62.75%. Through closer and in-depth interaction with critical suppliers, they are fully understood and evaluated, achieving mutual learning and growth.

Numbers of the ESG on-site inspections for suppliers

2016	2017	2018	2019(Target)
20	40	40	40
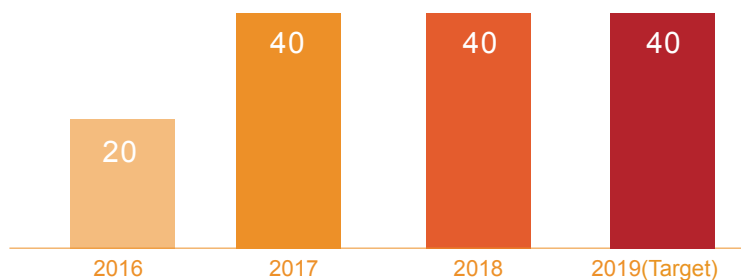
Number of key suppliers involved in site survey of 2018	40
Cumulative visit proportion from 2016 to 2018	62.75%
Target visit coverage by 2020	80%

Sustainability Risk Assessment

In addition to evaluating the CSR implementation of existing suppliers, we also hope to continuously pay attention to the sustainability risk changes in the supply chain, analyze and identify the supplier's management level in the direction of sustainability, assess the probability of occurrence, impact and warning situation of each negative threat event, and measure the threat and impact degree of the sustainability risk of supply chain on Taiwan Mobile in the event of occurrence, so as to improve the prevention of malpractices and prevention work before the occurrence of incidents.

In 2018, Taiwan Mobile further adjusted the supply chain risk model and imported regulatory data. In this year, 311 tier-1 suppliers were included in the risk assessment, and 19 suppliers with high risks in environment were identified. For these 19 suppliers, Taiwan Mobile has established a corrective plan and requires them to improve. They will be included in the on-site audit plan next year to review their improvement results. This year, no suppliers terminated their cooperation with Taiwan Mobile due to environmental or social impacts.

2018 Risk Assessment Result

Number of Suppliers	Low risk	Medium risk	High risk
E	228	64	19
S	85	226	0
G	226	85	0
Ratio of high-risk suppliers included in the improvement plans		100%	

Review of High-risk Suppliers in 2017

Number of High-Risk Suppliers in 2017	11
Number of Suppliers in Follow-up Site Review	10
Site review ratio	90.90%

Note: There is one supplier with high risks in both economy and environment, so the actual number of vendors is 65.

2.2.5 Supply Chain Capacity Building

748
global
partners

TWM now has more than 748 global partners. In addition to implementing supply chain evaluation and management, the Company also hopes to consult and grow with all partners through industry-driven forces in order to achieve the long-term goal of jointly promotion in sustainable development of the economy, society and the environment. To achieve this goal, TWM has established a strategy to guide suppliers' sustainability. Through the aforementioned evaluation mechanism, we can gain insight into suppliers' current situation. Based on the evaluation results, TWM's sustainable development goals and global sustainable development trends, we can provide partners with sustainable improvement suggestions, education and training, exchange conferences and other resources to help suppliers build sustainability and develop self-learning channels.

In 2018, in response to TWM's scope 3 carbon management and the target of reducing carbon emissions by 20% in the supply chain by 2030, we have advocated strengthening carbon management and climate change response in supplier capacity-building, focusing on environmental-oriented sustainable management capabilities in recent years.

315
suppliers
participating

6
suppliers with best
annualCSR
performance

2
suppliers who
made significant
progress

CSR Exchange Conference for Suppliers

TWM holds an annual CSR exchange conferences for suppliers, through which we publicize the key points of corporate social responsibility management for suppliers, announce the results of annual CSR evaluation and risk assessment for suppliers, and invite leading sustainable suppliers, scholars and experts to share and exchange information with the participants. In 2018, there were 315 suppliers participating in the CSR Exchange Conference. In addition to inviting 6 suppliers with best annual CSR performance to share experience and receive praise, 2 suppliers who made significant progress in annual CSR performance were also invited to share their management practices in improving sustainable performance and corporate social responsibility. The sustainability risk assessment in 2018 identifies that most suppliers have not yet built a complete sustainable management system. TWM guides supplier improvement measures, such as transparency of information disclosure, environmental information management, sustainable goal setting, etc., to reduce potential risks in the overall supply chain by improving supplier's sustainable governance capability.

Training Programs for Suppliers

Through training programs for suppliers, TWM communicates and discusses with the partners on the economic, environmental and social aspects of sustainable corporate development. In recent years, the topics discussed include business operation, quality control, compliance with laws and regulations, environmental protection, etc. In the training programs for suppliers in 2018, environmental management experts were invited to teach supplier enterprises on how to identify, inspect, manage and reduce carbon dioxide emissions in their operations, hoping to lead partners to achieve overall supply chain reduction. Furthermore, in order to deepen partner's understanding about suppliers' corporate social responsibility, we also promoted TWM Guidelines on Corporate Social Responsibility for Suppliers on site, and enhanced suppliers' understanding about TWM's sustainable management objectives through education and training, so as to fulfill their social obligation.

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Sustainable
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Sustainability

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Social Inclusion

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Environmental Sustainability

Happy Workplace

Social Inclusion

2.3 Excellent Brand ▶▶ ▶▶▶

Core concept:

Taiwan Mobile integrates the core competitiveness of the enterprise to create seven key brand values for the stakeholders on the basis of Think Sustainable, Act Responsible. To welcome the new generation of 5G and Internet of Things, the Company actively expands the industry cooperation, integrates the Group's resources to develop transnational entertainment broker industry investment, promotes the environmental sustainability and greens itself and the value chain footprint, cares for the weak and breaks down social system barriers with the new technology models and applications and creates the best customer experience starting from the human nature.

Commitment and action:

since the launch of 4G, Taiwan Mobile has continued to build the high quality network infrastructure, and the 4G network population coverage ratio has reached 99% or more. Not only the metropolitan area is provided with 4G network, but also the remote and isolated areas with geographical limitations are provided with the mobile broadband network. The 4G network population coverage ratio has reached 97.65% as of the end of 2018 in the remote areas.

Material Topic

Service impact management / Information security and privacy protection / Customer experiences / Electromagnetic field safety / Transparent & fair marketing / Network quality and coverage

The chapter fully responds to the 4 major stakeholders

| Competent authorities | Communities/ NGO | Shareholders/ investor | Media |
| Employees | Customers | Rating Agencies | Suppliers |

48

Excellent Brand Results & Performance

Winning Corporate Social Responsibility Awards of the Global View Magazine for the **12**th time

RobecoSAM Global Telecom Industry Group 2019 "Sustainability Leaders - Silver Class Award"

ROBECOSAM
We are Sustainability Investing.

DJSI World Index **Top 1** in Global Telecommunications Industry

Dow Jones Sustainability Indexes

First and only Taiwan Telecom Enterprise with ISS-oekom Corporate Rating Prime Level Attestation

Corporate Responsibility **Prime** rated by **ISS·oekom**

Sports Activist Awards of Gold Medal in Sponsorship category

MINISTRY OF EDUCATION 教育部

Support for Taiwanese athletes

Latisha Chan ranked **21st** in the 2018 world ranking (ranked first in the WTA doubles ranking for as long as 33 weeks from October 23, 2017 to June 10, 2018).

Jason Jung ranked **121st** in the 2018 world ranking (ranked first among Taiwanese players).

Wei-Ling Hsu ranked **69th** in the 2018 world ranking (ranked first among Taiwanese players)

★★★★★
CSEA Excellence Customer Service Award, Highest Honor-the **Best Customer Service Center Award**

FTSE4Good TIP Taiwan ESG Index / TIP Taiwan Index Plus
Selected as one of the constituent stocks of the Taiwan Sustainability Index for the first time

TWNSI
Selected as a constituent company in the Taiwan Sustainability Index for the first time

Winning the Corporate Citizen Awards of the CommonWealth Magazine for the **11**th time

TCSA
Won 8 prizes in Taiwan Corporate Sustainability Awards (TCSA), the only Taiwan Telecom Enterprise Selected for the Most Prestigious Sustainability Awards-Top Ten Domestic Corporate

2019 Objective:

- Maintain selected in the DJSI World Index
- Maintain selected in the RobecoSAM yearbooks
- Maintain the ISS-oekom Corporate Rating Prime level
- TCSA maintain the Most Prestigious Sustainability Awards-Top Ten Domestic Corporate
- Continue to obtain Corporate Citizen Awards of the CommonWealth magazine
- Continue to obtain the Corporate Social Responsibility Awards of the Global View magazine
- Maintain the CSEA customer service excellence award
- Maintain the Sports Activist Award

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Social Inclusion

Excellent Brand

2.3.1 Brand Strategy

1.Brand Value

Taiwan Mobile calls itself an international sustainable benchmark enterprise, and actively integrates the core competencies and resources. Starting from Zetta Connected 2030, it creates 7 key brand values, including Ethical Operation, Sustainable Partners, Excellent Brand, Innovative Accomplishments, Environmental Sustainability, Happy Workplace, and Social Inclusion for stakeholders, builds its sustainable value chain and gives full play to the brand's greatest positive influence. To welcome the ever changing new 5G generation, we "embrace change, create highlights" starting from the human nature and based on the science and technology and will continue to regard innovation as the core concept of the whole company to create the maximum value and beautiful life for the stakeholders.

2.LOGO Meaning

Taiwan Mobile's colorful, stereoscopic sphere is the embodiment of our spirit, "color your life"! The colors and shades of its surface give us an interpretation of a continuous spectrum emanating from all different angles and directions. Yet it conveys a pure, diverse, intertwined, amalgamated, elaborated, and elated brand motif, joy, and splendor that enrich the consumer's mobile life! Just like the joy brought by each contact and connection, we ingeniously manipulates the colors of the sphere to make every piece of printed page and advertisement image relate to the charm of various hues, thus communicating the joyful mood of our subscribers whenever they use our service and strengthening our brand impression.

3.Brand Sponsorship

Since 2003, Taiwan Mobile has spent over NT$670 million on sports activities. In recent years, it has fully supported the competitions of basketball, baseball, golf, tennis and marathon, etc. It established the Fubon Powerful Team with Fubon, holds the Open Golf Championship which is the unique championship hosted by the telecommunications industry in China and continues to sponsor excellent sports players in Taiwan to advance to the world, including the World's tennis queen CHAN,YUNG-JAN, female tennis player CHAN,HAO-CHING, man's single tennis player CHUANG,-CHI-SHENG and golf players HSU,WEI-LING and LI,MIN. Taiwan Mobile hopes to be the powerful backing of Taiwanese players and hopes that people around the world can see Taiwan, and shows determination to support and drive the sports with concrete actions. Therefore, it has obtained the Gold Sponsorship Award of the Sports Promotion Award offered by the Ministry of Education. Moreover, Taiwan Mobile has long been committed to deepening and supporting Taiwanese arts and cultural activities and original works, sponsoring the Taiwan Lantern Festival, Taipei Lantern Festival and has sponsored the Super Star Red and White Artistic Skill Award for 5 consecutive years to promote its brand image and develop in the popular consumer market.

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2.3.2 Network Reliability

Network signal coverage

Since 4G launching, Taiwan Mobile has continued to build high-quality network infrastructure, and the population coverage rate of 4G network has reached 99% or more, providing a complete 4G network coverage.

Network signal coverage in remote areas

Not only the metropolitan areas are provided with the mobile broadband network, but also the remote and isolated areas with the geographical limitations, including Yuenghu, Jinmen, Matsu, Ryukyu, Green Island, Orchid Island and other offshore islands and Ho-huan, Ali Mountain, Kenting and other scenic spots and remote areas are provided with the mobile broadband network. By the end of 2018, the 4G population coverage rate of remote areas has reached 97.65%.

Download speed and network capacity

In order to provide users with high-speed Internet access, Taiwan Mobile has actively built the 2CA (700/1800) dual-frequency carrier aggregation mobile broadband network (the theoretical maximum download speed provides users with a download rate of 263 Mbps aggregated from a single frequency band of 150 Mbps and 113 Mbps download rate). In order to provide users with better Internet speed in 2018, the 3CA (700/1800/2100) tri-band carrier aggregation mobile broadband network is combined with the new technology DL 256QAM/UL 64QAM (the theoretical maximum download speed is 450 Mbps aggregated from 200Mbps,150Mbps and 100Mbps download speeds in the single frequency band).

Material Network Obstruction Incidents and Countermeasures

In accordance with the relevant business management rules announced by NCC, the Company shall report the disasters or other major accidents which cause exceptions of telecommunications equipment affecting users on a certain scale to the competent authorities and actively disclose the incident situations and the damage handling methods on the official website.

Response to major obstruction incidents in 2018

There was no material incidents affecting the user service during the year.

2.3.3 Customer Experience

1.Customer Behavioral Analysis-GEM

TWM has begun establishing Customer Experience Management platform since 2015, which indicates the signal conditions of our customers with a faster and smarter way in order to make necessary improvements. In order to understand the signal conditions in an area, we need to dispatch engineers to undertake onsite inspection and analyze the changes. However, the construction of new buildings or changes in landscape could affect the signal itself and customer's signal reception. Such changes cannot be perceived by quality or barrier indicators at base stations. Nevertheless, we can obtain signal strength data from users through the CEM system to understand customers' quality of signal reception, which allows us to reduce the number of times we need to visit customers. Moreover, the instant CEM system can accelerate the evaluation process for directions and angles with optimal signal. This can help us to adjust the signal strength before a weak signal is reported by our customers, enhancing positive user experience.

2.Customer Service Commitment/Mechanism

Customer Service Commitment

We will achieve the goal of creating the best mobile life for our customers and implement our five commitments on comprehensive services.

Customer service commitments

1 Carefully listen to customer's needs and demonstrate our profes

2 Handle customer complaints with enthusiasm and offer solutions that are timely and effective

3 Safeguard customer's rights and interests in a reasonable manner and establish a trusting, harmonious and friendly relationship

4 Pay attention to and respect customer's special needs and formulate refined, personalized and quality services on their behalf

5 Work wholeheartedly to resolve complaints satisfactorily and create a win-win atmosphere for customer satisfaction

2.3.3 Customer Experience

Compared to 2017, the number of visitors for physical branch stores in 2018 was not significantly reduced due to the provision of other non-physical service channels. The face-to-face direct services provided by the physical stores were still an important service channel that customers rely on at this stage, and the stores actively introduced diverse services for sales and monthly inbound marketing activities to attract customers to shop at the stores.

APP 台灣大客服

Hotline
188 or
0809-000-852

Internet
•Website
•Email

Service channel/Year

	2016	2017	2018
APP	1.4 million people	2.01 million people	2.74 million people
Hotline	1.37 million people	1.27 million people	1.14 million people
Internet	370 thousand people	400 thousand people	440 thousand people

3 million
2.5 million
2.million
1.5 million
1 million
500 thousand
0
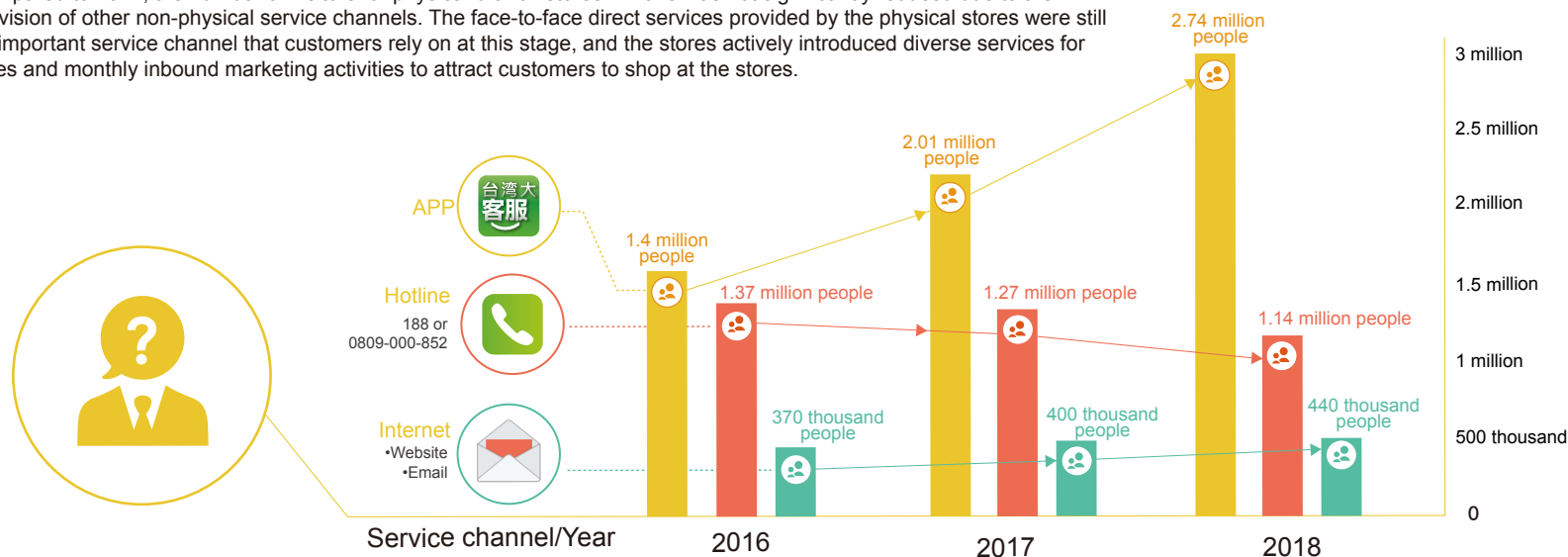
Quality assurance of service

agencies with the most accreditations in the world implement the service audit and provide endorsement for services provided by us.

	SGS Qualicert (Service Verification)	SGS ISO 10002: 2014 (Quality Management - Customer Satisfaction - Customer Complaint Handling Guide)
Acquisition	2013/1/15	2013/8/5
Review	Approved by the review on 2018/8/31 Certificate Validity: 2018/9/3~2021/9/3	Approved by the review on 2016/7/20 Certificate Validity 2016/8/5~2019/8/5
Scope	Processing Procedures for Customer Service Hotline	Processing procedures for all service channels

SGS Qualicert

SGS ISO 10002:2014

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Environmental Sustainability

Happy Workplace

Social Inclusion

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2.3.3 Customer Experience

Service Processing and Customer Complaint Reporting

The dedicated personnel shall handle and resolve complaints quickly in a systematic approach.

DAY N

Customer registers a problem via hotline

CS rep. treats complaint as general case and provides standardized response

If unable to resolve issue, forward to relevant department

DAY N+1

Responsible unit responds to CS with advanced solution

If responsible unit fails to meet deadline, CS rep. makes 2nd outgoing call to appease customer

DAY N+1~3

CS rep. contacts customer with advanced solution: If unable to reach agreement, responsible unit requests instruction from CXO for final solution.

DAY N+3~7

CS rep. attempts final negotiation with customer based on CXO's approved solution to reach satisfactory conclusion

For material customer complaint improvement issues, the General Manager will supervise the holding of meetings in person and develop improvement plans. In 2018, controversial incidents announced by NCC increased by 10% due to the hot sale of Mother's Day Special Promotion, the early warning mechanism for high-risk cases and media volume assessment before the listing of the special promotion have been carried out to reduce the occurrence of the same type of customer complaints. The number of customer complaints announced by the Taipei City Government continues to decline.

Cases of Actively Responding to the Improvement of Customer Service

In addition to the information published on the original official website, for the customer complaints that were triggered by the sequence of the deduction of the transmission quantity of the prepaid card, the Company adjusted the new description of the store's sensitive website in May 2018, and there was only one customer complaint in 2018, a decrease of 83%, compared with 2017.

↑ 174(10%)

NCC			Taipei City Government		
1631	1800	1974	217	193	167
2016	2017	2018	2016	2017	2018

↓ 26(13%)
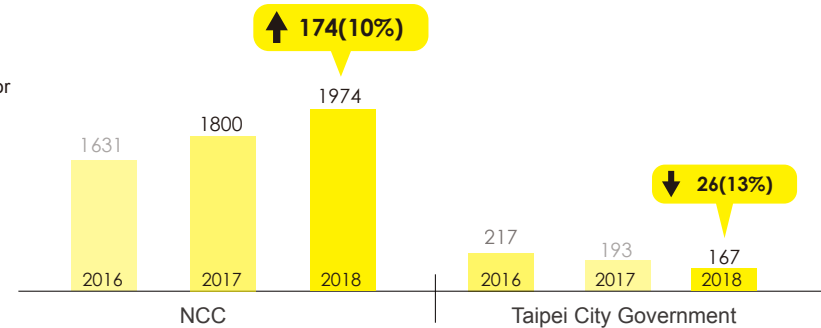
Service Upgrade Plan

We strive to ensure our customer service colleagues practice the core concept of " caring for our customers sincerely", leveraging on the complete and diversified training programs and incentive activities.

Foundation Training for New Employees

Professional Skills Training

In-depth Training on Core Values of Services

Customer Service Stars Selection Activity

Training

Incentive

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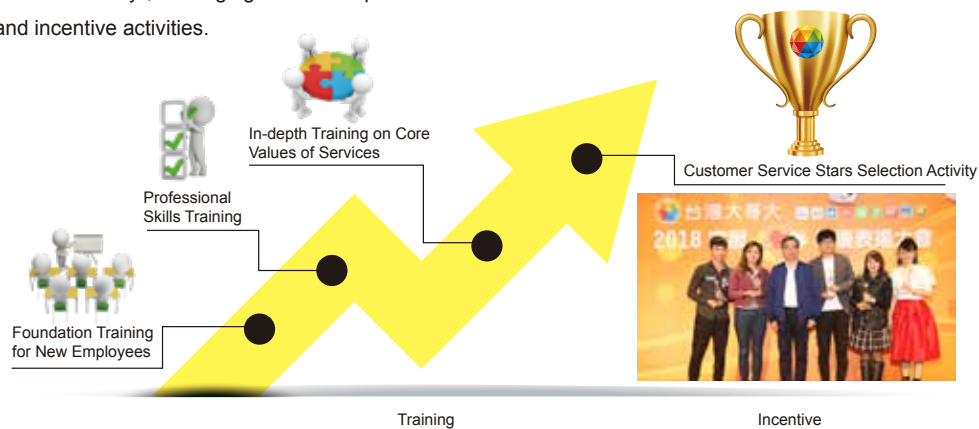
3.Customer Satisfaction Rate

Customer satisfaction rate increased in 2018, and the average of personal, family and enterprise users who were satisfied reached 86%.

2018 Customer satisfaction

86%note1.2

	2018	2017	2016
Consumer Business Clients	86%note3	85%	89%
Home Business Clients	89%note4	87%	81%
Enterprise Business Clients	91%note5	88%	82%

Note 1: Customer satisfaction rate % refers to the percentage of users who said that they are very satisfied and satisfied when being interviewed.
Note 2: The survey index of home business clients in 2016 is customers' satisfaction with the Company's overall service, while the index in 2017-2018 is "satisfaction with customer service over the phone". The survey indexes of both consumer business and enterprise business Clients from 2016 to 2018 are "satisfaction with customer service over telephone".
Note 3: Research tools include telephone interviews, online surveys, and focus group symposiums. The survey for overall consumer satisfaction is carried out at least seven times each year.
Note 4: The survey is conducted by telephone interview, carried out at least one time each year.
Note 5: The survey is conducted by online questionnaire, carried out at least one time each year.

4.LED Wall Public Benefit Period

The cultural industries gather in the Songshan Cultural and Creative Park, shopping malls, eslite bookstores and diversified exhibitions and seminars attract the crowd. The large-scale LED wall in the Digital Life Taipei Cultural and Creative Center is the most effi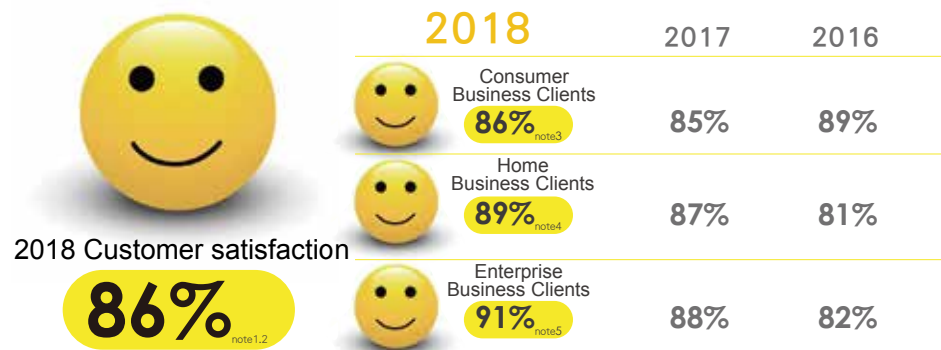cient digital media with the largest exposure in the park. Therefore, it provides free public service advertising to promote the right values and raise public awareness of social care, arts promotion and environmental issues continuously.

	Content	Published time
1	Fubon Art Foundation - Very Fun Park	2months
2	Publicity Film of the 12th myfone Mobile Creativity Award	3months
3	Green Power for Charity in 2018	2months

Goals of 2019: it is expected to provide 6 to 10 schedules for public service advertising, equivalent to the sponsorship appropriation of 3~4 million.
Mid-and-long Term Vision Plan from 2020 to 2021:it is expected to provide 6 to 10 schedules for public service advertising, equivalent to the sponsorship appropriation of 3~4 million.

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2.3.3 Customer Experience

5.Content Improvement of the Product and Service Platform

myVideo

Performance in 2018:
myvideo develops the local cultural and creative development and communicates the sustainable value. myVideo participated in Taiwan's original drama "A Taiwanese Tale of Two Cities " to enhance the visibility of Taiwan's digital contents. Meanwhile, it promotes a 0-dollar special zone that offers excellent films to promote the concept of allowing users to enjoy diversified audio and video services, and as of the end of 2018, the number of users registered reached 5 million.
Future Plans in 2019
Committed to usage experience, such as 4K high-specification film and smart referral system.

MyMusic

Performance in 2018:
innovate the free model to activate the users and carry out cross-border cooperation to enhance brand value.
Added the special zone of free hot music and successfully promote the double platform download rankings through the store promotion and there is an increase of active users to 217% each month. The exclusive cross-border coopera-tion: obtain the South Korea Pop Music MMA2018 live broadcasting authorization twice, cooperate with the mobile game of Rapid Field with the leading game brand Garena, provide the authorized song list for playing and listening and make the theme song THAT FIRE with the artist J.Sheon which is highly praised.
Future Plans in 2019
Continue to cooperate with Garena to further integrate game and music services and continuously optimize the products and contact more light music users through the special zone of hot music to cultivate their user habit and then lead them to become paid members.

myBook

Performance in 2018:
The new reading function allows readers to listen to the contents of the articles when reading the e-book. As of the end of 2018, the time of using the reading functions exceeded 210,000 ; and the cumulative number of registered users reached 2.39 million.
Future Plans in 2019
Add new fragmented articles convenient for the digital reading of readers in a short time. Participate in the digital nursery (dam) public benefit project, and help 10,000 disadvantaged teenagers to enhance their foreign language ability through digital learning.

TapTap Game Multimodal Platform

Performance in 2018:
Management of members: get hold of 37,000 game players and provide online exchange of virtual products. The exchange times exceeded 14 million times/year, and the user activation was high.
Future Plans in 2019
Continue to cultivate members, explore the user experience area of physical channels and create positive value of the mobile games.

2.3.4 Personal Information Security and Privacy Protection

1.Information Security/Privacy Right Policy

In 2004, the Company introduced the ISO/IEC 27001 Information Security Management System, and passed the new BS 10,012 and ISO 29100 personal information and privacy protection certification in 2018. The Company established the Personal Information and Information Security Committee to continuously invest resources and optimize management and carries out internal and external audits every six months. In accordance with the requirements of the international management system, it views and promotes the implementation. It passes the personnel information and information security management evaluation and administrative inspection each year to ensure the management level and becomes the most trusted telecommunications company for users. Its operations are as follows:

(1) Committee member configuration: the General Manager can assign Chairman of Committee and the Chief Executive Officers of each functional organization shall assign committee members.

(2) Meeting frequency: at least once quarterly.

(3) The operation of all groups subordinate to the committee:
Operation maintenance team implements and researches and develops the personal information and information security measures, and holds a meeting at least quarterly.

Internal audit team is composed of the colleagues with the audit certificate and carries out internal audit every six months.

Emergency response team is composed of the related personnel convened by the Chairman of Committee according to the nature of the incident.

Planning of the four aspects - external defense of hackers-establishment of intrusion prevention, internal defense of loss-handling of data loss prevention surveillance, absorbing system planning establishment into security evaluation-establishment of system development security specification, system operating maintenance and monitoring precaution personnel information and information security incident-establishment of information security monitoring and control center (as following figure shows) in order to implement the user personnel data and internal sensitive information protection.

The three measures were completed in 2018. The total number of 104 cases regarding customer's sensitive data in the event of non-compliance were detected and blocked, achieving 100% blocking rate, and a total of 92 cases were reported in 2018.

Safety Issues	Protection measures	Benefits
Customer personnel information is stolen or inappropriately used92 cases were reported in 2018.	1. Insurance Information Protection Liability Insurance 2. Perform penetration testing and improve weaknesses	1. Reduce the risks of the Company's indemnity 2. Improve website and APP protection
Protection of personal information privacy is not implemented	Import and build new BS 10012 and ISO/IEC 29100 attestation	Perform obligations for good management in order to meet the requirements of International Personal Information Protection Act.
Continuous monitoring and improve-ment	Establish all quantitative indicators	The standards for information security indicator is gradually improved

Note: The scope of information security management mechanism includes Taiwan Mobile, Taiwan Fixed Network, Taiwan Big Size Digital, Taiwan Teleservices & Technologies and Taiwan Kuro Times Co., Ltd.; and the scope of the personnel information privacy management mechanism includes Taiwan Mobile and Taiwan Teleservices & Technologies.

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2.3.4 Personal Information Security and Privacy Protection

2.IDC Cloud Computer Room

In the aspect of system, the cloud computer room obtains relevant information security management and cloud service security attestation:
- Information Security Management: ISO27001/27011
-Cloud Service Security: Cloud Security Alliance(CSA), Security, Trust & Assurance Registry (STAR) / Euro Cloud Star Audit, ECSA
In terms of network information security:

The cloud computer room adopts the following mechanism for entity security:
-Through the one-off delegation of authority of access card, the finger vein biometric sensor and tailgate mechanism, the delegation of authority of customers to enter and leave the computer room is managed and controlled. The computer room is provided with CCTV for 7*24 video recording for monitoring, 7*24 security personnel for personnel management and control and environmental safety inspection and RFID system for device conveying management and control so as to ensure the entity security of the cloud computer room.
-The customer biometric recognition data is for one-off use, and is established when the customers reach the computer room and is destroyed when the customers leave the computer room. It shall not be retained in the system to ensure that the personal information is not disclosed.
-The information security management of the computer room has passed the ISO27001 attestation and is regulated by the relevant regulations of ISO27001.
-The computer room management personnel must attend related information security education training in the specified hours every year.

2.3.5.Product and Service Obligations

1.Electromagnetic Field Safety

Electromagnetic field and customer health safety promotion

Our base stations have been strictly verified by NCC and passed the measurement standards of International Commission on Non-Ionizing Radiation Protection, ICNIRP To reduce the concerns of the public on the impacts of the electromagnetic field on the health, we cooperated with the Industry and Telecommunications Industry Association to arrange personnel to establish the program in NCC zone to provide 0800-580010 (let me help you measure) free electromagnetic field consulting measurement service, establish base station electromagnetic field knowledge service network to provide the special report on the relations between electromagnetic field and human health and launched 57 promotional videos on the YouTube channel with more than 785,000 views. In addition, we have also established a designated section for promotion on the official website of the Taiwan Mobile to let customers understand various knowledge and channels of electromagnetic field.

In 2018, we accepted 57 measurement cases, and the results were in line with the electromagnetic field standards of NCC Standards. In addition, we continued to cooperate with the Science and Technology Museum of Kaohsiung City to promote electromagnetic field promotion experience activities and held tour promotion training lectures in the province with professional scholars and teachers of the electromagnetic field, and in 2018, we implemented 105 promotional activities.

Electromagnetic field measurement and detection in 2018

Year	Total number of measurement	Number of measurement of Taiwan Mobile
2016	79	388
2017	77	298
2018	57	276
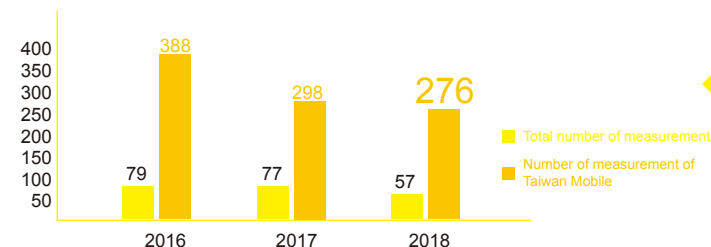
2.User Use Promotion and Assistance

In view of the popularity of mobile Internet access, Taiwan Mobile launched the Internet Security Protection Service Pornographic Guarding Value-added Service on December 30, 2014 to prevent the underage users from contacting improper information when surfing the Internet and this service automatically blocks the websites with pornographic, naked articles and pictures that are not proper for children and teenagers. After the application of this service, the website will actively filter online information and protect the users from inappropriate information such as pornography and violence to allow healthy physical and mental development of users. As at the end of 2018, the number of applicants reached 3,158.

In addition, in view of the fact that the mobile Internet is increasingly popular, Taiwan Mobile also launched the netcounter service on December 10, 2015 for the parents and users with requests to avoid the mobile net addiction of teenagers. With the netcounter service, the system will close the mobile Internet access function from 0:00 am to 6:00 pm and the number of people benefited was 1,219 by the end of 2018. However, with the increasing amount of online information, various kinds of messages, pictures and APPs are flood the children's mobile phone world, so that parents are worried about the time when their children use mobile phones and improper information on the Internet which may have a negative impact on children. With the promotion of up-to-date living and technology, the children have more opportunities to use the Internet for the growth in life and learning and the parents also begin to consider the need to give the children mobile phones when the children enter the elementary stage. Therefore, Taiwan Mobile has launched the Kid Guardian on November 19, 2018 to assist the users so they feel more relieved when they the children and teenagers use mobile Internet and mobile phone. Also, parents can manage their children's mobile phones with APPs on their own mobile phones. The three major management functions include: Internet time control, web filtering and tracking of children's Internet records. When a child keeps his head down, indulging in games all the time, the parents can lock the child's mobile phone with a single click remotely. Therefore, the child can only answer the telephone or make a designated call. The parents also can directly arrange the time for the Internet access with the child together, so that the child can use the mobile phone regularly without addiction. When children need to go online to find information or watch videos, the parents can prohibit them from browsing the undesirable webpage according to the basis of webpage categories or by themselves. When children have their own mobile phones, the parents will worry about them browsing inappropriate contents. Kid Guardian is the little housekeeper arranged by the parents for the child, helping to record the webpages browsed and the time duration of APP usage. By the end of 2018, 803 people have downloaded it.

Kid守護王

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2.4 Innovative Accomplishments

Core Concept
From the viewpoint of user demand, we actively invest in the development of products, services and processes. Through greening the value chain and breaking down the barriers brought by the social value system, we hope to provide users with "easy, simple, user-friendly" best mobile experience.

Commitment and Action
Founded in January 2017, the "Innovation Management Committee" is responsible for establishing a systematic management mechanism, formulating innovation development strategy with mid- and long-term objectives and supervise the implementation and results of all innovation projects efficiently. In January 2018, the proposal/incubation bonus was proposed in the "Innovation Proposal Program" with unlimited bonus rewards.

Material Topic
Innovative technological applications

The chapter fully responds to the 3 major stakeholders

Competent authorities

Communities/ NGO

Shareholders/ investor

Media

Employees

Customers

Rating Agencies

Suppliers

Innovative products/services generated a revenue of **5** Billion

Set up **35** innovative products or services and **57** process innovation projects, Compared to 2017 increase **16%** and **171%** and promoting environmental protection and social innovation to be routine operation into business groups.

Proposed the Innovation Proposal Program and set unlimited bonus rewards
116 innovation proposals have
1 proposal has received
9 employee were rewared
NT$**40,000** bonus has given.

myAir portable PM2.5 detector : Air quality smart analysis services are provided by connecting the Cloud to an application.

my AiR

2019 Objective:

- Innovative products and services generated a revenue of NT$5.8 billion.
- The total mobile commerce service transactions reached NT$1.51 billion.
- The annual revenues from the fixed-network users changing into "advanced integrated telecommunications services" reached NT$60 million.
- Technology of Internet of Vehicles (IoV) generated an annual revenue of NT$30 million.
- Base station service operation rate reached 99.75%.
- Cooperation with the Industrial Technology Research Institute to expand the technological influence on "Air Quality Monitoring".
- Launched the application of smart city commercial zone.

Target achievement rate of the annual revenue generated from technology of Internet of Vehicles (IoV) reched
1,348%
compared with 2017

The total mobile commerce service transactions reached
1.72 billion

myfone購物
WALI 智慧錢包

Innovative Accomplishments Results & Performance

messenger⊕ for Business

Innovative services

M+ red envelopes:Over **6.54** million people have participated since it was launched for one year, and a total of **1.85** million red envelopes were given, totaling more than NT$**1** billion.
M+ mobile extension product Number of customer account almost reached **3,000.**

myVideo worked with Kbro and TWM Broadband to lead the trend of cross-screen displays for video watching, driving the cumulative number of registered users of myVideo in 2018 to increase by **80%** compared with the previous year.

myVideo X kbro 凱擘 大寬頻

Greater IoT Ecosystem
Formed an alliance with the domestic and international major companies to develop new applications of the NB-IOT technology

NB-IOT

Installed **3,186** smart street lights with the target achievement rate of **318%**

Taiwan Artificial Intelligence A Team
Joined hands with Quanta and ASUS Tek to build Taiwan's first AI supercomputer, which is among the
Top 20 of the world's
Top 500 high-speed computers.

A Team

True 5G
Worked with Nokia to demonstrate equipment testing for 5G and showcase the high-end technology of AR Industry 4.0

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2.4.1 Annual innovation highlights

Took the lead in developing a cloud platform for AI

Joined hands with Quanta and ASUSTek, we have formed the "Taiwan Artificial Intelligence A Team" in the AI field and spent NT$1.1 billion assisting the Ministry of Science and Technology to establish the largest-ever national big-data computing cloud platform for AI, which was shared by business, government, and academia.

The upstream, midstream, and downstream entities from AI chips, high-end server manufacturing, platform establishment to application and service planning and development have been integrated vertically. It was also a cooperation among vendors in the information communications (both hardware and software), telecommunications, and financial industries.

ASUS

Platform
Integrated AI Applications
and Services

Quanta Computer

AI/HPC Computing
Data Storage Platform

Taiwan Mobile

Establishment of Equipment Rooms
Information Security and Maintenance
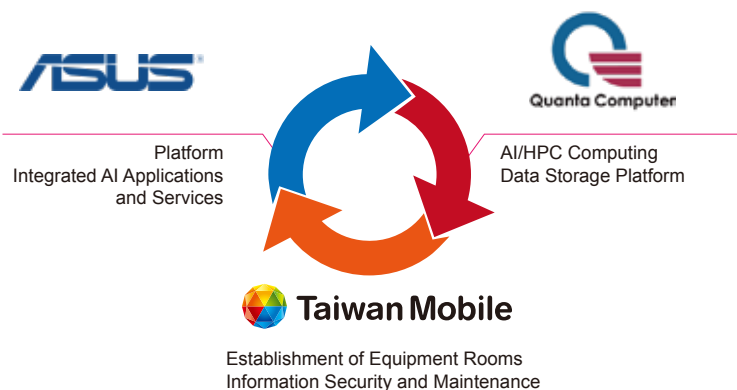
Worked with advanced technology partners to form the "Greater IoT Ecosystem."

New applications of the NB-IOT are actively researched and developed with cooperation partners both at home and abroad. With the three major advantages in network deployment, platform establishment, and development of innovative applications and services, TWM has taken the lead in the industry to develop a smart city and create a new era of IoT-based digital economy.

Innovative

Network

Platform establishment

Smart Life Development monitoring of PM2.5 in the air
Personal positioning/Home care
Smart door lock/Smart street lighting
Smart parking

Full coverage in Taiwan
700MHz+ well-developed

Largest in Taiwan
Provide an advanced and complete IoT management platform
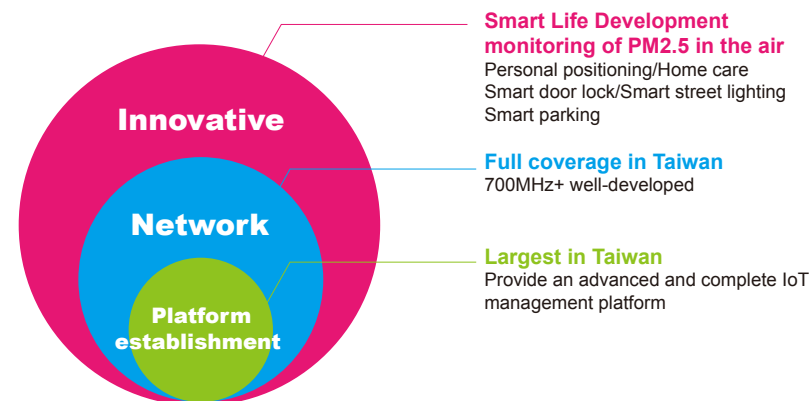
2018 is the year when our innovation energy started to grow exponentially; through multi-faceted and large-scale cooperation among business, government, and academia, the new blue ocean of 5G was explored; in addition, important innovative technology applications, including AI, big data, cloud, and IoT were developed with the aim of disrupting the market and bringing endless possibilities for future life.

Launched MEC broadcasting to create the 5G Xinzhuang Baseball Stadium

The Group's resources are integrated to equip the Xinzhuang Baseball Stadium with the MEC (Multi-access Edge Computing) function, so as to broadcast a sporting event instantly and allow viewers to enjoy each move in the event close-up with the latency-free and multi-angle MEC technology.

The network bandwidth required for the MEC technology at the Xinzhuang Baseball Stadium has been completed. The entire stadium has 10 cameras at different locations; they can capture brilliant shots from different angles at different locations at the same time. Four live scenes can be watched in real time from an iOS mobile phone or tablet, adding new fun to the game.

Launched the unprecedented equipment for "true 5G" in Taiwan

Joined hands with Nokia to launch the equipment for "true 5G;" the first test of a 5G base station in a real environment outside the 5G laboratory was conducted in the frequency band of 3.5GHz for "true 5G" with 100MHz of data which would be released by National Communications Commission (NCC) in 2020, while demonstrating high-end technologies, including 360-degree virtual reality (Virtual Reality 360, VR360) and augmented reality based on the industry 4.0 concept, which made TWM the first telecommunications provider in Taiwan to generate 5G signals in compliance with the international 3GPP R15 Standards,

The equipment for "true 5G" not only includes Nokia's commercial 5G AirScale base station, VR360 Live and AR Industry 4.0 but the first 5G test device of the same size as a smartphone, equipped with Qualcomm's 5G mobile solutions, including Snapdragon™ X50 5G modem and antenna modules. This device meets extreme data requirements, is applicable to a wide range of use cases and deployment scenarios, and is able to achieve more efficient immersive extended reality, bringing a revolutionary 5G experience to the world. In the future, we will continue to integrate 5G applications vertically, stride toward the important milestone of 5G commercialization, realize the Internet of Things, virtual reality, augmented reality, industry 4.0, smart city, mobile life, and many unprecedented high-end applications.

2.4.2 Innovative Management Process

Innovation Management Framework

01 Business strategy requirements analysis:

Innovation planning - market aspects		Innovation planning - R&D and manufacturing aspects		
(Market position) Defensive innovation	(Market position) Expansive innovation	Functions Service upgrade	New functions New services Lower costs	New product combos
Cross-selling innovation	Breakthrough innovation			

02 Generating & sifting through creative ideas and actual creativity development:

| Differentiation | Market demand validation | Sources of technology and feasibility inspection | Resource adequacy inspection | Risk tolerance inspection |

03 Assessments of the timing of adoption, financial benefits and risks:

Verification of the technical/system functions and capacity are first carried out, followed by the testing of customers' principal usage scenarios.

01 Business strategy requirements analysis:

02 Generating & sifting through creative ideas and actual creativity development:

03 Assessments of the timing of adoption, financial benefits and risks:

04 Innovative products specific development

05 Innovative products actual testing

06 Innovative products market launch

The innovative products first undergo trial operational tests before they are officially launched full-scale in the target markets.

05 Innovative products actual testing:

Verification of the technical/system functions and capacity are first carried out, followed by the testing of customers' principal usage scenarios.

04 Innovative products specific development:

Products enter into actual development based on the specific specifications of the creative ideas.

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2.4.3 Innovation Management Framework

Expand Innovation Management Committee

1.To increase innovation items/scopes, we enlarge the organization with the innovation management committee to cope with the supervision of all product units and operation process units.

2.The structure of the committee has been divided into product innovation and process innovation in order to increase sales percentage from innovation, as well as to reduce costs/expenses.

Innovation Management Committee:

Chairperman
Chairman of the Board

Vice Chairperman
President

CSR team
Social Responsibility Division

Executive Secretary
Director Chang from the President's Office

Product & Service Innovation
Innovation/Value-added/CBG/EBG/HBG

- Value-chain platform innovation
- Product innovation

Process Innovation
Financial Group/CBG/TG/ITG/EBG

- Information technology innovation
- Operation management process innovation to lower cost
- Network innovation
- Energy-saving innovation
- IDC innovation

Social Innovation
Public Relation & Brand Management Division

- Digital technology innovation for social public welfare
- 2. Partnership between industry & academy

Set Business Group Innovation KPIs

In order to strength innovation capacity and to realize participation in the whole company, we have set innovation KPIs for each business groups and keeps track of the performances. In 2018, a total of 35 product innovations and 57 process innovation projects have been realized.

Institutionalize the "Innovation Proposal Program"

In order to encourage our staff to participate in innovation proactively, we institutionalize the "Innovation Proposals Program" on January, 2018. We established Incubation Ecosystem to support our staff, to bring their creative ideas into fully feasible operation practices with unlimited bonus rewards. Both proposers and incubators can benefit from it. In 2018, we have received 116 innovation proposals with 9 winners and accumulative bonus of NT$40,000.

TWM innovation strategy

- TWM repositioning as a technology company.
- "Innovation" is the key for success of technology companies and is required to internalize into TWM's business operation.

Every staff pursuits for various rewards!

- Product function innovation
- Customer service innovation
- Operation process innovation
- CustomerComplaint-Handling Innovation
- Environmental innovation
- Charity Innovation
- New Product Innovation
- New Business Innovation

The incubation team will realize the new idea came up from all staff!

- It needs a variety of professions from idea to implementation and it is hard for proposers to complete alone.
- The incubation team is composed of experts from various fields (office/divisions), who are responsible for incubation and implementation of business transfer to achieve real benefits.

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2.4.4 Product and Service Innovation

Approximately NT$5 billion of revenue came from innovative products or services in 2018.There are 35 projects, including 4 highlight projects and 6 secondary projects.

Corporate customer service

AI Cloud Development Project

Building a national-level R&D center of AI and cloud-based service environment

In the future, it will become the largest data market and model market in Taiwan

Product Innovation
Taiwan's first self-developed and self-produced AI cloud computing platform.
The computing performance reached 9 PFLOPS, with a storage capacity of 10 PB.

Product Innovation Achievement
Ranking No. 20 in Top 500 World Supercomputers
Establish with QUANTA COMPUTER INC. & ASUSTeK Computer Inc.

Environment Protection Achievement
Increase energy utilization efficiency.
Ranking No. 10 in The World's Supercomputers Green Energy.

Social Public Welfare Achievement
Develop more smart medical and smart home related applications, taking care of the elderly and people who need care services.

Corporate customer service

M+ Enterprise Mobility

Mobile phone is your telephone, and you won`t be missing any call.
Enterprise can save huge communication fee and the procurement fee of telephone as well as maintenance manpower.

Product Innovation
When you are unavailable to pick up the telephone, the message will be automatically transferred to your M+ Enterprise Mobility.
No additional voice roaming fee will be charged.

Product Innovation Achievement
Revenue achievement rate 166%

Environment Protection Achievement
Reduce the increase in corporate waste
Reduce CO2e emission 4459.9kg

Social Public Welfare Achievement
Telephone mobilization allows the flexibility of work and can help 216 people take care of their work and families.

Mobile Commerce Services

Mobile Joint-Member

Apply for mobile joint-member through Wali and earn both FamilyMart and UUPON points by consuming in FamilyMart via EASYCARD.

Product Innovation
When you use mobile payment, the system can identify the membership and offer exclusive incentives. No membership card or telephone number is required.

Product Innovation Achievement
Revenue achievement rate of 128%

Environment Protection Achievement
No physical cards, reduce CO2 emission by 4,224 kg.

Social Public Welfare Achievement
Consumers can donate FamilyMart and UUPON points to the minority group.

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myfone 購物 — Mobile Commerce Services

Myfone Stores

Order from the stores, delivered to home by e-commerce, which effectively increases efficiency of stores services.

Product Innovation
Add sales of daily products and 3C products.

Product Innovation Achievement
Revenue achievement rate 110%

Environment Protection Achievement
Paperless shopping, reduce the amount of kg CO2 emissions.

Social Public Welfare Achievement
The assistants in the store could help elders and people who rarely use internet for shopping, and enjoy the deliver-to-home service. Over 13,000 people enjoy the benefit of this service.

Personal user services

Prepaid Card Manager

Provide parents with a monthly rent number to management children's prepaid card.

Product Innovation
Able to query balance expiration date
Prepaid card recharge and pay the bill monthly.

Product Innovation Achievement	Rate of users reached 117% Revenue achievement rate 115%
Environment Protection Achievement	Reduce the amount of 342 kg carbon emissions from store storage.
Social Public Welfare Achievement	Management of the elderly and the kids' phone number.

IoT and Platform Products

Consumer eSIM Platform

e-SIM download, replacing traditional SIM, can be applied in wearable products and mobile phones.

Product Innovation
In the past, the SIM cards are required to be obtained in the store. At present, The e-SIM application is not subject to this limitation.

Product Innovation Achievement	Revenue achievement rate 112%
Environment Protection Achievement	A total of 4,121 eSIM users, representing a decrease of approximately 144 Kg CO2 emissions.
Social Public Welfare Achievement	Make it convenient for rural areas/disadvantaged groups

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myBook — Mobile advertising business

myBook-"Read aloud" function of electronic Book

Support PDF/EPUB Format
Close the screen and listen to the voice of reading.

Product Innovation
Read-Partner mode: the context which has been read will be automatically labeled in the specific color.
Speed of reading: three speed adjustment.

Product Innovation Achievement	The target customer for using "read aloud" function is 18%, and the actual performance is 20%.
Environment Protection Achievement	Reduce Paper Book Printing and Carbon Emissions.
Social Public Welfare Achievement	To donate 600 accounts for elementary school in rural areas, and can serve 14,400 people annually.

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myVideo — New media services

myVideo-Free Zone Promotion Project

User can watch free movies.

Product Innovation
Reduce the threshold for users using video services, watch popular movies, drama, and child movies, etc for free.

陪你每一刻

Product Innovation Achievement	The number of monthly users exceeded 2.4 million.
Environment Protection Achievement	Video digitalization can reduce carbon emissions of the movie theater.
Social Public Welfare Achievement	Free Zone Promotion Project responds to the Company's "Green Power for Charity", providing users with free myVideo for charity.

TAmedia — Mobile advertising business

TA media Mobile advertising broadcast

Through big data analytics technology, the advertising placement will be placed on the customer mobile phone. Using TA media DMP data to multiple channels, including Google Network, FB, IG, etc.

Product Innovation
Maximize the application of data efficiency, deepen advertising accuracy, and have the opportunity to contact more potential customers.
Add new advertising format.

Product Innovation Achievement	Revenue achievement rate 107%
Environment Protection Achievement	The Group will also reduce paper waste through digital advertising, so as to reduce CO2 emission. The Company will utilize the diversification of external advertising platforms to effectively reduce the system development resources.
Social Public Welfare Achievement	We can effectively find the right TA, helping Taiwan Fund for Children & Families and FORMOSA CANCER FOUNDATION promote public welfare needs such as donation.

Cable TV services

Village Surveillance

Through network storage to offsite host computer
A multi-points monitoring management platform.
Provide 1080p video image

Product Innovation
Construct IPCAM video storage to cloud/remote host computer, effectively saving electricity and space
A multi-points monitoring management platform to manage the videos
Provide 1080p clear video image

Product Innovation Achievement	434 places have been established Revenue achievement rate 217%
Environment Protection Achievement	Reduce the need of monitor rewiring and maintain cleanliness of the city.
Social Public Welfare Achievement	Enhance the safety of the village. Covered approximated 81 villages.

2.4.5 Process Innovation

The business process unit supervising the supervisor's supervision of the "Innovation Management Committee", formulated KPIs and control tracking, and rewards environmental innovation and social welfare innovation. In 2018, there were 57 projects, including 4 highlight projects and 8 secondary projects.

Save manpower and resource costs

Green Power for Charity

Process innovation achievements
Work with the community to save the time and human resource, low threshold of Green Energy Initiative to promote public welfare.

Environment Protection Achievement
Estimated solar power generation of 3.45 million kWh
Reduce CO2e emission 1.82 million kg

Social Public Welfare Achievement
The minority group can obtain the amount of almost NT$16 million from green electricity sales for 20 years.

Telecommunications network services

Construction of 4G for rural areas.

Process innovation achievements
Expand the construction of networks equipment for rural areas, reducing the frequency usage fee by 15%, saving NT$113.05 million.

Social Public Welfare Achievement
99% coverage rate of 4G network
The construction cost of electricity expenditure in the rural areas is NT$ 23.12 million from CHT.

Electricity reduction for DS

Process innovation achievements
New function of monthly electricity consumption abnormal warning
Set up independent switch for energy-saving based on using area.
Store energy-saving TQM regular audit indicators and procedures.
NT$7.39 million cost savings

Environment Protection Achievement
Reduce CO2e emission 1,012,043 kg

Social Public Welfare Achievement
Hualien earthquake and Southern Taiwan flood.
1. Provide services and discounts to disaster struck households.
2. The store will help clean the environment.

my Video 陪你每一刻

New media services

Personalized Recommendation Content Project

Process innovation achievements
Develop recommendation system with Industrial Technology Research Institute.
Effectively enhance user usage time by 1.3%
Viewership + 41%
Single revenue + 88%
Cost savings NT$13.9 million

Environment Protection Achievement
Digital DVD decreases carbon emissions 4.2% compared with traditional DVD.

Social Public Welfare Achievement
To response to "Green Power for Charity" plan, the Company donated NT$1 million.

my Video 陪你每一刻

New media services

Change window envelops to letter sheets

Process innovation achievements
By doing so, it can save the cost of envelopes, packaging and delivering postage, reducing costs and saving NT$20.278 million.

Environment Protection Achievement	A4 Paper Consumption for the year decreased by 14.1 million pieces. Reduce CO_2e emission 20,820kg
Social Public Welfare Achievement	Reduce paper usage and implement carbon reduction.

Telecommunications network services

Diversified plan for charging electricity rates&optimizing contract capacity for lowering the cost

Process innovation achievements
Analysis base station equipment and apply for multiple tariff solutions, and the cost savings is NT$10.312 million.

Social Public Welfare Achievement — Adjust the power consumption during peak hours and save electricity generation costs.

Information technology management

R&D of automated website conversion tools.

Process innovation achievements
Replace the program rewriting work by the tools and reduced the cost approximately 70%, and reduced the development costs of NTD$6 million..

Environment Protection Achievement	Reduce CO_2e emission 418kg
Social Public Welfare Achievement	Reduce the website establishment cost of "Green Power for Charity"

Information technology management

Software Reusable Tools

Process innovation achievements
Develop software tools, reducing construction and development costs, and saving the costs of approximately NT$ 2.5 million.

Environment Protection Achievement — Reduce CO_2e emission 6070kg

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Personal user services

Easy migration to 4G process

Process innovation achievements
SIM cards upgrade to 4G, free of card, paper printing, post mail and card opening, saving 80% of operating hours, NTD$25.386 million cost saving.

Environment Protection Achievement	Reduce CO_2e emission 12,315kg
Social Public Welfare Achievement	Provide telephone or self-service channel for people in rural areas or have mobility problems, with approximately 46% usage.

Mobile Commerce Services

Simplifying the promotion process of SIM management

Process innovation achievements
Online knowledge library platform, saving NT$1.69 million in manpower costs.

Environment Protection Achievement	Reduce CO_2e emission 1,125kg
Social Public Welfare Achievement	Accelerate education/development of IoT market, which helps market penetration.

Corporate customer service

Enterprise e store

Process innovation achievements
Development of Online Stores
Newly increased application/login system to optimize customer application.
Expansion of online business project to avoid transportation time and costs.
Cost savings NT$64.85 million

Environment Protection Achievement	Reduce 71,717 pieces of A4 paper consumption Reduce CO_2e emission 1,291kg
Social Public Welfare Achievement	Users are able to apply for it without leaving home.

Cable TV services

HomeSecurity New IPCAM(Basic)

Process innovation achievements
Adjust hardware specifications by user records and reduce hardware costs (2020 → 1200/pcs)
Use "Cloud record/Time-lapse" functions to improve services and reduce SD cards usage.
Total savings NT$6.901 million

Environment Protection Achievement	Saved CO_2e 32,064 kg
Social Public Welfare Achievement	Welfare of elders and children: Enhance Home Safety. Cost reduction: allowing the economically disadvantaged group to use it

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2.5 Environmental Sustainability ▸▸▸

Core Concept

Facing the challenge of global climate change, Taiwan Mobile is committed to reducing carbon emissions by operational activities, formulating environmental strategies and improving the efficiency of energy and resources use. At the same time, we give full play to the core competence of information and communication industry, provide green products and services, and fulfill our environmental obligations

Commitment and Action

Environmental policies and objectives are formulated by Environmental Management Committee to promote ISO International Attestation and develop intelligent energy saving.

Carbon Risk Management: Regularly examine greenhouse gas (GHG) emissions and review energy saving and carbon reduction performance.

Renewable Energy Application: Continuously conduct Green Energy Initiative activities and expand the Company's green energy construction.

Resources Saving and Waste Recycling: Continuously strengthen the efficiency of resource use and properly handle business waste.

Material Topic

Climate change mitigation and adaptation / Green operations /Green application & circular economy

The chapter fully responds to the 7 major stakeholders

Competent authorities

Communities/ NGO

Shareholders/ investor

Media

Employees

Customers

Rating Agencies

Suppliers

Environmental Sustainability Results & Performance

Total tap water consumption decreased by **4.3%** compared with 2017 (excluding IDC)

Electricity consumption reduced by **3.68%** compared with 2017, saving more than **16.44 million kWh.**

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The first telecom and service company to pass the **SBTi** (Science Based Targets initiative) evaluation in 2019

SBT achieved
SBT GHG emissions reduced by **3.45%** (**over 8,700 t-CO$_2$e**) compared with 2016

5.06 million kWh Acquirement of renewable energy certification and **78 thousand** kWh spontaneous use of renewable energy

Accounting and verification for the **15** categories of Scope 3 GHG emissions

B-Ranking in CDP, top 1 in the telecom industry.

CDP
DRIVING SUSTAINABLE ECONOMIES

Scored **100%** in Environmental Reporting in 2018 DJSI

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Total non-recoverable industrial waste decreased by **48%** compared with 2017

Develop the TCFD (Task Force on Climate-related Financial Disclosures)

TCFD | TASK FORCE on CLIMATE-RELATED FINANCIAL DISCLOSURES

A cumulative total of **215** kW in green power was established for self-use purpose

IDC's renewable energy consumption reached **24.82%**

8.95 million was raised to build **168.3 kW** Solar photovoltaic system for the Green Power for Charity Project, which will generate **16 million** in revenue for vulnerable groups in the next 20 years.

2019 Objective:

- Reduce 6% of electricity consumption compared with 2016
- Purchase 13.38 million kWh of renewable energy certification
- 22.5% use of IDC renewable energy
- 230 kW cumulative green energy construction
- Continuous develop the TCFD (Task Force on Climate-related Financial Disclosures)
- Reduce 4% total un-recoverable business waste compared with 2017
- Reduce 2% of total tap water consumption compared with 2017 (excluding IDC)
- Continuous promotion of the Green Energy Initiative and the Green Power for Charity Project

Environmental Sustainability

Evolution of Environmental Management

2020

Management system
Complete new ISO14064-1 verification
Complete new ISO50001 verification

2019

Management system
Include water resources in the ISO14001 Environmental Management System
Complete verification for 15 GHG in Category III under ISO14064-1
Policy
Passed the Attestation of SBT
Expand renewable energy evidence subscription
Initiatives
Continuously promote Green Power for Charity Project of Generating Green Power

2018

Management system
100% import of Telecom and Cable TV revenue in the ISO14001 environmental management system
Policy
Introduction of Scientific Basic Objectives(SBT)
2.78% of absolute reduction of GHG
Initiatives
Continuously promote Green Power for Charity Project of Generating Green Power

2016

Management system
ISO14001:2015 certified
Policy
Develop three environmental reduce target (about water conservation, electricity savings, waste reduction)
Promotion
Plan a green energy initiative "Buy a mobile phone to support green energy" campaign.
We have also joined the Global e-Sustainability Initiative (GeSI)
Performance
Accumulated 80 kW of green energy constructions
Subscription to 1.4 million kWh of green power
TWM's efforts were recognized and was rated A- (Leadership) in carbon risk management by CDP.

2017

Management system
Expand the scope of ISO 14001 certification
Policy
GHG emission absolute reduction targets set as 1%
Promotion
Initiate Green Power for Charity project Selected as a Board member of GeSI We have also joined the Global e-Sustainability Initiative (GeSI)
Performance
Reducing GHG emissions by 1% achieved
Green electricity purchases and spontaneous use amounted to 3,392,280 kWh
100 kW of Green Power for Charity

2015

Management system
ISO50001 verification scope expendedImplement ISO14001:2015
Policy
Scope 3 GHG emission quantizedRenewable energy applied
Promotion
Plan a green energy initiative "Buy a mobile phone to support green energy" campaign.
Performance
Subscription to 1 million kWh of green power

2014

Management system
ISO14064-1 verification scope expended
Policy
Set the GHG management target

2013 2012

Management system
2012-
Implement ISO14064-1:2006 and ISO50001:2011
2013
ISO14064-1:2006 and ISO50001:2011 certified

2011

Organization
Renamed: Environmental Sustainability Team
Policy
CSR policy released
(include environmental strategy)

2008

Organization
Sustainable Development Team established
Policy
Implement energy resource management and green procurement

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2.5.1 Environmental and Climate Change Management Strategy

1.Environmental and Energy Policies

The Company has formulated four major environmental sustainability policies, making a commitment to establish systems for efficient management and use of energy resources; We actively set environmental management objectives, improve performance indicators, develop core business of information and communications, and consider risks and opportunities arising from the provision of products and services at all stages of the life cycle

Complying with Environmental Protection Regulations:

Follow the requirements of relevant policies and regulations for environmental protections, and continue training, education and self-examination in order to achieve prevention, improvement and development concerning environmental protection issues.

Green Purchasing for ecological balance:

Give preference to purchasing low-pollution, recyclable, and eco-friendly products to create an atmosphere of environmental-friendly consumption within the company and to maximize ecological benefits.

Wise Energy Saving and Reduction on Carbon Emissions:

By regularly examining efficiency and effectiveness of energy consumption, implementing measures for efficient energy use, improving equipment, and instilling TWM's operational management with information and communication technologies, potential environmental impact from corporate operations can be minimized and prevented. Furthermore, specific annual plans for energy saving and carbon emissions reduction will be made, with the goal to build an eco-friendly society while maintaining the growth of business.

Sustainability through Recycling Resources:

Enhance the efficiency of resource use, and improve the use of recyclable resources such as paper, water, and electricity in the office. Properly handle the collection and disposal of business waste as well as reuse of disposed yet still functioning materials.

2.Environmental and Energy Management Objectives and Strategies

The Environmental Management Committee formulates environmental objectives and strategies, promotes the Company's friendly environmental policies and integrates the four major tasks of ISO14001 (Environmental Management), ISO14064-1 (GHG Examination), ISO50001 (Energy Management) and the promotion of intelligent energy-saving strategies. The Committee meets every six months to assess performance and identify improvements, and the executive secretaries of each group regularly track progresses.

Environmental Management Committee

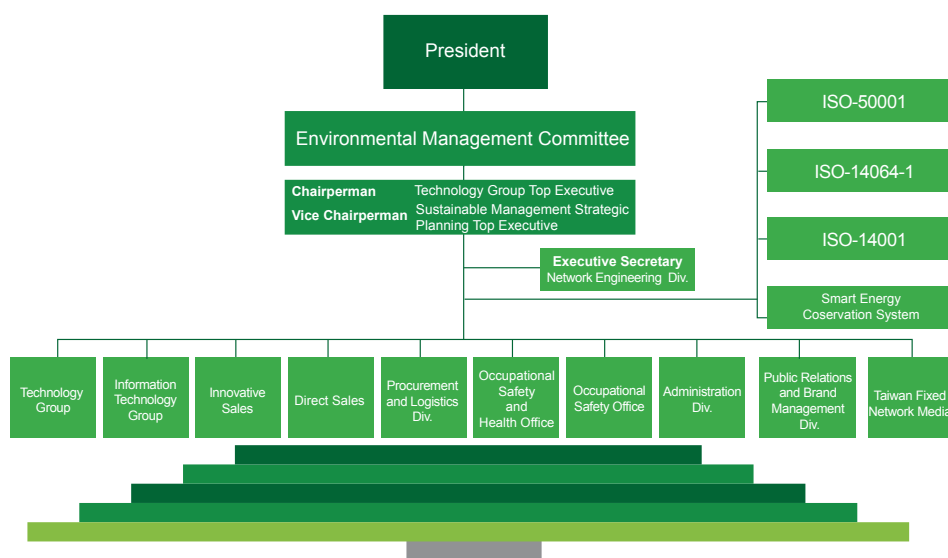## Material Achievements of the Committee in 2018

Set up SBT for carbon reduction: A 5.65% reduction of carbon emissions in 2020 / 30% reduction of carbon emissions in 2030 compared with 2016.

Renewable Energy Construction Target: 6,000 kW by 2030

The environmental management system completed the examination and construction of water resources, and formulated short-, medium- and long-term water saving goals, which were included in the annual action plan of ISO-14001 environmental management system

Established internal carbon pricing (NT$188/metric ton of CO2e) and planned to launch "internal carbon pricing" in 2019 to establish a management mechanism of carbon emission mitigation.

Environmental Management			Performance in 2018	Target in 2019
KPI	Objective of 2030	Objective of 2018		
Reduction of electricity consumption	2% of annual reduction of electricity consumption compared to 2016	Reduce 2% of electricity consumption	Reduce 2% of electricity consumption, target achieve.	1. The annual power saving obligation of each unit is 2% of the electricity consumption in 2016 (2% of annual reduction of electricity consumption in 2019 compared to 2016). 2. Energy-saving incentive: Praised by CEO and awarded by monetary incentive according to the division who conserves the most energy throughout the year. 3. Leading GeSI's Climate Change Committee: Promote sustainable development together with global ICT industry.
Water Conservation	15% lower in total tap water consumption compared to 2017 (excluding IDC Internet Data Center))	Reduce 1% of water consumption	Reduce 4.3% of water consumption, target achieve. (excluding IDC	1. Machine Room: The fan motor of cooling water tower is equipped with frequency converter, and the water temperature of water tower is used to reduce the speed of fan motor and reduce splash and water consumption 2. Office: Regularly collect statistics of water usage of each office floor, persuade colleagues to work together to save water 3. Expand the use of raft-based pond groundwater in buildings
Waste reduction	15% reduction of total unrecoverable industrial waste compared with 2017	Reduce 2% of waste(excluding IDC Internet Data Center)	Reduce 48% of waste, target achieve.	1. Using environmentally friendly lithium batteries 2. Optimizing routing of cables, reducing the amount of rubber cable placement 3. Sale of telecommunication equipment that is scrapped but still useful

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2.5.1 Environmental and Climate Change Management Strategy

3.ISO14001 category/objectives and results/planning

ISO14001

Category:
Besides Taipei New Horizon headquarters, IDC cloud-based machine room, Taipei Jui Kuang 480 Building, Taipei Tunnan Tower, main machine room in Kaohsiung Hsin Ya and Kaohsiung Po Ai Building, two categories of direct store based in Taichung Peiping and CATV MOMO Building have been expanded in 2018. These two categories passed the environmental attestation, including information/communication, network, multimedia, entertainment-related services and office activities, etc.

Objectives and performance for 2018
2% of annual reduction of electricity consumption for the Company: Comparing with the objective of 9.3 million kWh of electricity consumption reduction, the actual saving was about 16.44 million kWh, a 178% compliance rate
5 million kWh of annual renewable energy certification: Comparing with the objective of 5 million kWh in green electricity purchase, the actual purchase of green electricity 5.06 million kWh, a 100% compliance rate
50Kw application of renewable energy: Achieved 50Kw renewable energy construction of Solar photovoltaic system for machine room in Taichung. The use of self-renewable energy for power generation amounts to 78,000 kWh
Expanding the scope of attestation: 2 bases were imported in 2018 and 8 sites completed in total, importing 100% of the revenue of telecom and cable TV
Planning: In 2019, besides the objective of saving electricity, water-saving action plan will also be established for the management of water resources.

ISO50001

Category:
Photoelectric building, cloud-based machine room, two direct stores
Objectives in 2018
Newly sites in 2015: EUI/PUE (Note 1) of each site decreased by 3% in three years based on the baseline of starting year
Existing bases: According to routine objective management, when energy baseline cannot truly reflect energy performance, it should be reviewed and improved
Achievements in 2018

Cloud-based machine room	Photoelectric building			Direct store Note2	
	Office	Machine room A	Machine room B	Store B	Store C
Energy Baseline:1.97 PUE:1.87 Performance: -5% (up to standard)	Energy Baseline:34.35 EUI:30.65 Performance: -11% (up to standard)	Energy Baseline:1.78 PUE:1.96 Performance: 10% (below standard) Review: Change of occupancy rate in machine room, baseline has been adjusted according to procedure	Energy Baseline:1.71 PUE:1.57 Performance: -8% (up to standard)	Energy Baseline:63.85 EUI:40.51 Performance: -37% (up to standard)	Energy Baseline:52.43 EUI:44.52 Performance: -15% (up to standard)

Note 1: EUI (Electricity Consumption): office and store / PUE (Efficiency of Energy Consumption): machine room
Note 2: Store A closed in June 2017

ISO14064-1

Category:
Taiwan Mobile (including Taiwan Mobile Foundation),Taiwan Digital Service, Taiwan Teleservices & Technologies, Taiwan Fixed Network, TNF Media and its broadcasting channels, Win TV Broadcasting, Taiwan Kuro Times Co., Ltd., Tai Hsin Integrated Digital and Tai Hsin Insurance Agent
Examination type
Office building, machine room, base station and direct stores
Types of GHG: GHG include CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3
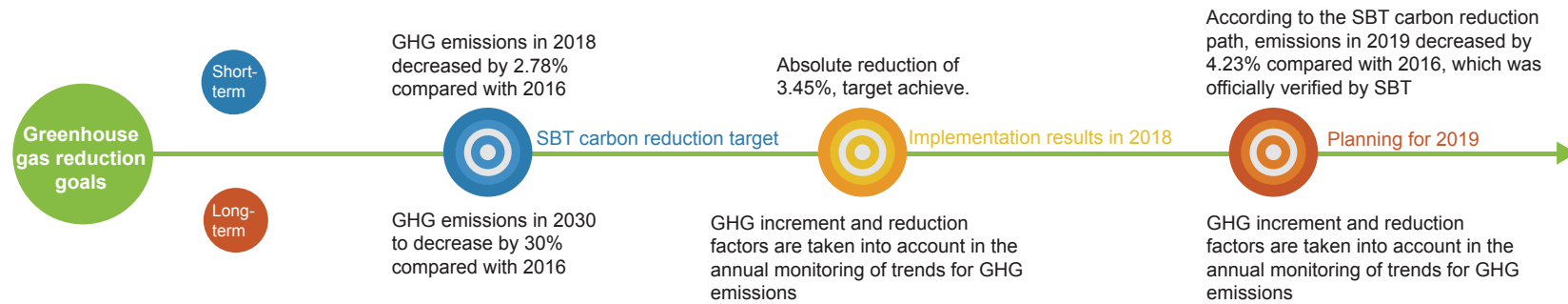**Achievements in 2018 (Refer to GHG Management Strategies and Objectives for details)**
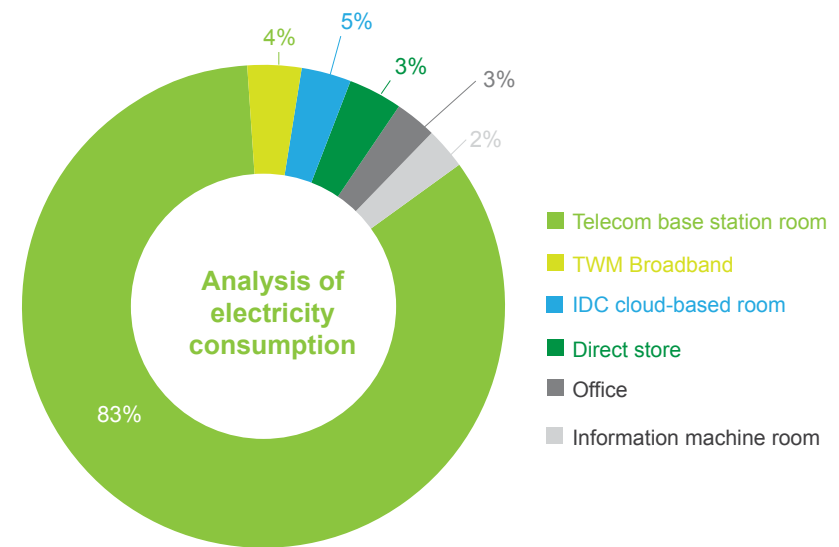1.Major sources of emissions: Electricity (i.e. Category II Indirect Emissions)
2.Examination of Category III: a total of 15 items

2.5.2 Carbon Emission Management

1.GHG Management Targets and Strategies

Greenhouse gas reduction goals

Short-term

GHG emissions in 2018 decreased by 2.78% compared with 2016

Long-term

GHG emissions in 2030 to decrease by 30% compared with 2016

SBT carbon reduction target

Implementation results in 2018

Absolute reduction of 3.45%, target achieve.

GHG increment and reduction factors are taken into account in the annual monitoring of trends for GHG emissions

Planning for 2019

According to the SBT carbon reduction path, emissions in 2019 decreased by 4.23% compared with 2016, which was officially verified by SBT

GHG increment and reduction factors are taken into account in the annual monitoring of trends for GHG emissions

Since 2012, the introduction of ISO14064-1 greenhouse gas inventory have passed third-party verification each year to ensure data quality. The main source of emissions is the electricity used for operations (98%), and the electricity consumption in base station rooms is the main source. Other emission sources are refrigerants, fire extinguishers, septic tanks, and official vehicles.

Identification of GHG emission sources

- 98% Electricity consumption
- 1% Business vehicles,
- 1% Refrigerant, fire extinguisher, septic tank

Analysis of electricity consumption

- 83% Telecom base station room
- 4% TWM Broadband
- 5% IDC cloud-based room
- 3% Direct store
- 3% Office
- 2% Information machine room

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2.5.2 Carbon Emission Management

Greenhouse Gas Inventory for Scope 1 and 2

Project	Scope1(Direct Emissions) (ton-CO$_2$e)	Scope2(Indirect Emissions) (ton-CO$_2$e)-Market Based [2]	Scope2(Indirect Emissions) (ton-CO$_2$e)-Location Based[2]	Total Carbon Emissions(Scope1+2) (ton-CO$_2$e)-Market Based[2]	Total Carbon Emissions (Scope 1+2) (ton-CO$_2$e) - Market Based [2]	Emission intensity = total carbon emissions geographically / combined revenue (ton-CO$_2$e / NTD million)
2016[1]	5,871.03	246,508.43	-	252,379.46	-	2.16
2017[1]	4,846.90	247,829.57	-	252,676.47	-	2.16
2018	4940.26	238721.64	235916.18	243661.89	240856.44	2.06

Note:
1. According to the annual electricity coefficient of 2016 and 2017 announced by the Energy Bureau of the Ministry of Economy, the carbon emissions of category 2 in 2016 and 2017 are retrospectively revised
2. From 2018, according to the GHG Protocol Scope 2 Guidance, the purchase of renewable energy certification` for category 2 disclosure should be divided into "Location Based" and "Market Based", but environmental-related carbon reduction performance is calculated using "Location Based" data.

Energy analysis

Project		Unit	2016	2017	2018
Direct energy consumption	Gasoline	Litre	880,110.79	797,819.26	721,163.79
	Diesel oil	Litre	39,635.50	80,374.46	59,487.49
Indirect energy consumption	Electricity	Degree	465,110,240.83	447,345,792.95	430,905,484.87
Total energy consumption		Million joules*	1,704,600,446.93	1,639,461,959.59	1,577,003,797.54
		MWh	473,500.80	455,406.74	438057.18
Total expenditure on energy consumption		NT$	1,556,694,486.00	1,498,866,513.00	1,444,815,250
Energy Intensity	Energy Consumption/ Consolidated Revenue	Million joules* /NT$ million	14,613.26	13,992.05	13,282.05
	Power consumption/ information flow per unit	MWh/ Pb	335	245	190

* Source of coefficient: 101 Energy Handbook of Energy Bureau, Ministry of Economy

Analysis of Renewable Energy

Project	2016	2017	2018
Solar energy self-generating capacity (kWh)	2,733	32,280	78,285
Green Electricity Subscription Volume (kWh)*	1,400,000	3,360,000	-
Renewable Energy Evidence (kWh)	-	4,000	5,064,000

* Note: The voluntary green electricity subscription system has been discontinued since 2018

2.5.2 Carbon Emission Management

The verification for **15** GHG under Category III was completed.

total **698,584.99 ton-CO₂e**

2,962.58 ton-CO₂e **Downstream leased assets**
Category:Taiwan Mobile, Taiwan Fixed Network
Boundary:Carbon emissions from buildings leased to other companies
Tools *:LCA

740.82 ton-CO₂e **End-of-life treatment of sold products**
Category:Taiwan Mobile
Boundary:Carbon emissions in the recycling and disposal phase of the life cycle of purchased goods related to brand communications
Tools *:LCA

12,393.27 ton-CO₂e **Use of sold products**
Category:Taiwan Mobile
Boundary:Carbon emissions in the life cycle of purchased goods related to brand communications
Tools *:LCA

Not applicable **Investments**
Included in Scopes1 and 2 inventory

Not applicable **Processing of sold products**

6,291.67 ton-CO₂e **Downstream transportation and distribution**
Category:Taiwan Mobile
Boundary:Carbon emission of virtual logistics and myfone shopping
Tools *:LCA

3,429.61 ton-CO₂e **Upstream leased assets**
Category:Including Taiwan Mobile, TNF Media, Taiwan Fixed Network, Taiwan Digital Service, Taiwan Teleservices & Technologies, Win TV Broadcasting
Boundary:Carbon emissions of buses, transaction machines and computer equipment leased to other companies
Tools *:EEIO

469,796.56 ton-CO₂e **Purchased goods and services**
Category:Taiwan Mobile
Boundary:Carbon emissions in the life cycle of purchased goods related to brand communications
Tools *:EEIO+LCA

Franchises **6,728.59 ton-CO₂e**
Category:Taiwan Mobile
Boundary:Electricity Consumption and Refrigerant Evaporation Carbon Emission in Franchise Stores
Tools *:LCA

Employee commuting **2,845.61 ton-CO₂e**
Category:Taiwan Mobile, Taiwan Fixed Network, Taiwan Kuro Times Co., Ltd., Taiwan Teleservices & Technologies, Taiwan Digital Service and Tai Hsin Insurance Agent
Boundary:MRT, locomotives, buses, trains, cars, high-speed rail, taxis
Tools *:LCA

Business travel **417.77 ton-CO₂e**
Category:Taiwan Mobile, Taiwan Fixed Network, Taiwan Kuro Times Co., Ltd., Taiwan Teleservices & Technologies, Taiwan Digital Service and Tai Hsin Insurance Agent
Boundary:Aircraft, high-speed rail, train, bus, intercity bus, taxi, fuel subvention
Tools *:LCA

Waste generated in operations **744.20 ton-CO₂e**
Category:Taiwan Mobile, Taiwan Fixed Network, Taiwan Kuro Times Co., Ltd., Taiwan Digital Service, Taiwan Teleservices & Technologies, TNF Media, Win TV Broadcasting, Tai Hsin Integrated Digital and Tai Hsin Insurance Agent
Boundary:Carbon emissions from domestic waste (excluding resource recovery), waste water and industrial waste
Tools *:LCA

Upstream transportation and distribution **2,413.90 ton-CO₂e**
Category:Taiwan Mobile, Taiwan Fixed Network, Taiwan Kuro Times Co., Ltd., Taiwan Digital Service, Taiwan Teleservices & Technologies
Boundary:Internal logistics
Tools *:LCA

Fuel-and energy-related activities **56,533.65 ton-CO₂e**
Category:Taiwan Mobile, Taiwan Fixed Network, Taiwan Kuro Times Co., Ltd., Taiwan Digital Service, Taiwan Teleservices & Technologies, TNF Media, Win TV Broadcasting, Tai Hsin Integrated Digital and Tai Hsin Insurance Agent
Boundary:Other indirect carbon emissions of total electricity consumption in machine rooms, direct-operated stores, office buildings and base stations
Tools *:LCA

Capital goods **133,286.77 ton-CO₂e**
Category:Taiwan Mobile, Taiwan Fixed Network, Taiwan Kuro Times Co., Ltd., Taiwan Digital Service, Taiwan Teleservices & Technologies, TNF Media, Win TV Broadcasting and Tai Hsin Insurance Agent
Boundary:Carbon Emissions for Purchasing Capital Assets
Tools *:EEIO

Tools include
1.EEIO: Environment-Extended Input-Output
2.LCA: Life Cycle Assessment

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2.5.2 Carbon Emission Management

2.Efficiency of Energy Saving in Office   Carbon Reduction: 98.31 tons
Achievements in 2018
1.Detailed examination of high energy consumption electric field is carried out, and specific energy-saving improvement schemes are put forward, as well as the adjustment of power contract capacity to a reasonable value
2.Office Area of Taiwan Mobile
- The lights of Taipei University Office, conference rooms and common area are replaced by LED lights, saving about 78,417 degrees of electricity
- Taipei University, Taipei Optoelectronics, and Taichung Vision have replaced the low efficiency air conditioning mainframe, saving about 99,034 degrees of electricity

Renting Green Building Office to Create Green Office Environment
- Taipei Tunnan Tower is equipped with 8.6 kW solar energy and 9 kW green power generation facilities of wind power for public area electricity use
- Large area of transparent glass in Taipei New Horizon Building to enhance lighting

3.Energy-saving effect of office and machine Room   Carbon Reduction: 241.12 tons
In 2018, the broadcasting channels under TNF Media achieved a total of 435,228 degrees of electricity saving in implementing the integration of machine room services and environmental optimization.

4.Retail store energy-saving effect + 7 generation stores   Carbon reduction: 1,067.71 tons
Achievements in 2018
Through daily repairs and maintenance work, the energy survey of equipment database and implementation of energy-saving plan were established. In 2018, the lighting replacement and replacement of air-conditioning frequency conversion in stores achieved a total saving of 1,927,282 degrees of electricity:
1. Air conditioning standard changed from constant frequency air conditioner to frequency conversion air conditioner
2. Lighting replacement
3. Reconciliation of lighting time of signboard lamp
4. Indoor temperature control at 26 oC
5. Choose store to install sun shade or heat insulation paper
In 2019, we will continue to upgrade the old store style to a new 7-Generation store style, create a young store style in line with the development of 4G applications, improve the overall quality of service, and provide more innovative, environmentally friendly and convenient service places for the public

5.Paperless Stores
Continuously optimizing the bidding process and system, and for users who apply for mobile phone insurance or call details of advance cards from January 2018, paperless application is provided to reduce the use of application paper. Achievements in 2018: 4.3553 million copies of paperless application, saving more than 11.65 million pieces of paper.

2.5.2 Carbon Emission Management

6.Energy-saving effect of cloud-based machine room
Carbon reduction: 44.61 tons

Achievements in 2018
1.Start-up reconciliation of external air conditioning box: saving about 20,075 degrees of electricity
2.Adjust the number of winter ice machine operation in the common resource pool of air conditioning: saving about 60,442 degrees of electricity

7.Energy-saving effect of information machine room
Carbon reduction: 430.59 tons

Achievements in 2018
777,237 degrees of electricity saving in 2018
- Continuous implementation of network virtualization project to reduce investment in network equipment
- Using hyper-converged infrastructure to build private cloud platform to reduce the number of server purchases, saving 70% of space and electricity consumption
- Replacement of high efficiency UPS with equipment in machine room to reduce power conversion loss

8.Telecom Machine Room & Energy Saving Effect of Base Station
Carbon reduction: 9334.9 tons

83% of Taiwan Mobile's electricity is used in telecom machine rooms and base stations. Through systematic automation, regular monitoring and analysis of equipment power consumption, four smart energy-saving strategies and one intelligent electricity abnormality monitoring are implemented:
1.Intelligent Meter Management System, as shown in Figure 1 (Setting Baseline Energy Consumption and Annual Energy Saving Objectives)
2.Intelligent Electricity Saving Technical Counseling (Electricity Analysis and Energy Saving Diagnosis)
3.Establishment of Intelligent Energy Saving Scheme (Operation of Monitoring Equipment in Environmental Control System)
4.Intelligent Electricity Abnormality Monitoring (Intelligent Electricity Meter Analysis and Reduction of Electricity Abnormality in Time)
5.Energy-Saving Benefit Assessment and Award (Establishing Award System to Promote Energy-saving Effectiveness)

Achievements in 2018
Base Station: The number of base stations in the Company continues to grow. By 2018, 63% of the base stations have invested in a number of energy-saving methods, saving 10.76 million degrees of electricity in 2018 (GHG inventory of electricity consumption in base station: 291,789,091 degrees in 2017; 281,027,533 degrees in 2018)
Intelligent Meter for Base Station: In 2018, 19% of the base stations installed Smart Meter (YOY growth 40%). It can check energy-saving benefits of annual energy-saving objective, and has real-time monitoring and rapid removal of abnormal electrical barriers. A total of 574 stations in 2018 suffered from abnormal electricity consumption, and barrier removal was completed for all of them within 3 days

Smart Meter

Historical electricity use analysis
Plan annual energy saving targets

Monitor real-time electricity use and provide abnormal warnings

Electricity management and demand response

Conduct and monitor the effectiveness of energy conservation
Reduce CO2 emissions

Machine room: Import magnetic levitation frequency conversion centrifugal ice water machine to improve operation efficiency; Implement intelligent cold channel isolation system, intelligently adjust the temperature, air volume and water demand of machine room; Import DC power supply equipment of high conversion efficiency to improve power conversion efficiency, and electricity consumption decreased by about 6.09 million degrees compared with last year (GHG inventory of electricity consumption in base station: 80,333,772 degrees in 2017; 74,244,611 degrees in 2018)

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2.5.2 Carbon Emission Management

9.Industry and University Research on Climate Change

Since 2016, we have cooperated with the National Taipei University of Technology to study the management strategy of telecommunications industry in response to climate change. Based on the international benchmark strategy of climate change management, we authorized the team as a proxy to carry out the research on carbon rights management in 2018.

1.Identifying Situational Factors Related to Climate Change

2.Combining Scientific Basic Objectives (SBT) and Related Risk Situations

3.GHG examination, assessment and quantification under Category 3

4.dentifying Climate Risks and Opportunities by Task Force on Climate-related Financial Disclosures (TCFD), and Establishing Strategic Situations for Risk Response by SBT

In 2019, the plan is guided by the carbon footprint research from Telecom base station to user mobile device, and expects to work with customers to gradually realize low-carbon Telecom and Internet of Things services

10.Current Status and Objectives of the Introduction of Renewable Energy

The Company actively invests in green energy construction, taking into account many factors such as regulations and environment. We continue to expand the number of green energy construction and the scope of application. In addition, the Standard Inspection Bureau of the Ministry of Economy promoted the voluntary renewable energy evidence system in 2017. In 2018, 64 T-REC evidences were obtained from the Company's base station machine room to support the renewable energy policy. Due to the continuous expansion of solar photovoltaic power generation in the Taichung machine room, renewable energy evidences will continue to be applied. In addition, IDC cloud-based machine room has obtained 5,000 renewable energy evidences (I-REC), which are in line with the international renewable energy market.

Achievements in 2018

1.Total renewable energy usage rate: The proportion of green energy used in base stations, machine rooms and data centers reached 1.37% (the objective for 2018 was 1.2%, up to standard)

2.Renewable energy use of IDC cloud-based machine room: IDC renewable energy use accounted for 24.82% of its electricity consumption (the objective for 2018 was 20%, up to standard)

3.Green energy construction: 50 kW of solar power was put into construction in 2018, which has reached 215 kW by 2018 (the objective for 2018 was 180 kW, up to standard)

▶ Green Energy Use and Green Energy Construction Objective (refer to P17 "2030 Vision Plan" for details)

2.5.3 Green Energy Initiative Integration Project

Achievements and Objectives

Climate change has attracted worldwide attention for its impact on enterprise operation. The Company actively promotes the value chain to implement corporate social responsibility. It has also launched the "2030 Vision Plan" ESG, which is oriented towards KPIs and fully corresponds to the United Nations Sustainable Development Goals (SDGs). The Company has promoted Green Energy Initiative Integration Project in the environmental aspect since 2015. In 2016, we set the core topic as "TWM Green Energy Promises a Brighter, More Sustainable Future". In 2018, the project has entered the fourth year. It responds to eight major stakeholders once and for all. It has continuity and creates energy output value. It is a win-win and co-prosperous scheme for enterprises, society and NPO.

Green Power for Charity
Project for Generating Green Power:

	2017	2018
Raised	5.7million	8.95million
Solar energy systems	99.8KW	168.3KW
Degrees of electricity	2.32 million degrees	3.45 million degrees
Electricity sales revenue	9.65million	16million
Amplified love	1.76 times	1.7 times

Green Energy Films and Posters
Convey Sustainable Ideas:

Year	2017	2018
Views The Group's fan page and official website promotion	0.72 million	0.95 million

Expanding rendering power through press conferences and TV commercia:

	2015	2016	2017	2018
News	82	60	55	72
Media benefits	4.68 million	5.16 million	5.55 million	4.68 million

NGO

Customers

Media

Suppliers

Employees

Government

International organization Investors

TWM Green Energy Promises a Brighter, More Sustainable Future
Green Energy Initiative

Bringing Enterprise's Calling Power into Play:

Year	2015	2016	2017	2018
Vendors	8	11	13	26

1. The Environmental management committee review all the environment KPIs twice a year.

2. Green energy construction:

Year	2015	2016	2017	2018	2018
construction	28 KW	52 KW	50 KW	50 KW	50 KW

3. Green Parent-Child Day:

Year	2017	2018
Person	724 person	276 person

1. Policy engagement:
After shout down 2G and 3G telecom infrastructure, "Telecommunications Management Act" paving the way for telecoms to share 5G networks and frequency bands, this will save more energy and bring more innovation and cross-industry cooperation.

2. Supporting Green Energy Policy:

Year	2015	2016	2017	2018
Renewable energy evidence	–	–	–	5 million
Green Electricity Subscription	1 million degree	1.4 million degree	3.36 million degree	

Responding to International Green

Dow Jones Sustainability Indexes

Carbon disclosure project

Join Global e-Sustainability Initiative

ISS-oekom Corporate Rating Report

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2.5.3 Green Energy Initiative Integration Project

2018 Green Power for Charity X Taoyuan Chensenmei Social Welfare Foundation

Publicity film

Spokesman:Kuo Hsing-Chun

9.09 million fundraising (over raised)

16 million in revenue from selling the electricity in 20 years

3371 responders
26 suppliers responded

Output of **1.76x** of the funds raised.

168.3 kW construction capacity

Generate approximately **3.45** million kWh of power in 20 years

2019 power generation shown on electric meter

Partners: myVideo momo ASUS Benten Hugiga 鴻碁國際 HTC HUAWEI LG Life's Good oppo SHARP

SONY vivo SUGAR SAMSUNG ZTE

Respons: 群環科技 bestcom Weblink 展碁國際 PHILIPS tokuyo Wei-Link.co.uk GIANT YAMAHA dyson Honeywell BRAUN

2015/2016

NT$1 donated by Taiwan Mobile for each mobile phone purchased by consumers Promoting green energy together

2017

Green Power for Charity in Fu-Huey Social Welfare Foundation

▶▶ Green Power for Charity Program initiated since 2017

2018

2019

Taoyuan Chiropractic Potential Development Center (Under planning)

- 5.7 million fundraising (over raised)
- 99.8 kW construction capacity
- 862 responders
- 13 suppliers responded
- 2018 power generation shown on electric meter
  1.2018/3~2019/Generating 109,000 degrees of electricity
  2.Electricity sales revenue of nearly NT$600,000 per year

Publicity film   Achievements film

Spokesman:Chang Shan-Cheng, chairman of the board、 Chan Yung-Jan, Chan Hao-Ching

2.5.4 Green Operations

1.Achievement and Objective of Electronic Waste Reduction

E-waste disposal focuses on selling replacement products to professional recyclers for reuse, implementing the policy of reducing waste through cooperation between source management and suppliers, practicing circular economy and improving the usage rate of resources.

2G Mobile Phone System Replacement:
The replacement will be carried out successively during 2017-2018, 100% are sorted with recyclers on site to properly dispose of waste in the principle of resource recycling. Non-controlled materials (85%) are sold to professional telecom manufacturers for recycling and reuse, which reduced the generation of about 3,654 tons of electronic waste.

Work with suppliers to reduce maintenance and replacement waste:
To implement the policy of source management and waste reduction, cooperate with major telecom core equipment and base station suppliers. The suppliers are responsible the maintenance of spare parts and troubleshooting of related equipment, and reduce the purchase of equipment and materials by 10% as well as the generation of future waste.

In 2018, about 2,400 faulty cards were accumulated. Through the cooperative mechanism of supplier assistance in equipment maintenance and spare material replacement, 24,000 tons of waste (average about 20 kg per card) were reduced compared with the previous Company's self-repairing and extra examination of spare material (about 5 times the amount of spare material required).

Waste statistics in 2018

Waste (tons)	Taiwan Mobile	TWM Broadband
Industrial Waste - Waste Optical Cable 1	229.236	39.29
Industrial Waste - Waste Copper Cable 2	8.278	12.88
Industrial Waste - Waste Lead acid battery 3	719.941	0
Industrial Waste -Waste telecom equipment 4	333.941	2.426

▶ Statistics of waste recovery/incineration/burial are detailed in Appendix on P132

2.Achievement and Objectives of E-bill Services

Since May 2008, e-bill services have been introduced. In 2014, the service of payment by providing barcode on supermarket mobile phones and printing bills on multi-media desks has been launched. More than 90% channels can accept the payment of paper-free bills

Achievements in 2018
68% of customers opted for e-bill services, and agreeing to a consolidated bill also achieved a 60% reduction in volume, saving 150 million sheets of A4 paper per year, equivalent to the reduction of about 535 tons of carbon emissions in billing printing and delivery process

Long-term Objective
Continue to support the transformation of low-carbon development, and achieve the ultimate goal of low-carbon life by reducing 170 million sheets of A4 paper printing and 614 tons of carbon emissions annually in 2023

Projects	E-bill Customer Ratio	Reduce A4 Paper Printing (thousand sheets)Ratio	Carbon Reduction and Carbon Fixation Benefits (tons)
2016	42%	90,936	339
2017	55%	114,624	426
2018	68%	150,756	535
2023	79%	169,641	614

Note: (1) Carbon reduction and sequestration benefits include carbon reduction 6.32g per bill and 12 kg per tree per year.
(2) Explanation of calculation foundation: estimating annual benefits based on the final number of periods

3.Green Logistics - Logistics vehicle management mechanism

Outsourcing logistics motorcade through various management mechanisms to save carbon emissions, with a total of 791 tons of carbon emissions saved in 2018:

Switch off the engine before parking for delivery: : When the motorcade arrives at the store, drivers are forced to stop and switch off the engine. In 2018, a new requirement for drivers to switch off the engines idling for over 60 seconds is added, which saves about 246 tons of carbon emissions per year

Cancellation of locomotive motorcade: Cancellation of locomotive motorcade and integration into routine logistics motorcade to save about 94 tons of carbon emissions annually

Adjustment of vehicle allocation for each tonnage of the motorcade: Adjustment of vehicle allocation for each tonnage without affecting operation will save about 451 tons of carbon emissions per year

4.Store Waste Management

The main waste in stores is domestic waste. The Company regularly advocates the concept of waste reduction and classification to its colleagues. In 2019, the Company plans to incorporate domestic waste into statistical management, so that colleagues can understand the importance of resource reduction, recycling and reuse. Domestic waste and recyclable waste in stores are handled by professional clearance and transportation.

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2.5.4 Green Operations

5.Green Transportation - Engineering Vehicle Oil Management System

In 2016, our own brand " Motorcade Steward Service" was launched, and a total of 366 engineering vehicles were introduced into the system, and the vehicle usage rate, safety, idling and oil consumption management operations were analyzed through the system's big data

Achievements in 2018

- Vehicle dispatch management: Through the report function information of vehicle mileage and departure days/times, the vehicles with low usage rate will be eliminated. Five vehicles were eliminated in 2018, which saved about NT$129,000 on rents and 521.3 litres of oil consumption
- Safety management: Through the setting of driving trajectory, mileage and over-speed, fatigue driving due to excessive mileage and over-speed vehicles were reduced by about 61%
- Idling and fuel management: Through the vehicle monitoring system and abnormal management interface to learn the abnormal idling situations and conduct real-time monitoring of vehicles, reduce idling time, save fuel consumption and carbon emissions. In 2018, oil consumption decreased by about 8.3% (36,286 litres of oil were reduced, about NT$1.01 million saved) and carbon emission was reduced by about 82,000 tons
- Back to garage and cross-area management: Adding electronic fence setting function, binding the scope of the responsible maintenance area, monitoring the abnormal crossing area of vehicles, reducing unnecessary vehicle dispatch and fuel consumption

Objectives in 2019

By reducing idling, cross-area management and adopting low-fuel vehicles, Y20 fuel consumption was reduced by 25%

6.Office Waste Management and Video System Promotion

Committed to the classification of office waste, recycling resources, we have commissioned qualified waste disposal company for recycling. In addition, we have strengthened the use of electronic documents, promote double-sided printing and waste paper recycling, and reduce the waste of photocopy paper and waste paper. In the past three years, office resources and waste statistics are as follows:

	2016		2017		2018	
	TWM	TWM Broadband	TWM	TWM Broadband	TWM	TWM Broadband
Waste (tons)	162.4	50.228	155.6	69.927	154.4	49.337
Resource recovery (tons)	32.2	5.243	47.0	4.708	48.9	4.418
Paper consumption (number of sheets)	6,606,500	1,957,266	6,615,500	2,189,280	6,147,000	1,832,996

Promotion of Video Conference System

At present, there are 458 sets of video conferencing equipment in the Company. Video conferencing system has been vigorously promoted within the Company. In 2018, the frequency of use in various places is about 40,433 times in total.

7.Water Resource Management

In 2018, we upgraded water resources monitoring and management, and continued to expand the scope of water resources statistics to include direct stores and information machine room.

Annual water consumption (degree/m³)	2016	2017	2018	Water saving measures
Office	85,911	87,810	87,743	Installation of frequency converter on fan motor of cooling water tower in photoelectric and neutralization machine room
Direct stores	61,321	54,458	53,985	Putting PET bottles in the toilets of direct stores to save water
Machine room base station	165,864	185,167	180,250	
Total	313,096	327,435	321,978	
Rainwater recovery	810.60	342.4	102.3	In order to accurately count the amount of rainwater reclaimed, the installation of water meters for cloud-based machine room was completed on August 21, 2017 (the reclaimed amount before installation is estimated); For Taipei New Horizon Building, due to the serious pollution of reclaimed water quality to the people's livelihood water supply system, it is transferred to the use of ecological pools, so there is no statistical usage degree

2.5.5 Green Services

Expansion of parking fee collection in 2018, with a total reduction of 470,000 receipt printing

Using telecom data to assist advertisers in accurately contacting target audiences in various digital channels and improve advertising efficiency. It can effectively reduce paper waste and achieve energy-saving and environmental protection

Customers can search online or apply for services through APP without traveling to the store, thereby reducing the amount of paper applications and carbon footprint

Through Wali Electronic Seal Cluster Card Platform, the Cluster Card Platform can be stamped directly on the mobile phone. Users do not need to carry paper collection cards when they go to stores, reducing CO_2 emissions by about 3,145 kg

In 2018, the existing billing presentation was innovated. If the customer has only one current bill, it will be sent in the form of letter sheet, which has reduced the consumption of 14.1 million A4 paper per year

The overall energy efficiency objective follows the measurement benchmark of machine room under "The Green Grid" Alliance Silver-class, and full-loading reaches 1.5 energy efficiency of PUE (Power Usage Effectiveness).

Direct Carrier Billing (DCB)

TAmedia

TWM Customer Service APP

WALI Intelligent Seal Collection Card Platform

E-billing

IDC

Environmental Sustainability

myVideo
Compared with traditional consumption mode, music digital mode carbon emission is only 4.2%

0.55g CO_2
Consumer download per MB data (mobile network, video)

Saving a large volume of physical disk production and paper printing, and the referral of films according to user preferences to reduce search energy consumption, all to implement the common global development goals of energy saving, carbon reduction and land sustainability. We will continue to optimize the user experience to reduce unnecessary energy use in the future

*The traditional mode calculates carbon emissions by the annual amount of movies watched, songs listened and books read, while the digital mode calculates carbon emissions by the annual transmission amount.

myBook
compared with the traditional consumption model, the carbon emission of digital e-book model is only 82.8%

0.8g CO_2
Consumer download per MB data (mobile network, E-book)

- Since July 2018, the free zone has attracted 11,857 digital readers. In 2018, 860,000 e-books were downloaded to reduce paper printing In 2019, we participated in the Digital Nursery (Dam) Public Welfare Project to help 10,000 disadvantaged young people improve their foreign language skills through digital learning

*The traditional mode calculates carbon emissions by the annual amount of movies watched, songs listened and books read, while the digital mode calculates carbon emissions by the annual transmission amount.

myMusic
Compared with traditional consumption mode, music digital mode carbon emission is only 4.2%

0.55g CO_2
Consumer download per MB data (mobile network, music)

- Reduce carbon emissions from excessive packaging and logistics, and reduce the impact of traditional consumption patterns on the environment.
- Since July 2018, a free music zone has been provided, which can be used by all members. It further reduced the emissions of packaging design, logistics, publicity and other manufacturing, and has reduced the carbon emissions by 2,828,004 KG
- Continuously strengthen the form of music services to meet the needs of different music users, achieve the goal of universal access to online music services, and reduce more carbon emissions

*The traditional mode calculates carbon emissions by the annual amount of movies watched, songs listened and books read, while the digital mode calculates carbon emissions by the annual transmission amount.

M+ Messsager

M+ Enterprise Real-time Communication App: Integrate billing, audio-visual streaming and desktops to make more use of network and fewer roads. M+ red envelope and payment function totaled more than NT$800 million and saved paper. Audio-visual life insurance is a patented technology. More than 20 enterprises adopted MOT/Phone, reducing transportation costs and carbon emissions.

WAL I Mobile Joint Easy Card

Through Wali binding, it can be used on mobile phones. No new card is required, and the easy card can be automatically recharged without going to the store, reducing the emission of about 5,260 kg CO_2

Store shopping of myfone

Use the concept of e-commerce, orders are place on the screen of the store, and delivered to the house. There is no waste of printing/paper, and it can save the transportation and storage of commodity, and reduce the emission of about 1,938 kg CO_2

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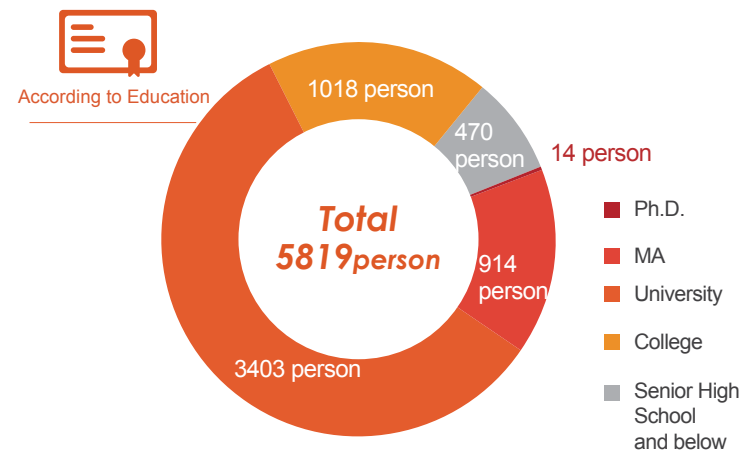Environmental Sustainability

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2.6 Happy Workplace ▶▶▶ ▶▶▶

Core concept:

Talent is the key to maintain core competitiveness. We view our employees as partners for sustainable growth and thus build a happy workplace and provide comprehensive career development and gender-equality focused opportunities, attractive salaries and benefits, smooth communication between employers and employees, and diverse training, to encourage employee's self-realization, promote a sense of achievement, facilitate employee bonding and corporate identity.

Commitment and action:

With respect to our employees, TWM adheres to the principles of "integrity as a way of life, pursuing goals with enthusiasm, innovative thinking, and make hard things simple" as our core values.

· We emphasize integrity and enthusiasm when hiring employees. Integrity is the cornerstone of interpersonal interactions. Moreover, enthusiasm for services and learning are key to fulfill the spirit of Excel Customer Experience.

· We firmly believe that innovation is the driving force for continued Company growth and thus encourage employees to implement the concept of make hard things simple and propose innovative or improvement solutions to help the Company become the leader in digital convergence.

· Based on performance and differentiated and competitive rewards, we implement performance-oriented promotion and salary policies.

· In response to industrial outlook and corporate development strategies, we formulated corresponding training programs and management and professional occupational development courses to improve employee's competency and career development opportunities.

Material Topic

Employees' physical and mental health / Talent cultivation & retention

The chapter fully responds to the 4 major stakeholders

Competent authorities

Communities/ NGO

Shareholders investor

Media

Employees

Customers

Rating Agencies

Suppliers

Photo by:黃正雄
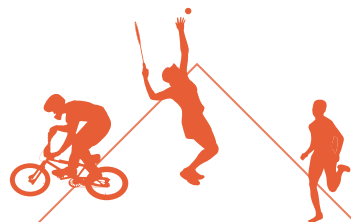
Employees participated in Online Sports Competition via mySports app

3,011 person

calories consumed：

10.16 million.

TWM was awarded "Badge of Accredited Healthy Workplace" by Health Promotion Administration.

TWM was certified with "Excellent Breastfeeding room" by Taipei City Government.

Happy Workplace Results & Performance

Hired persons with disability

1.71 times above the statutory quota：longest seniority：

26 years.

85% of pregnant employees received prenatal education

81% of postnatal employees received caring phone calls

76% "strongly agree" or "agree" that our working environment is friendly. (met 2020 target two years ahead of schedule)

Participants (person-times) in CSR related training courses：

38,659 person

439% increase compared to 2017).

Average training hours per employee: **68.4** (met 2020 target two years ahead of schedule).

2019 Objective:

- Develop customized annual training plans based on business development, and keep tracking average training hours per employee (including employees in direct stores)

- 73% and higher of employees are satisfied with the friendly work environment

- The number of employees receiving CSR trainings increases by 2% from that of 2017.

- Continue to promote mySports Online Sports Competition.

- Continuously promote the employment of disabled persons

- 85% of pregnant employees receive prenatal education

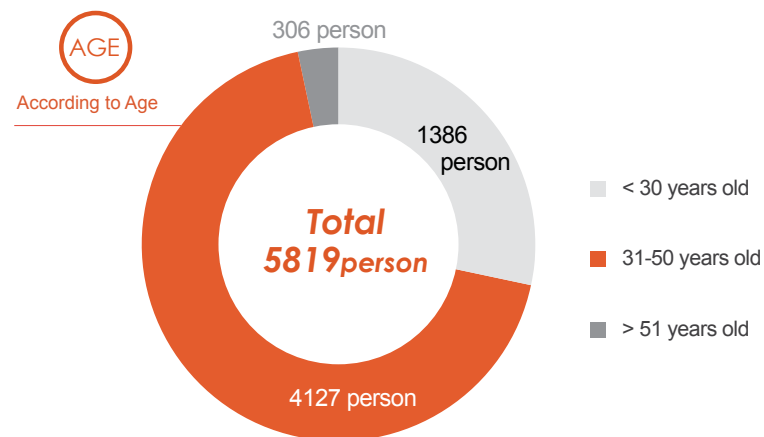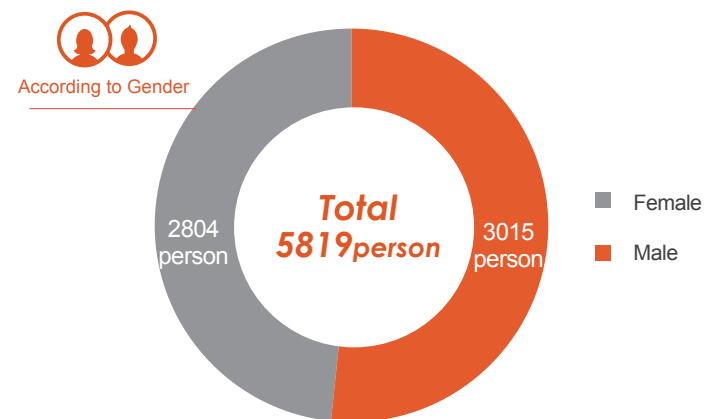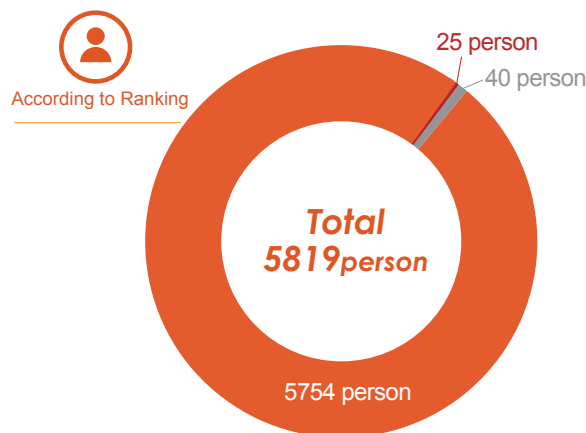- 85% of postnatal employees receive caring phone calls

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2.6.1 Talent Development and Retention

1. Talent Recruitment and Diversity

In response to the rapid changes in the Company's development and industry, we actively recruit different professional talents in the fields of cloud and big data, and provide competitive compensation and benefits and learning development.

Employees are hired through open recruitment, and the salary for basic professional personnel of the same category shall be the same. For professional personnel with work experience, the salary will be determined according to their education and work experiences, expertise and professional certifications. There will be no discrimination in remuneration, benefits, promotion, training, employment rights, etc., due to gender, sexual orientation, age, marriage, race or disability.

To provide more services, approximately 20% of workers who are not employees assist in business execution, such as direct store services. By the end of 2018, employees aged 31-50 were the majority, 48% were women, and female accounted for 48.80% of total management workforce. The Company mainly hires local employees, including 2 foreign employees and 22 indigenous employees (55% are female).
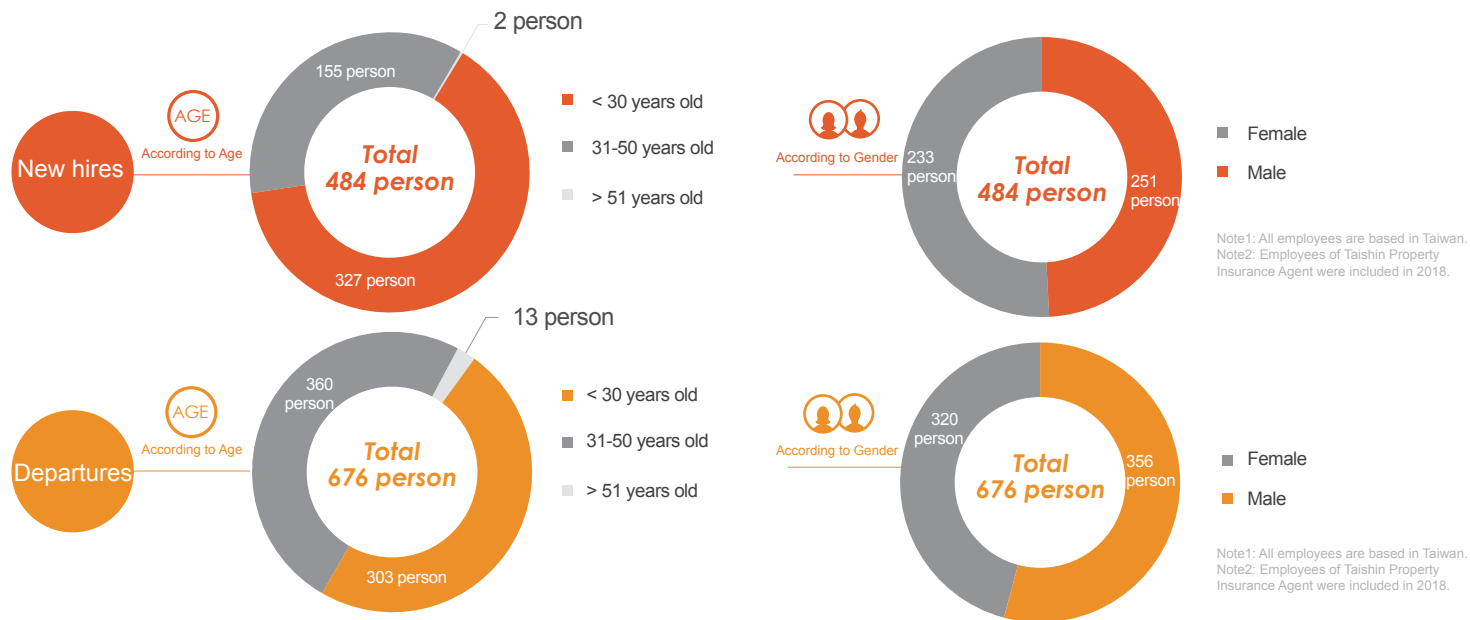
According to Ranking

25 person
40 person

Total
5819 person

5754 person

- Executives (Vice President)
- Employees
- Part-time

According to Gender

2804 person

Total
5819 person

3015 person

- Female
- Male

AGE

According to Age

306 person

1386 person

Total
5819 person

4127 person

- < 30 years old
- 31-50 years old
- > 51 years old

According to Education

1018 person

470 person

14 person

Total
5819 person

914 person

3403 person

- Ph.D.
- MA
- University
- College
- Senior High School and below

Note1: All employees are based in Taiwan.
Note2: Employees of Taishin Property Insurance Agent were included in 2018.

▶ Please refer to the Appendix P133 for 2016-2018 Employee structure statistical table.

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2.6.1 Talent Development and Retention

To reduce the turnover rate, we need to understand and determine the reason why employees are leaving the company. The best way to learn this is by conducting exit interviews before an employee leaves to clarify the reason why they resign and find the root cause. With these interviews we will be able to obtain a great deal of information, which we can share with managers to find solutions to solve the issues causing the turnover. Moreover, we provide career consulting to departing employees, and some of them cancel the resignation after the exit interview.

New hires — According to Age

- 2 person
- 155 person
- 327 person

Total 484 person

- < 30 years old
- 31-50 years old
- > 51 years old

New hires — According to Gender

- 233 person
- 251 person

Total 484 person

- Female
- Male

Note1: All employees are based in Taiwan.
Note2: Employees of Taishin Property Insurance Agent were included in 2018.

Departures — According to Age

- 13 person
- 360 person
- 303 person

Total 676 person

- < 30 years old
- 31-50 years old
- > 51 years old

Departures — According to Gender

- 320 person
- 356 person

Total 676 person

- Female
- Male

Note1: All employees are based in Taiwan.
Note2: Employees of Taishin Property Insurance Agent were included in 2018.

▶ Please refer to the Appendix P134 for 2016-2018 Analysis of new/resigned employees statistical table.

The Company will promote the employment of the disabled with no upper limit.

- The hiring of the disabled is 1.68 times higher than that stipulated by law, and the most senior employee among them has worked for 26 years, 2 of which are assistant managers.
- Various disabilities: severe visual impairment, severe organ impairment, limb impairment, epilepsy, hearing impairment and facial impairment
- Multiple positions: Optimization of Network Technology, System Development, Sales, Market Survey, etc.
- Provision of a friendly workplace including: parking space, spacious seats and digital communication writing board, etc.
- External Cooperation: Development Center of Spinal Cord Injury and Victory Social Welfare Foundation.

Campus talent cultivation, shorten the gap between learning and application.

We have continued our partnerships with institutions of higher education. In 2018, a total of 16 students participated in industry-university cooperative internship programs, who received comprehensive training in addition to salary. Students whose performance was outstanding were given hiring priority. Through internship, campus discussion and recruitment, with high-level officers as lecturers and other means, we'll continue to maintain the relationship with the campus and the early contact with potential talent, and further help students with the study and practice.

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2.6.1 Talent Development and Retention

2. Remuneration and Benefits

The Company will also uphold the principle of "employees as the most important asset of the Company", and provides competitive remuneration to attract and retain talents. Our standard starting salary is higher than the basic wages prescribed by the Government and competitive to be ranked within the 2018 Taiwan HC 100 Index for four consecutive years. Remuneration in telecommunications industry is the highest among all other industries and 1.94 times higher than the average amount.

To maintain competitiveness, the Company will evaluate the market remuneration standards, evaluate the performance and future development of the Company, and formulate remuneration plans in the future. We implement performance-oriented remuneration policy by conducting periodic performance evaluations for all employees.

In 2018, the number of full-time employees who are not supervisors, and average of full-time employee salary who are not supervisors, compared to previous year, the difference is as below table.

Item	2017	2018	Growth rate
Number of full-time employees who are not supervisors	3,679	3,708	0.65
Average of full-time employee salary who are not supervisors	1,028	1,039	1,.56

Note: According to the "Operating Procedures for the Preparation and Filing of Corporate Social Responsibility Reports by Listed Companies" published by the Taiwan Stock Exchange, the information of the professional auditor of the Company in 2018 was audited by Deloitte & Touche.
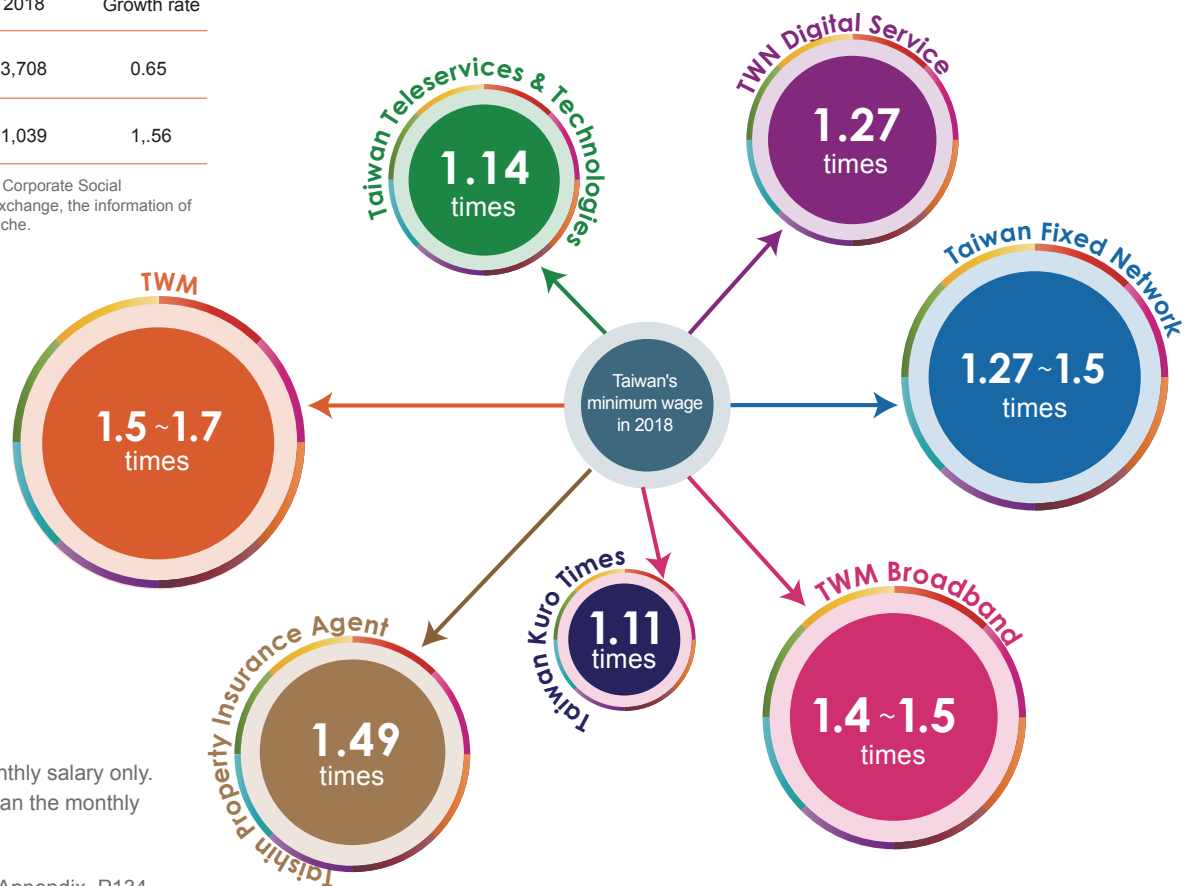
* Comparison is based on individual employee's basic monthly salary only.
* Salaries of workers who are not employees are higher than the monthly minimum wage in Taiwan.

▶ TWM plastics group salary ratio analysis please refer to Appendix P134

Taiwan Teleservices & Technologies 1.14 times

TWN Digital Service 1.27 times

Taiwan Fixed Network 1.27~1.5 times

TWM 1.5~1.7 times

Taiwan's minimum wage in 2018

Taishin Property Insurance Agent 1.49 times

Taiwan Kuro Times 1.11 times

TWM Broadband 1.4~1.5 times

2.6.1 Talent Development and Retention

Benefits and bonus are important measures to attract talent. The Employee Welfare Committee is responsible for planning and implementing various benefits which include not only the general benefits items but also free-charge group insurance for employees and their dependents, employee stock ownership trust(Market Capitalization: NT$ 571 million), high subsidy for phone bills, preferential value-added service with family members, purchase discount for company products, good and comfortable working environments. emergency aids, and other measures. For detail, please visit our website. In 2018, employee salaries and consolidated expenses of the benefits totaled NT$6.1 billion The final version of funding plan for labor pension is available on page 96 of 2018 Q4 consolidated financial statement.

Encouraging employees to get married and have children:
· The shifts for employees who are pregnant or breast-feeding a baby may be readjusted so that they will not work on the night shifts.
· Maternity leave better than what is provided by law.
· Our regulations clearly stipulate that the performance evaluation shall be conducted for the actual duty period of the employees who have applied for maternity leaves or unpaid leaves, so that their evaluation results may not be adversely affected.
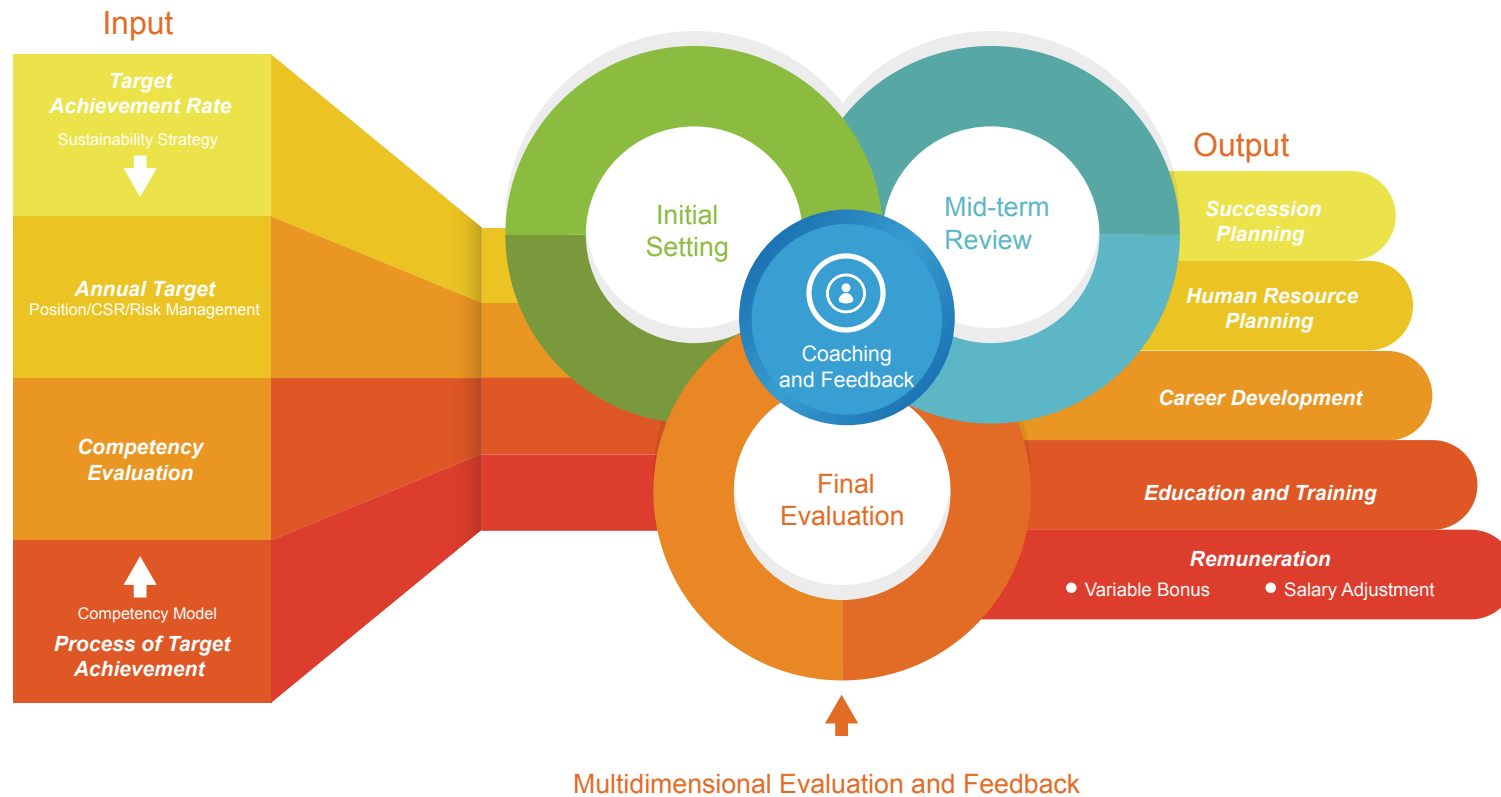
2018 Statistics on Unpaid Parental Leave

Category	TWM+Taiwan Fixed Network+ TWN Digital Service+ Taiwan Teleservices & Technologies+ Taihsin Property Insurance Agent (male)	(female)	TWM Broadband (male)	(female)	Taiwan Kuro Times (male)	(female)
Number of people eligible to apply for unpaid parental leave	291	297	14	12	0	0
Number of people who applied for unpaid parental leave	25	105	0	1	0	0
Number of people expected to return from unpaid parental leave (A)	29	109	0	2	0	0
Number of people who returned from unpaid parental leave as expected (B)	19	86	0	2	0	0
Number of people who returned from unpaid parental leave in 2017 (C)	12	89	0	3	0	0
Continued to work for more than one year after returning from unpaid parental leave in 2017 (D)	9	64	0	3	0	0
Return rate (B/A)	65.52%	78.90%	0%	100%	0%	0%
Retention rate (D/C)	75.00%	71.91%	0%	100%	0%	0%

2.6.1 Talent Development and Retention

3. Performance Evaluation

We conduct career development survey and performance evaluations for all employees on a regular basis, also assessment of target achievement as well as competence:

• Multidimensional evaluation: This system is to help each individual understand their strengths and weaknesses through conventional appraisals by supervisors as well as evaluations of superiors by subordinates and peers. The results will become the basis of their personal development, hoping that this approach will help employees learn to work with others in an efficient manner and to improve performance as a team. After the grades of performance evaluation have been finalized, supervisors will officially notify their subordinates of the results and feedbacks. The degree of communicative effectiveness is also examined by conducting a survey of all employees to determine if supervisors have clearly communicated the results of the appraisals to the employees.

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Input

- **Target Achievement Rate**
  - Sustainability Strategy
- **Annual Target** Position/CSR/Risk Management
- **Competency Evaluation**
- Competency Model
- **Process of Target Achievement**

Initial Setting

Mid-term Review

Coaching and Feedback

Final Evaluation

Output

- **Succession Planning**
- **Human Resource Planning**
- **Career Development**
- **Education and Training**
- **Remuneration**
  - ● Variable Bonus   ● Salary Adjustment

Multidimensional Evaluation and Feedback

- Corporate Social Responsibility: The employees are assigned CSR goals according to their jobs; the number of hours for CSR courses and volunteering leaves are provided.
- Risk Management: If the employees propose the innovation or improvement plans for mitigating risks, they will be able to achieve better performance and reward. In contrast, violation of internal control system or information security will affect performance evaluation.

2.6.1 Talent Development and Retention

4. Career Development and Training
Learning development is in association with strategy.

- We have planned the direction for next year's training in association with business strategic development, tendency analysis, interviews with high-level officers and colleague training requirements.
- For all employees from new ones to high-level ones, we have set up complete and diversified training to cater to the varied development needed by employees in different stages.

The rate for employee's attendance to the training course was 100%. Number of Training hours for TWM employees is as below table.

Our supervisors discuss and set the Individual Development Plan with each employee based on each department strategy goal, employee performance, career tendency and multiple feedbacks to tailor the best learning portfolios, with which employees are able to enrich their current position ability needed or learn knowledge and skills required in the next stage and get prepared for future career development to improve their performance and competency by training, learning by working, self-study, etc. The percentage of positions (including external recruitment) filled by internal recruitment is 21%.

The Company will summarize key positions and potential candidates for succession. The program will be established and followed up. The IDP achievement rate is 100%, the completion rate is 89.1% and 24 people have taken over key positions.

Training hours for TWM employees is as below table.

Item	Assistant manager or above	Assistant manager or below	Average by gender	Average training hours per employee
2016				
male	22.9 hours	32.1 hours	31.0 hours	28.8 hours
female	24.4 hours	25.9 hours	25.8 hours	
2017				
male	31.0 hours	58.6 hours	56.1 hours	55.6 hours
female	28.5 hours	56.5 hours	55.1 hours	
2018				
male	54.0 hours	91.0 hours	71.2 hours	68.4 hours
female	53.2 hours	85.7 hours	64.9 hours	

Note: Average training hours per employee: Taiwan Fixed Network 48.0; Taiwan Teleservices & Technologies 53.0; Taiwan Digital Service 60.6; Taihsin Property Insurance Agent 35.5; TWM Broadband 10.6; Taiwan Kuro Times Co., Ltd. 1.7

male   female

Ensure learning results
Understand and plan the course according to actual needs, conduct in-class management and after-class follow-up and implementation, as well as improve courses that do not meet the standards requirement. Course completion satisfaction increased by 93 points year on year (2.3% higher than target).
Training and development category and its specific results in 2018 as shown in below chart.

TWM Talk: Senior executives sharing the opportunities and challenges in 5G and IoT era.

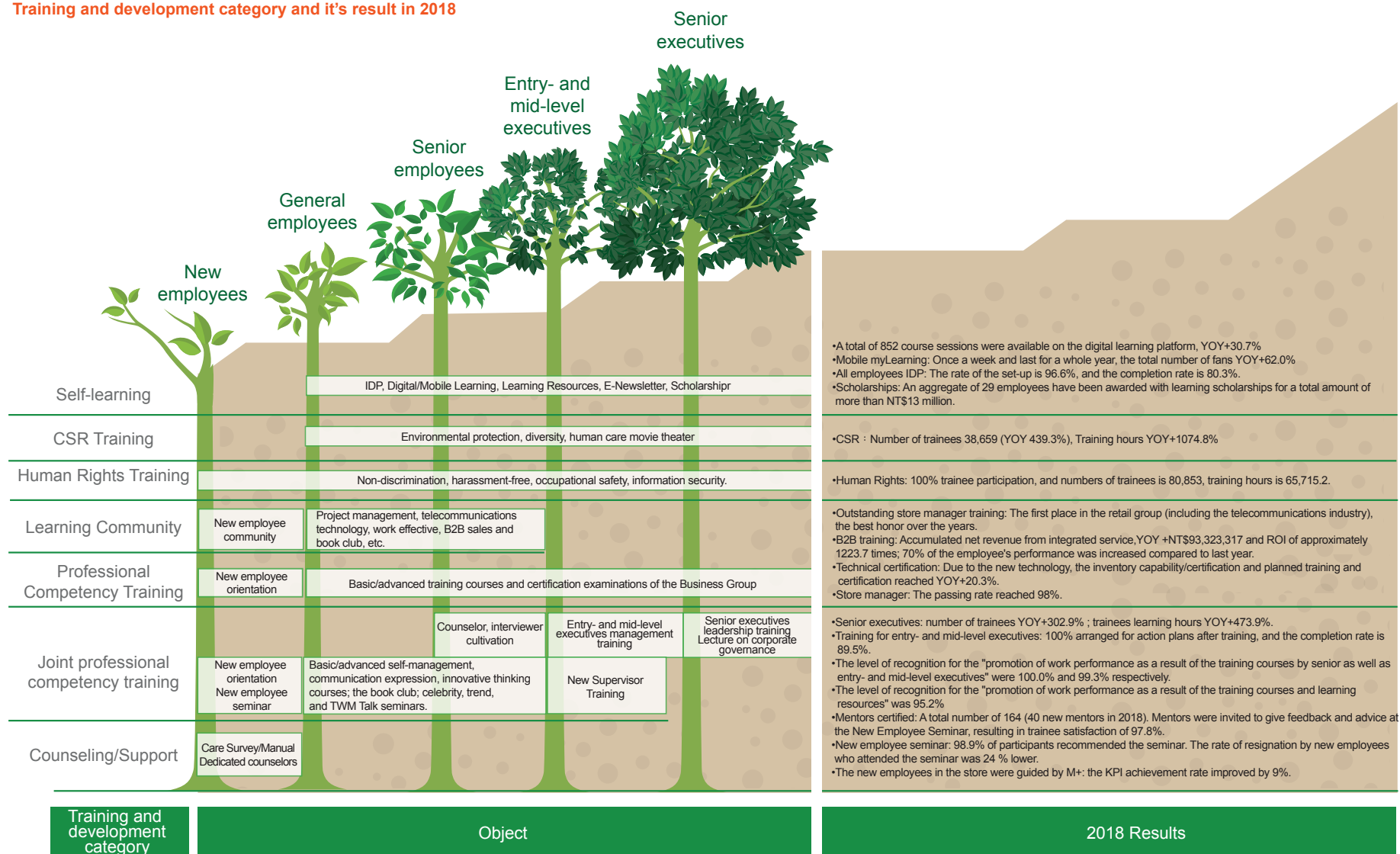
Interviewer Training and Innovative Thinking Training

Manager Training Working Efficiency Training

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2.6.1 Talent Development and Retention

Training and development category and it's result in 2018

Senior executives

Entry- and mid-level executives

Senior employees

General employees

New employees

Training and development category	Object	2018 Results
Self-learning	IDP, Digital/Mobile Learning, Learning Resources, E-Newsletter, Scholarshipr	• A total of 852 course sessions were available on the digital learning platform, YOY+30.7% • Mobile myLearning: Once a week and last for a whole year, the total number of fans YOY+62.0% • All employees IDP: The rate of the set-up is 96.6%, and the completion rate is 80.3%. • Scholarships: An aggregate of 29 employees have been awarded with learning scholarships for a total amount of more than NT$13 million.
CSR Training	Environmental protection, diversity, human care movie theater	• CSR：Number of trainees 38,659 (YOY 439.3%), Training hours YOY+1074.8%
Human Rights Training	Non-discrimination, harassment-free, occupational safety, information security.	• Human Rights: 100% trainee participation, and numbers of trainees is 80,853, training hours is 65,715.2.
Learning Community	New employee community / Project management, telecommunications technology, work effective, B2B sales and book club, etc.	• Outstanding store manager training: The first place in the retail group (including the telecommunications industry), the best honor over the years. • B2B training: Accumulated net revenue from integrated service,YOY +NT$93,323,317 and ROI of approximately 1223.7 times; 70% of the employee's performance was increased compared to last year. • Technical certification: Due to the new technology, the inventory capability/certification and planned training and certification reached YOY+20.3%. • Store manager: The passing rate reached 98%.
Professional Competency Training	New employee orientation / Basic/advanced training courses and certification examinations of the Business Group	
Joint professional competency training	New employee orientation New employee seminar / Basic/advanced self-management, communication expression, innovative thinking courses; the book club; celebrity, trend, and TWM Talk seminars. / Counselor, interviewer cultivation / Entry- and mid-level executives management training / New Supervisor Training / Senior executives leadership training Lecture on corporate governance	• Senior executives: number of trainees YOY+302.9% ; trainees learning hours YOY+473.9%. • Training for entry- and mid-level executives: 100% arranged for action plans after training, and the completion rate is 89.5%. • The level of recognition for the "promotion of work performance as a result of the training courses by senior as well as entry- and mid-level executives" were 100.0% and 99.3% respectively. • The level of recognition for the "promotion of work performance as a result of the training courses and learning resources" was 95.2%
Counseling/Support	Care Survey/Manual Dedicated counselors	• Mentors certified: A total number of 164 (40 new mentors in 2018). Mentors were invited to give feedback and advice at the New Employee Seminar, resulting in trainee satisfaction of 97.8%. • New employee seminar: 98.9% of participants recommended the seminar. The rate of resignation by new employees who attended the seminar was 24 % lower. • The new employees in the store were guided by M+: the KPI achievement rate improved by 9%.

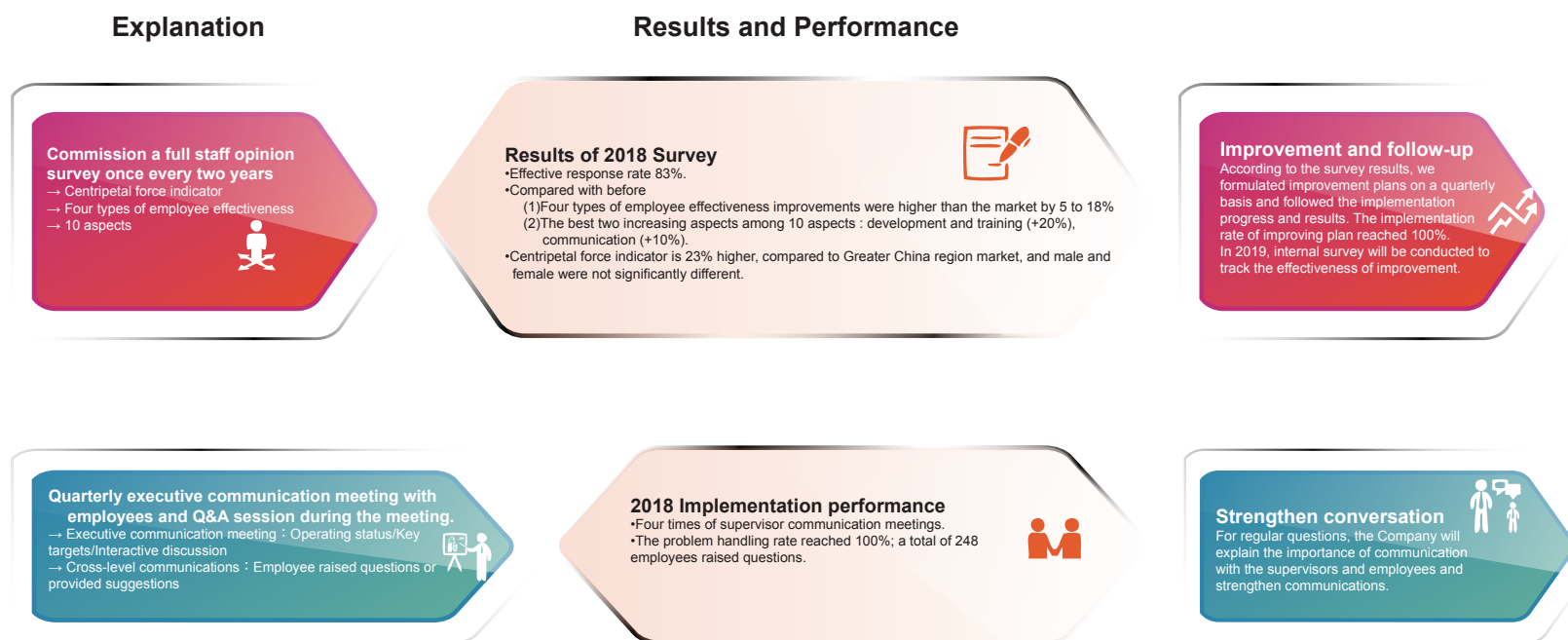Basic/advanced training courses and certification examinations of the Business Group

2.6.1 Talent Development and Retention

5. Employee Relations

The Company values two-way communication and is committed to providing a transparent communication channel between the supervisors and employees for them to fully express opinions and ideas. We have respected the employees' rights as endowed by law, so we have never blocked or impeded their freedom of association. TWM believes that the labor-management consultation mechanism is very important. Labor representatives are elected directly by employees and regular labor-management meetings based on fifty-fifty representation are convened to ensure free and unobstructed communication.

Focusing on leading indicators for employee communication

In addition to regular employee feedback surveys, understanding issues they are concerned about through quarterly communication meetings and their questions. Promptly understand the Company's positions at all levels and make adjustments accordingly.

Explanation

Commission a full staff opinion survey once every two years
→ Centripetal force indicator
→ Four types of employee effectiveness
→ 10 aspects

Results and Performance

Results of 2018 Survey
•Effective response rate 83%.
•Compared with before
  (1)Four types of employee effectiveness improvements were higher than the market by 5 to 18%
  (2)The best two increasing aspects among 10 aspects : development and training (+20%), communication (+10%).
•Centripetal force indicator is 23% higher, compared to Greater China region market, and male and female were not significantly different.

Improvement and follow-up
According to the survey results, we formulated improvement plans on a quarterly basis and followed the implementation progress and results. The implementation rate of improving plan reached 100%.
In 2019, internal survey will be conducted to track the effectiveness of improvement.

Quarterly executive communication meeting with employees and Q&A session during the meeting.
→ Executive communication meeting：Operating status/Key targets/Interactive discussion
→ Cross-level communications：Employee raised questions or provided suggestions

2018 Implementation performance
•Four times of supervisor communication meetings.
•The problem handling rate reached 100%; a total of 248 employees raised questions.

Strengthen conversation
For regular questions, the Company will explain the importance of communication with the supervisors and employees and strengthen communications.

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TWM Talk 座談會
Win Win

個人用戶事業群副總經理 公關暨品牌管理副總經理 總經理室副總經理
劉麗惠

4,649 participants

100% Female members

8,083 cards sent in 2 weeks

Learning Activities

Recruitment

Committee

Maternal Care

Thanksgiving E Card

100% achievement

Pregnancy leave: 20,442 hours; maternity leave: 58,752 hours

- •Win Win Seminars: Senior female executives sharing their career and family roles.
- •Be aware of unconscious bias online course: guide participants to consider the stereotype or bias at work.
- •Human care movie theater: To promote gender equality, respect differences by appreciating movies.

- •Innovation management, risk management, CSR, Employee welfare committee and labor-management meetings, all include female members.

- •At least 2 female candidates are provided for each position

- •Female employees can apply for a pregnancy leave or maternity leave, dedicate their time on caring for the newborn baby.

- •Encouraging employees to express their gratitude or blessing to colleagues.

2.6.2 Employees' physical and mental health

1.A Healthy and Safe Working Environment

We have prioritized employees health, and regarded them as our sustainable partners in mutual growth; we have provided them with overall and diversified health services in the four areas of health care, including health promotion, mental health, safe environment, life care, to enhance work/life balance of employees, so that we may reach the valuable goal of sustainable development in the future.

Sound and diverse health promotion and care programs

We analyze the results of each health exam and refer to employees opinion surveys, and plan health promotion activities that meet the needs of employees. We have organized activities in various themes for specific groups for disease prevention. The participation rate of employee health promotion has increased to 9,064 people, an increase of 20% from 2017. :

Mental Health - Stress Management

I. The "Massage workshop for pressure relief" provides free massage services, and a total of 22,981 people were served, with a satisfaction rate of 98.6%.

II. Internal consultation services: We have invited psychological counseling specialists to arrange the "Mental Light Counseling Room" and "Book Reading Club" which have served a total of 242 employees, with a satisfaction score of 4.8 (out of 5.0).

III. EAP's external consulting services: Provide 24-hour consultation hotline by telephone, mail or face-to-face consultation services according to needs. To enhance our employees' mental qualities, we regularly organize seminars and workshops for the mental health and enhance the satisfaction of the workplace. Satisfaction score of 4.7 (out of 5.0) is achieved.

V. For the first line of service, the Company's employees have been trained for the workplace and maintenance department, and organized training courses for workplace psychological health and occupational health functions, including the Training and Case Study for the Occupational Conflict Handling and the Occupational Violence for the Workplace, etc, total 19 training courses with 1,300 participants and the satisfaction score of 4.7 points(out of 5.0).

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Life Care

I. Maternal health protection and management: Through the employees leave system, the occupational healthcare personnel have routinely screened female employees who are pregnant or within one year from childbirth to provide health education in the middle and late stages of pregnancy, and postnatal breastfeeding information, as well as identify and assess the environmental hazards at the workplace. Based on the recommendations of the occupational physician, the occupational healthcare personnel have adopted such health protective measures as the risk assessment to ensure maternal health for the female employees. In 2017, 103 pregnant employees have completed the evaluation; no harm was done to the mother, the fetus or the infant's health, as determined by the physician. It was classified as level one management.

II. Comfortable and independent nursery room: We have provided a nursery room and professional breast pumps better than that regulated by the law. Nurses give advice on childcare and teach mothers correct knowledge on milking and health education. Allowing female employees to work at ease.

III. To provide a complete set of health services for female colleagues according to their requirements at different stages of their development:

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Satisfaction rate survey

Cancer prevention
1. Cervical cancer prevention seminar
2. Cervical smear test
3. Mammography

98 satisfaction rate

93 satisfaction rate

Menopause
Female hormones compulsory courses

Parenting period
1. The concept of breastfeeding
2. Baby massage lecture
3. Conflict and needs lecture
4. Manage good parent-child relationship

96 satisfaction rate

94 satisfaction rate

Childbearing periods
1. About pregnancy
2. "Childcare Supply station" provides a platform for exchanging childcare stuff

Prenatal period
1. Improve the symptom of menstrual pain, 'Food" health seminar
2. Superwoman: The ability that female must be possess
3. The gentle power under the female movement
4. The psychologists teach you about love - "To love but not to disturb"
5. Happiness relations built from the hearts

91 satisfaction rate

Special thanks: Cheng-wei Lou,
Taiwan's first female runner who finished the Everest Marathon, has shared the key to success for voluntary physical training with TWM employees.
Photographer: Tony Lee

2.6.2 Employees' physical and mental health

Safe and quality working environment

1、We obtained OHSAS 18001 certification and implemented safety and health management through systematic mechanisms and a management model of P-D-C-A.

2、We have assembled the first-grade supervisors of relevant units to set up the Occupational Safety and Health Committee, of which the proportion of labor representatives is one third; the committee holds a regular meeting every three months.

3、The AED has been set up at each office building, which is better than that regulated by the law; we have regularly conducted CPR training courses and training and re-training courses for the first aider in the workplace, and held fire-fighting training and anti-flooding drills in the equipment room, so that we may enhance employee's abilities to cope with disasters and emergencies and to reduce the severity of injuries.

Occupational Safety and Health Management Framework

Occupational Safety and Health Office

Formulate Occupational Safety and Health Management Regulations and Relevant Procedures
1．Promoting occupational safety and health management system OHSAS
2．Convene occupational health and safety committee meeting regularly
3．Contractor management
4．Audit implementation of occupational safety and health for each unit

Each unit of the Company	Occupational Safety and Health	Health BusinessCommittee	Suppliers/Contractors	Government unit/competent

Related Activities held by Occupational Safety and Health Office

1．Formulation of corporate safety policy
2．Review the performance of occupational health and safety management promotion group
3．Review occupational safety and health plan
4． Review and discuss each safety and health proposal

Healthcare Room
Promotion of Occupational Safety and
1．Health care
2．Mental health
3．Safe environment
4．Family care

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2.6.2 Employees' physical and mental health

Statistics on occupational hazard are calculated according to the statistical indicators of major disabling injury statistics announced by the Ministry of Labor. The statistics does not include traffic accidents outside the workplace. Occupational Disaster Analysis in 2018:
- Employees: Injuries include fracture, contusion and laceration. After the accident, the office shall post reminders on the safety slogans in office areas, and strengthen the staff safety and compliance with safety requirements.
- Contractors: Drop down to the ground and caused fracture injuries without following the regulations of fastening belt and safe prevention measures. After the incident, the contractor has strengthened occupational safety training and education, and requires the construction vendors to comply with the relevant safety requirements and the proper operating procedures.

male female

Statistics for Occupational Accidents of Employed Labor for 2018

	TWM male	TWM female	TFN male	TFN female	TDS male	TDS female	TINT male	TINT female	TWM Broadband male	TWM Broadband female	TKT male	TKT female	TFI male	TFI female
IR	0	0	0	0	0	0	0	0	1.661	0	0	0	0	0
ODR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LDR	0	0	0	0	0	0	0	0	28520	0	0	0	0	0
AR	2012.89	4191.23	2570.90	3930.34	716.09	4923.88	2340.65	3414.10	1049.69	945.53	76305.22	128514.06	1176.47	3333.33

Statistics for Occupational Accidents of Non-employed Labor for 2018

	TWM male	TWM female	TFN male	TFN female	TDS male	TDS female	TINT male	TINT female	TWM Broadband male	TWM Broadband female	TKT male	TKT female	TFI male	TFI female
IR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ODR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LDR	0	0	0	0	0	0	0	0.7958	0	0	0	0	0	0
AR	1762.36	3368.40	2065.30	4547.03	0	0	3506.77	4703.50	1250.90	3257.24	0	0	0	0

IR — **Injury Rate=** Total number of occupational injuries * 200000 / Total number of work hours

LDR — **Lost Day Rate =** Total number of lost days * 200000 / Total number of work hours

ODR — **Occupational Disease Rate=** Total number of occupational diseases * 200000 / Total number of work hours

AR — **Absentee Rate=** Total number of absentee days over the period * 200000 / Total number of work hours

Note 1: In 2018, there was no death due to performing duties.
Note 2. The table data does not contain the contractor, and the relevant information is not available because contractor is unable to complete the full working hours.
Note 3. In consideration of the fact that the field operations of TWM Broadband cable television field workers is high risk, we have provided higher accident and injury insurance coverage for the engineering staff, increasing the insured amount to NT$6 million to provide them with added financial protection.

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2.6.2 Employees' physical and mental health

2.mySports Online Sports Competition

To encourage employees to do exercises, in 2018, we held an online sports challenge, in which the employees competed with each other for higher sports ranking with mySports App recording the movement trajectory, mileage, calorie consumption, etc., at anytime.

<u>The first stage: Individual challenge in the TWM Employees Athletics Competition for Year of Dog</u>
(2018/02/05-2018/03/18)
- Persons who had burned off 1,000Kcal were eligible to take part in the raffle; persons who had burned off over
- 5000Kcal were eligible to take part in the raffle for the top prize.
- As the competition ended on March 18, there were 1,775 out of 5,528 employees participating in the challenge, participation rate is 31.8%; total calories burned is approximately 3.15 million calories, and a total of 619 participants

<u>The second stage: Departmental challenge in the 2017 TWM All-round Mobilized Competition</u>
(2018/06/04-2018/07/29)
- Ranked by calories in office divisions.
- In the individual challenge, any person who had accumulated 1,000Kcal consumption was eligible for the raffle; in the departmental challenge, any team in which more than 50% of the department employees participated in the competition with each participant having burned off at least 500Kcal was eligible for the raffle with the top prize of NT$20,000 PXmart coupon.
- As the competition ended on July 29, there were 1,236 out of 5,265 employees participating in the challenge, participation rate is 23.5%; total calories burned is approximately 7.01 million calories, and a total of 781 participants were eligible for the raffle with a target achieving rate of 63%.
- TWM has 82 departments in total, among which 13 teams were eligible for the raffle with a target achieving rate of 15.9%. President Cheng (The fifth counting from right) awards Prize to the winning department on TMW sports day.

3.TWM Green Family Day

TWM Green Family Day is held once every year and held in turn in Northern,

Central and Southern Taiwan

Item	Date	Location	Number of Participants
Mountain Cleaning	October 27th (Saturday)	Jiantan Mountain Trail	276

Ethical Operation

Sustainable Partners

Excellent Brand

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Environmental Sustainability

Happy Workplace

Social Inclusion

2.7 Social inclusion ▶▶▶

Core concept:
Adhere to the principle of "The greater the corporate, the greater the social responsibility. Sincere care is the beginning of action." Based on the corporate spirit, TWM has long invested resources in issues such as disadvantaged groups, care for the physically and mentally disabled, development of young children, and prevention of social problems. Combined with core resources, TWM promotes digital inclusion and enhances domestic soft power of digital culture and innovation in Taiwan.

Commitment and action:
TWM drives the public welfare with the new technology of voice services, network bandwidth, digital content and new core resources. TWM assists public welfare organizations to step into digital application and has developed more than 20 public welfare technology projects, including providing diversified services for public welfare groups, underprivileged groups and elderly at retails of myfone to promote digital inclusion. TWM is also the first telecom operator to publish True Value (enterprise true value) and SROI (social investment compensation). TWM is committed to nurture talents in film and television, caring for local culture through various arts and cultural activities, and establishing a complete corporate volunteer system to internalize corporate social responsibility into employee thinking.

Material Topic
Giving back to the society / Digital inclusion & social innovation / Social emergency responses

The chapter fully responds to the 5 major stakeholders

Competent authorities

Communities/NGO

Shareholders/investor

Media

Employees

Customers

Rating Agencies

Suppliers

Free large-scale outdoor concert: A total of **47 outdoor** concerts were held from 2005 to 2018, and attendance of nearly **0.7 million** persons.

780 million NTD raised by TWM sponsorship and charity donation.

102 million NTD raised through Taiwan Mobile Telecom Channel

33 thousand people get benefit by technology education -Coding Fun -Digital Learning Centers

2019 Objective:

- 110 million raised through Taiwan Mobile Telecom Channel
- 770 million NTD raised by TWM sponsorship and charity donation
- Digital Nursery offers 10,000 free (720,000 GB) / myBook "Interactive Foreign Languages Learning" online study opportunities.
- Eye Comm. provides free games to 216 individuals/institutions, a total of 27,000 children were benefited
- 47,000 downloads for iSharing Volunteer Platform app
- 48,000 people benefited from TWM digital education
- The population coverage rate of the rural broadband internet service reaches over 96%
- The number of beneficiaries of disadvantaged group (students/elderly) grows by 25% compared to 2017

Social Inclusion

The number of beneficiaries of disadvantaged group (students/elderly) grows by **32%** compared to 2017

Ethical Operation Results & Performance

Mood Thermometer APP Worked with Taiwanese Society of Suicidology for joint development, provide medical care and health protection.

Eye-Comm. Cooperated with social enterprises to develop eye-control games for early-stage treatment to open the door for children with physical disabilities to communicate with the outside world. It is expected that **27,000 children** will benefit.

The population coverage rate of the rural area broadband internet service reaches **97.65%**

2018 12th MYFONE 行動創作獎

myfone Mobile Composition Awards incubated OTT talent There are a total of **345,916** applications for "myfone mobile composition award" from 2007 to 2018. Total incubated and bonus: (2018: **10.5 million** NTD / 2007-2018: **53.5 million** NTD)

The hip-hop group S.T.F excavated by Dare to Dream project, their new digital single "Time to Go" hit over 1 million views in 6 days and held concert at Taipei Arena.

iSharing Volunteer Platform: Approximately **40,000** downloads for the app

2018 i 無限 數位公益

Micro films for charity project helped **19** charity groups to raise over NT$ **25 million**

數位甬翼

Digital wings: Accompanying children to fly high with digital wings; provided **720,000 GB** of data for free for the Internet/**10,000** openings of myBook for foreign language studies

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TWM Social Inclusion Concept Map

With the core of technological social welfare, we have focused on five major aspects including "encourage cultural and innovative arts", "promote technology inclusion", "emergency responses", "enable welfare with technology" and "cultivate social care." More than 20 social welfare projects have been developed with social inclusion as the goal. All projects are interlinked, extended and integrated.

SUSTAINABLE DEVELOPMENT GOALS

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Innovative Accomplishments
Environmental Sustainability
Happy Workplace

Social Inclusion

Elderly Gatherin Meal

Little Anchor Camp

Television Subsidies for Low-income Households

Outstanding Store Manager Election

Diversified Rate Plan

台灣大哥大 即時捐
手機直撥 完全免費
5180
5180 Mobile Donation

Corporate Volunteering

Taiwan Mobile Concert

Mobile Health

i-Sharing

The Core of Techlogy Welfare

Enable welfare with technology
Cultivate social care
Emergency Responses
Encourage cultural and innovative arts
Promote social techlogy wealth

i無限 數位公益
i-Infinity Digital Charity

Disaster Prevention SMS

Establish of Disaster Prevention Mobile Communication Platform

Disaster Prevention and Contingency Rehearsal

Mobile base stations

MYFONE 行動創作獎

Dare to Dream

偏鄉 玩 程式 CODING FUN
CODING FUN

myfone Forum

E-learning Center

Rural Broadband Construction

數位田園
Implementation in 2019

Social inclusion

Note:
The solid line is the unidirectional association between two projects
The dotted line is the bidirectional association between two projects

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2.7.1 Encourage cultural and innovative

2018
12th MYFONE
行動創作獎

1.myfone Mobile Composition Awards

Taiwan Mobile Foundation hosted "myfone Mobile Composition Award" in 2007 to increase the creative atmosphere of the digital creation. The contest topics of text message literature and original song ringtone were risen from everyday tools that young people use - cellphone, internet, etc. The mobile composition award has improved over time. Micro movie group was established in 2012 and original stickers group was established in 2014. The topic for 2018 was "crossover", which encouraged "cross-domain, cross-boundary, cross-generation" creators to boldly challenge creativity. A total of 31,436 pieces were submitted, which is much better than last year!

In order to encourage potential talents, the nurture plan for creators were fully launched, and resources of the Group will be integrated to provide a commercial platform for the award-winning works, and provide contract-signing opportunities with film and television industry at the same time. In addition, in conjunction with the Foundation iUnlimited Project Matching Awards team to participate in the production of public interest films, a total of 38 films were accumulated by 2018.

In the future, we will continue to provide a friendly digital creation platform, open up more development opportunities for the winners, and enhance the competitiveness of domestic cultural creation.

The award-winning works of the pictures, texts, films and sounds were respectively put on the value-added service platform of Taiwan Mobile Telecom to increase exposure.

my BOOK   m+   MyMusic   my Video

Total number of entries for 2007-2018 myfone Mobile Creation Award is 345,916

2014-2018 sticker	5,102
2012-2018 microfilm	2,196
2007-2018 Music	7,134
2007-2018 message	331,484

10   100   1,000   10,000   100,000   200,000

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Social Inclusion

2.7.1 Encourage cultural and innovative

1 NO POVERTY

8 DECENT WORK AND ECONOMIC GROWTH

2 .Dare to Dream

Taiwan Mobile Telecom has launched "Dare to Dream 3.0" to cultivate talents for film and television. This is a model for cross-border cooperation between the telecommunications industry and the recording industry. Taiwan Mobile Telecom worked hand in hand with Linfair Records to find a new generation of hip-hop group, S.T.F. The new digital single "Time to Go" hit 1 million views 6 days after it was released. Taiwan Mobile Telecom kept its promise to let S.T.F. sing on the stage of Taipei Arena! The background and creative characteristics of candidates selected from the "Dare to Dream" program every year are very diversified. In 2018, the hip-hop song "To my 20-year-old self-expressed the aspiration of young generation, pursuing their dreams bravely despite being confused.

Taiwan Mobile Telecom has been established for 20 years, and has transformed from a telecom company to a new generation technology company. Taiwan Mobile Telecom is expected to become the core of connections for everything in the era of 5G. Facing the unknown future, we cannot forget our original intentions. As the lyrics put it, "People think that the mountaintop is the scenery, but forget that the most beautiful scenery starts at the bottom of the mountain," because "the world is as big as the dream!" In the new year, Taiwan Mobile Telecom will continue to work with the younger generation to bravely pursue dreams and move towards a future that is beyond imagination!

Time to Go: https://www.youtube.com/watch? v=VKDG-251qnM

Time to Go

2019 SUPER STAR

2.7.1 Encourage cultural and innovative

3 .Taiwan Mobile Concert

Taiwan Mobile Concert has changed the meaning and orientation of the promotion of arts and culture by enterprises in the community. It has transformed the traditional role of sponsor into the role of creative originator and leader, and let the culture take root and enhance the soft power of the public.

Hosted since 2005 and joined 5180 Instant Donation in 2011. Successfully helped public welfare groups raise funds and publicize initiatives, and become a new demonstration for enterprises to promote the combination of public welfare and artistic activities.

The only corporation in the country to offer free large-scale outdoor concerts to the general public

A successful example in the amalgamation of art and public interest

Good word-of-mouth attracting waves of praises from loyal fans

A total of 47 outdoor concerts were held from 2005 to 2018, with a total of 695,400 participants.

Helped 21 public welfare organizations raise NT$2,789,994 from 2011-2018.

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2.7.2 Promote social common wealth

偏鄉 玩 程式
CODING FUN

1.Coding Fun

In view of the lack of educational resources and teachers in rural areas, and urban and rural gap due to the rapid development of information technology, this project was launched in 2017 to train Taiwan's great volunteers to participate in the summer programming camp as lecturers and teaching assistants, to lead the students in rural areas to learn from the game and stimulate learning motivation, cultivating children's program logic; 1.5 years after the camp, the team continued to invest resources to cultivate local seed teachers, to equip teachers with the ability to teach by themselves, and further assist neighboring schools, while solving the shortage of teachers and the after-school care of children in the rural areas. Nurture technological talents in two stages of work! Using programing to flip the rural education!

Stage 1

Volunteer Training + Summer Programing Camp

In 2018, 4 summer camps were held, 59 volunteers and 86 students were involved. The distribution is as follows:

Year held	Times held	Number of volunteers	Number of students
1st in 2017	4	72	119
2nd in 2018	4	59	86
Total		131	205

Stage 2

Local Seed Teacher Training + Expand the Course

Training period	Number of teachers in training	Expected results for courses opened
2017 to 2019 (1st)	4	14 lessons per semester (3hr/lesson, 25 students), 84 lessons are expected to be completed in 1.5 years (2,100 students)
2018 to 2020 (2nd)	4	A group of two teachers, 12 lessons/semester (3 hours/lesson, 15 students), it is expected to complete 72 lessons in 1.5 years (1,080 students)

2.7.2 Promote social common wealth

2.Digital Learning Centers

IWe have focused on shortening the digital gap and integrated telecom core technologies and fixed-line services since 2007 to help non-profit organizations set up "digital learning centers" in remote areas. We have provided network broadband, hardware and software equipment, and coach the local organization to use e-learning resources. There are currently 13 locations in operation.

In the future, we look forward to working together with the community to enable more people to benefit from digital education and increase opportunities for knowledge-based and equal participation in society. al education!

Taoyuan County

Taoyuan County

Broadband networks

Tamsui, Taipei

4

1

Dongshih, Chiayi

11

11

1

Fengshan, Kaohsiung

5

Yuli, Hualien

Qishan, Kaohsiung

5

Ziguan, Kaohsiung

5

6

Jioucyutang, Kaohsiung

Niaosong, Kaohsiung

8

4

Puli, Nantou

Dashu, Kaohsiung

Daliao, Kaohsiung

6

Pictures/remarks:
1. There are 13 offices for continuous operation, and there are 67 seats of computers currently.
2. Definition of seats: Computer equipment sponsored by Taiwan Mobile Telecom
   (including desktop computer, notebook computer, and tablet)

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2.7.2 Promote social common wealth

3.myfone Forum

Hosted free digital training courses in all retail stores in Taiwan in 2018. A total of 2,871 sessions were held. Offered 3C new knowledge to more than 19,533 participants so they can be closer to smart life. The course is mainly on smart life applications (such as usage of electronic device, community software operation, photography skills, smart home appliances, etc.), digital video (my Video, my Music, my Book) and mobile office. Barrier-free retailer stores were arranged for consumers with limited mobility. An exclusive barrier-free teaching content was designed to enhance the all-round digital life experience. Adhering to the concept of "creating the best customer experience" to help consumers make their lives richer and more convenient by learning to use apps.

4. Rural Broadband Construction
Cooperate with NCC's "Broadband for all villages" and "Broadband for all tribes" policies

Provide broadband data services to six villages such as Alishan, Renai Township in Nantou County and Jianshi Township in Hsinchu County, so that remote community tribes can connect with the world through the internet. Considering the local weather, terrain obstacles, fiber optics and ultra-high-speed digital subscriber loop (VDSL), the completion of fiber construction is about 15.5 kilometers. Improve the external communication environment of the people in the area, increase the broadband penetration rate, and provide preferential and subsidies for villagers' internet access fees and circuit fees. In addition, to promote rural broadband speed construction, the internet speed has increased from 12Mbps to 100Mbps, allowing the local people to enjoy more stable and faster broadband internet service. In 2018, the cost of maintaining universal service is nearly NT$1.56 million.

Cooperate with the government's forward-looking infrastructure of universal rural broadband access infrastructure plan.

Mobile broadband base station construction: In 2018, the NCC applied to establish a base station in 19 rural areas such as Taoyuan District of Kaohsiung City and Magong City of Penghu County to increase the broadband coverage rate of the rural areas. Let urban and rural tourism network has zero distance, expand infrastructure investment to boost economic momentum. In 2018, the population coverage rate of villages in remote areas has reached 97.65%, and the practice has balanced the urban-rural gap and digital human rights.

Fixed-line broadband network: build 100Mbps fixed-line broadband to the main settlements and wireless hotspot bandwidth. At the end of 2018, NCC applied to establish 100Mbps fixed-line broadband network to Zhongcun Township of Nantou County and Taimaili Township of Taitung County. It is expected to be completed in October 2019.

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2018 i無限 數位公益

1.i infinity Digital Charit

We have been helping public welfare groups develop mobile applications since 2012. Four APPs, one NFC Smart Tracking Wristband and one "send love through marble" creative donation box have been developed for six public welfare organizations. After about two years of project counseling, accompanied by NPO's first step to cross the digital convergence, the three mature APPs and "send love through marble" have been donated to charity groups.

Eye control early treatment game "Euploea Fun Winter"
Social Enterprise - Sensi Co., Ltd. /
Taiwan Mobile Foundation

15 LIFE ON LAND

Cooperated with social enterprises with patents for eye control software development in 2018 and designed the theme of Taiwan's conserved insect Euploea for children with moderate to severe physical and mental disabilities. It is expected to be officially published in 2019 to help children who are not recognized as having communication skills to practice to express their self-awareness through eye control, tap their potential and open a window for them to communicate with the world.

iSharing Volunteer Platform
Taiwan Mobile Foundation

1 NO POVERTY   10 REDUCED INEQUALITIES

243 social welfare groups joined
More than 39,354 downloads and nearly 3,000 volunteers and material donations
5 tour lectures in 2018, more than 2,000 participants

NFC Smart Tracking Wristband
Bjorgaas foundation/
Elderly welfare promotion alliance

3 GOOD HEALTH AND WELL-BEING

Plan for more diversified applications of 5G technology in the future

The winner of the micro film group of myfone Mobile Composition Awards will shoot micro films for public welfare groups and online marketing incentives will be provided. Within 3 months after the micro film was uploaded to YouTube, Taiwan Mobile Foundation donated 1 dollar for each view (upper limit NT$100,000). The marketing incentive of NT$300,000 for 3 micro films launched in 2018 was fully issued and the amount of fundraising for three public welfare groups was increased to more than NT$ 5.5 million. So far, 19 public welfare groups were helped to raise more than NT$ 25 million. Continued to help 3 public welfare groups to produce micro films in 2018 and will be released in 2019:

If they had a dream
Director:Han, Hsiu-Yu
Taiwan Animal
Equality Association
Focused issues:Animal rights

My dad is a superhero
Director:Yang, Cheng-Hsueh
Sunshine Social Welfare Foundation
Focused issues:Oral cancer and betel nut transform

Silverlining
Director:Lien, chien-hui
Visually Impaired children
Focused issues:
Taipei Parents' Association
for the Visually Impaired

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2.7.3 Enable welfare with technology

2.Happy and Warm Little Heart

Launched Happy and Warm Little Hearts donation events in 2015. Cooperated with Raising Children Medical Foundation to shoot charity short films with celebrities such as Chairman of the Taiwan Mobile Foundation Shan-Cheng Chung, General Manager of Taiwan Mobile Telecom Jun-Qing Zheng, tennis players Yun-Ran Chan and Ji-Sheng Chuang, golf player Wei-Ling Hsu, weightlifting national team Yu-Chun Guo, Fubon Guardians players Guo-Hui Gao and Zhe-Hsun Lin, Fubon Warriors Ting-En Lai and Bo-wei Chung. The 3 promotional videos for the gift collection were directed by the micro film myfone innovative winner Jing-Yi Lin. The simple and warm style has won the response of the majority of netizens, not only a view of more than 900,000, but also the pledge of 308 wishes for critically ill children in just 18 days. On the eve of Christmas, the Taiwan Mobile Foundation held a "Gathering the Heart to Give Love" Year-end Happy Party to give the wish gift to the critically ill child, and send the love together to make the gift weight exceed the imagination!

Video Link

Celerity   I want to   Thank you

2.7.3 Enable welfare with technology

3.5180 Mobile Donation

Since December 2005, the first mobile phone small donation platform has been launched, and the "5180 Mobile Donation" was established. Utilize the convenience of mobile phones, combined with the core technology of the telecommunications industry, IVR (Interactive Voice Response), APP and back-end services, to provide users with donation options of 100, 200, 300, 500, 1,000, 1,500, 2,000, 3,000 to 6,000 in New Taiwan Dollars. Users can make donations with telecom bills, and can also request donation receipts online, which is safe, fast and convenient. Since March 2016, the service charge for collection of bills was cancelled to give back to all social welfare groups that participated in the 5180 Mobile Donation. Since December 2018, 104 social welfare groups have joined.

台灣大哥大 即時捐
手機直撥 完全免費 **5180**

■ Accumulation donate pay (Ten Thousand)
■ Accumulation donate times

Year	Accumulation donate pay (Ten Thousand)	Accumulation donate times
2006	289.94	7177
2007	710.31	18625
2008	1,411.57	34911
2009	2,196.25	52573
2010	2,918.25	68964
2011	3,697.34	84521
2012	4,422.54	100126
2013	5,304.04	119941
2014	6,259.59	140630
2015	7,340.73	162,932
2016	8,236.57	182023
2017	9,160.79	201847
2018	10,222.74	223075

4.Mobile Health

Years of cooperation with Taitung Christian Hospital has been deeply rooted in the past, and has long supported the communication equipment of mobile medical vehicles. It has traveled between disadvantaged groups to provide medical care and health protection. In 2018, the number of mobile medical vehicles served was 6,095, and the cumulative service reached 61,062.
In 2018, an upgraded version of the "Mood Thermometer App" was launched to help people consciously manage stress and maintain mental health. Taiwan Mobile Telecom sponsored the Taiwan Suicide Prevention Society's programming and marketing promotion.

心情溫度計
你的心情守門人

Search for "Mood Thermometer" in the App store or Google play , or scan QR code for free with your mobile phone.

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Social Inclusion

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2.7.4 Cultivate social care

1.New Year Banquet Volunteer Service for Senior Citizens in Hualie

Since 2008, the Company has been hosting the New Year Banquet Volunteer Service for Senior Citizens in Hualie for 12 consecutive years. More than 100 volunteers went to Hualien to provide the warmest companionship for the elderly, including the purchase of daily products (NT$1,000 gift coupon per person), the gathering meal and performance, annual gift drawing and games so the elders can have a good new year festival!

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2.7.4 Cultivate social care

2.Diversified Rate Plan
Students/elders
Pursuing diversified rate plan and social inclusion
Promoting silver hair (elderly) and student 4G monthly payment NT$699 (from 2017/11) package: In addition to providing 4G high-speed unlimited plan, more were added to provide intra-network free calls (starting from 2018/6), so that this group of users can enjoy premium telecommunications services at better monthly payment rates than the average user.
Promote 4G tide generation student plan (from 2018/8): Provide a single number or a mobile phone series for students and faculty members to apply, starting with a minimum monthly plan of NT$488. In addition to providing unlimited monthly in-network calls and internet usage, the monthly payment NT$688-type program provides free local calls for 100 minutes per month. Approximately 491, 463 people benefited from this plan.
Promote 4G silver hair plan (from 2017/5): NT$ 149 per month, so that the silver hair group can still enjoy excellent preferential calls in the internet dominant 4G era, and benefited about 34,579 people in 2018.
Foreign Visitors/Immigrants
Provide the most flexible and diversified services to users.
For the 710,000 foreign workers in Taiwan, prepaid card for international calls was promoted. There are preferential time every day (offer 50% to 60% off discount).
Prepaid card offers for foreign travelers. Prepaid cards are offered at designated retail stores in Taoyuan International Airport and Kaohsiung International Airport. Provide a variety of voice and mobile internet combination plans, allowing foreign visitors enjoy quality telecommunications services in Taiwan.

3.Television Subsidies for Low-income Households
TWM Broadband, in line with the government's policy of caring for low-income households, provides free access to basic channel ratings and installation fees for registered low-income households. Encourage users to watch cable TV to absorb new knowledge and understand current events, and take the initiative to notify low-income users to check the relevant documents to apply for subsidies. In 2018, the cable TV system station provided a total of 5,538 low-income households with basic channel viewing discounts. The total basic channel viewing fee discount and the new application users' free installation fee discount amounted to NT$ 31.89 million.

4.Outstanding Store Manager Election
Participated in the TCFA Taiwan Franchise Association for five consecutive years to hold the "National Store Excellent Store Manager Award and Outstanding Store Manager Election". During the election period, the participating store managers participated in more than 117 public welfare activities throughout Taiwan, including pension care, care for the disabled, charity donation, community cleaning, etc., and accumulated hundreds of hours and with more than 2,600 people involved to care for the socially disadvantaged groups. 39 colleagues have been selected as "National Store Excellent Store Managers", and 6 of them have won the "National Store Outstanding Store Managers" award and become the best example of Taiwan's first-line service staff!

2.7.4 Cultivate social care

5.Little Anchor Camp

TWM Broadband upholds the concept of giving back to society and have been holding "little anchor camp" regularly for many years. In the activity, in addition to the evolution of cable TV, the news interview process, the key points of news drafting, and news production and broadcasting, the students can stand on the anchor station and broadcast the news in person to experience the feeling of being an anchor. Through the activities of the little anchor camp, students can learn to speak clearly, hold good composure on stage, develop presentation skills and self-confidence, and encourage the children to go out of the campus and broaden their horizons and enrich their extracurricular life through diversified learning. The students like little anchor camp a lot. In 2018, a total of 23 events were held, and 39 schools participated, with a total of 443 students.

6.Corporate Volunteering

In combination with the core values and social responsibilities of the company, the "Corporate Volunteer Measures" was implemented in 2007, providing employees with 2 days of salary, annual work, transportation allowances, and pre-departure training, and encouraging employees to participate in the project. Through the volunteer service, employees are allowed to internalize the "returning society" into a corporate culture. In 2018, a total of 541 people participated in volunteer service, and the service hours reached 4,294 hours.

Total 541 person

- 6 person
- 3 person
- 7 person
- 130 person
- 10 person
- 34 person
- 58 person
- 17 person
- 276 person

Total 4294hrs

- 24hrs
- 6hrs
- 7hrs
- 828hrs
- 136hrs
- 464hrs
- 752hrs
- 1950hrs

Legend:
- Home cleaning
- Elderly Gathering Meal
- Fubon Warriors Home Game
- Coding Fun -Rural Programming Fun (Coding Education Camp - 3 sessions)
- Mooncake volunteers (10 sessions)
- Sun Moon Lake Concert
- 2018 Green Parenting Day
- myfone Mobile Creation Award
- Assist the eldery to remove the old in order to build the new in winter (2 sessions)

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Partners

Excellent Brand

Innovative
Accomplishments

Environmental
Sustainability

Happy Workplace

Social
Inclusion

2.7.5 Emergency Responses

1.Mobile Base Station

The mobile base station was established to respond to disasters in the disaster-stricken area. The base station could not communicate with the outside world, providing voice calls and mobile internet access in the disaster-stricken areas. 20 mobile broadband systems (UMTS/LTE) base stations have been completed.

Total
20

Mobile broadband system (UMTS/LTE) base station
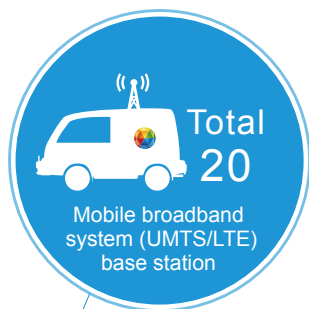
- Keelung county, Taipei city, Yilan county, Hualien county, Lienchiang county X 5
- New Taipei City, Taoyuan city, Hsinchu city, Hsinchu county X 5
- Miaoli county, Taichung city, Changhua county, Yunlin county, Nantou county X 5
- Chiayi city, Chiayi county, Tainan city, Kaohsiung city, Pingtung county, Taitung county, Penghu county, Kinmen county X 5

Support activities

2018

1.Supported disconnection issues in Hualien Earthquake. 。
2.Cooperate with disaster prevention drills in Taipei City, New Taipei City and Taichung City.
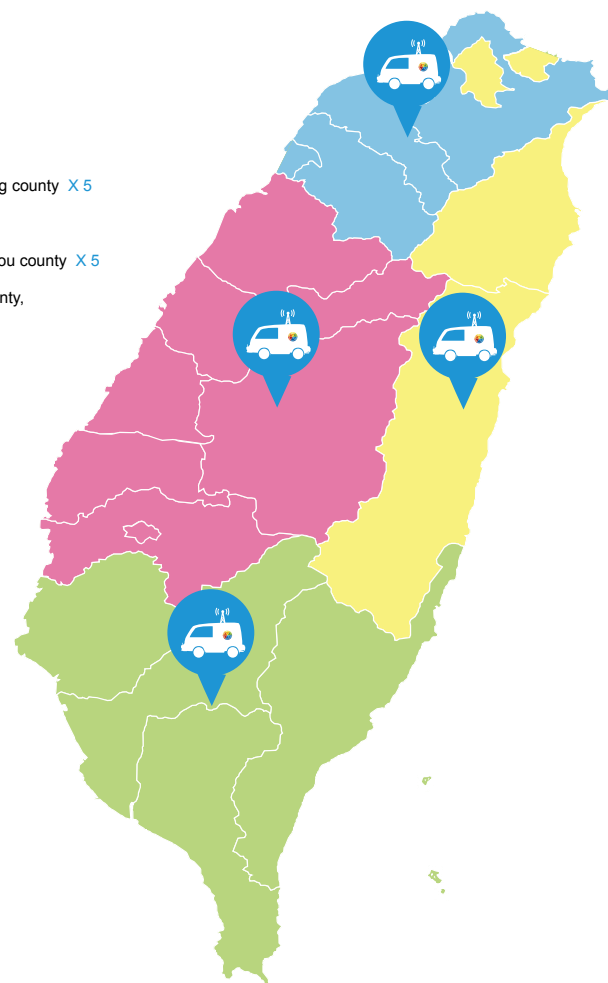
2.7.5 Emergency Responses

2.Disaster Prevention SMS

Through the establishment of a disaster information broadcasting platform, we will complete the launch of disaster prevention and alerting cell broadcasting services, and contribute to disaster prevention in our country.

Functional implementation, performance and verification

In 2018, the Police Broadcast Center (CBC) immediately issued warning messages and completed the nationwide release of the disaster prevention warning broadcast message drill test on the 921 National Disaster Prevention Day.

This platform allows the national disaster prevention and related authorities to send cell broadcast warning messages to user terminal devices in specific areas. The user terminal device with the function of receiving cell broadcast messages can receive warning messages and achieve disaster prevention and relief through mobile broadband network platform applications.
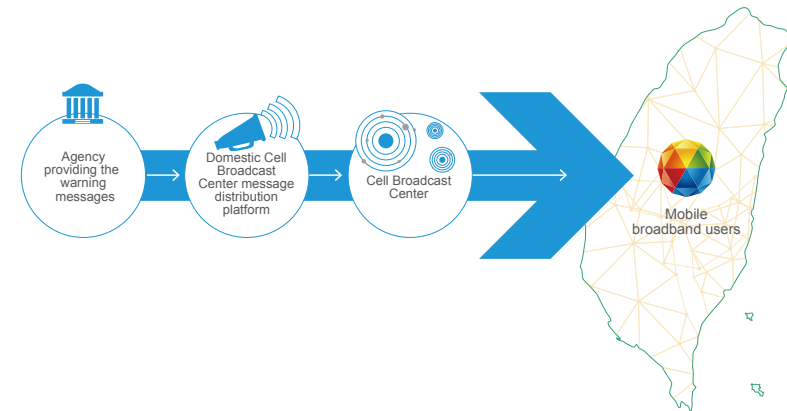
3.Respond to Changes in Disasters Drill

In 2018, in addition to the annual routine and critical infrastructure disaster prevention drills, cooperate with the National Communications and Communication Committee of the competent authority to implement the telecommunications business network domain name server protection drills. Through various simulations of the situation, the pre-/middle/post-protection mechanism, start-up notification, response and disposal procedures are reviewed to verify the overall protection strategy and resilience to reduce the operational impact of accidents on customers and the Company.

Through complete contingency process, combined with the BCM (Business Continuity Management, BCM) management mechanism, the followings were achieved:

Establish a concept of full disaster protection and implement critical infrastructure risk management

Count and check critical infrastructures, develop facility protection programs, and enhance protective strain energy

Establish a security joint defense management system in conjunction with the public sector notification mechanism

4.Establish of Disaster Prevention Mobile Communication Platform

Cooperate with the government to promote the forward-looking infrastructure "Strengthening the disaster prevention operational communication infrastructure plan", and establish a fixed-point and mobile disaster prevention mobile communication platform to enhance the survival rate of the base station after the disaster.

Fixed-point disaster prevention mobile communication platform

In 2018, a total of 98 platforms with more than 72 hours of power backup were built in a co-constructed co-location mode to provide sustainable mobile communication services in the event of a disruption in utility power.

Building a mobilized mobile communication platform

Apply to NCC for the construction of six mobilized mobile communication vehicles with off-road nature. In the event of power outages or equipment damage, it is necessary to effectively mobilize emergency operations communication services in disaster areas, strengthen the coverage of mobile communication network base stations in the rural areas, and maintain uninterrupted communication in the disaster areas and play the role of "lifeline".

After the disaster prevention operation communication fixed-point platform and the mobilized mobile vehicle were established, it can also be combined with the local fire rescue system, the disaster prevention and warning system (PWS) in the rural areas, the rural broadcasting system in the neighboring areas, and the radio system and mobile communication system for emergency disaster notification in the rural areas to improve the overall disaster prevention efficiency.

Board of Director

Title	Name	Training Situation
Chairman	Daniel M. Tsai	The Directors actively participated in the courses on CSR and risk issues, and courses participated in 2018 were as follows:
Director	Richard M. Tsai	Performance Evaluation for Board of Directors
Director	San-Cheng Chang	Anti-Money Laundering and Counter of the Financing of Terrorism Course for Directors and Senior Management
Director	Howard Lin	AI, Development Trend of IoT and Operational Strategies and Discussion on Risk
Director	James Jeng Note 1	Current Trend of Development of Corporate Governance Development and Outlook for the Taiwan IPO Capital Market
		Impact of International Political and Economic Situation on ICT Industry in Taiwan
Independent Director	Jack J.T. Huang	Digital Transformation Driven by Corporate Governance and Digital Risks Control
Independent Director	Hsueh-Jen Sung	Note 1: Mr. Jamie Lin was appointed as an Independent Director during the period from June 12, 2018 to February 11, 2019. The Director has been appointed as the representative of the Corporate Director in replacement of Mr. James Jeng since April 1, 2019.
Independent Director	Char-Dir Chung	Note 2: Age of Directors: 30-50 years old, 11.11%; and above 50 years old, 88.89%.
Independent Director	Jamie Lin Note 1	For details of the relevant information, please refer to the page P12-15 and P.33 of the 2018 Annual Report.

Chapter 3
Corporate Governance

3.1.1 Board of Directors

The Board of Director is the highest governance office and the Chairman does not hold any executive positions, ensuring the independence of the Company. The functions and composition of the Board of Directors:

Supervising the Company's Code of Conduct, timely disclosing important messages and manage in integrity.

Maintaining good communication and interaction with the management team, guiding the execution of business and making major decisions for the Company, so as to ensure the Company's development and safeguard the interests of the shareholders.

The Directors come from various backgrounds, such as legal, financial, telecommunications industry and e-commerce/marketing, equipping with sufficient knowledge, skills and qualities to perform their duties; the appointment of Directors is on the basis of the overseas assessment on sustainable operation and the development trends of the leading corporations.

The number of seats for Independent Directors aims to be more than 40% of all Directors. The number of Independent Directors is set to be four, and such arrangement is higher than the legal requirements. In order to enhance the system and operation of the Company, the Audit Committee and Remuneration Committee shall be formed by all Independent Directors.

Rules for Nomination of Directors and Avoidance of Conflict of Interest

According to Rules for Election of Directors and Corporate Governance Best Practice Principles, the members of the Board of Directors shall be nominated as the candidates; and the recommendation of candidates shall be based on the Corporate Governance Best Practice Principles, in consideration of the scale of the Company, nature of business and diversified level of the Board (gender, age, nationality and culture, etc.), to satisfy the diversity standard set for the Board. The nomination, review and announcement of the directors shall follow the regulations and procedures. The directors who assume the positions shall sign Consent to Act as Director and Non-Disclosure Agreement and execute their tasks in integrity. The Company shall insure its directors with Directors & Officers Liability Insurance to reduce their risks in liability during the execution of duties.

According to the Rules of Procedure for Board of Directors' Meetings, when the interest of a resolution is in conflict with a director who is a stakeholder or his/her represented legal person, such director shall abstain from voting and not exercise voting rights on behalf of any other director. The 2018 annual resolutions for Avoidance of Conflict of Interest were the Annual Bonus of Chairman and Vice Chairman Recommended by the Remuneration Committee & 2017 Annual Evaluation and Distribution of Annual Bonus of Managers, Exemption of Directors' Responsibility in Non-competition Obligation, Recommendation to the Distribution of Employees' Remuneration of Managers in 2017 and Adjustment of Payroll of Managers in 2018 and Annual Remuneration of Chairman and Vice Chairman in 2017 & Annual Adjustment for Remuneration in 2018. Directors with conflict of interests shall be abstain from voting in accordance with the regulations.

(For more information, please refer to the Company's website and the chapter related to Corporate Governance of the Annual Report of the Company on P8)

Information for Director Selection

3.1.2 Remuneration of Senior Management

Compensation for the Board Directors and Independent Directors is based on the regulations set forth in the Articles of Incorporation and the Rules for Setting Directors' Remuneration. In addition, the appropriateness of the remuneration for Board of Directors, Independent Directors, Presidents and Vice Presidents (variable pay of Presidents and Vice Presidents makes up around 50% of personal annual salaries) is regularly reviewed by the Remuneration Committee, which is composed of Independent Directors based on the degree of contribution to the Company operations including future operating risks and level of involvement in CSR related matters.

According to the Regulations Governing the Evaluation of the Performance of the Board of Directors, the operation, participation and contributions and participation in CSR of the members of the Board shall be included in the evaluation. The performance shall be evaluated at the end of the year, analyzed and summarized by the Remuneration Committee, and the report and recommendations shall be submitted to the Board of Directors. The Company entrusted the Taiwan Corporate Governance Association to execute external evaluation on the effectiveness of the Board of Directors in January, 2018. The Taiwan Corporate Governance Association believed that the Board of Directors of the Company was highly disciplined and abided by the duties of the Board. The Company shall continue to improve the functions of the Board based on the recommendations brought by the Taiwan Corporate Governance Association. The performance evaluation for the Board of Directors in 2018 was self-evaluated by the Board members, leading to satisfactory results.

Furthermore, the performance and remuneration of President and Vice Presidents were set to be related to CSR. The annual targets were set in consideration of CSR indicators that were related to their duties, such as customer satisfaction, customer complaint, energy conservation and carbon reduction, employee turnover rate and corporate volunteer. Besides their personal operational targets and CSR indicators, when evaluating the achieving rate of annual targets of President and Vice Presidents, indicators related to risk management, such as audit and information security management, shall also be considered. The annual remuneration of President and Vice Presidents shall be submitted by the Human Resources Department to the Remuneration Committee for reviewing the reasonableness of their remunerations regularly.
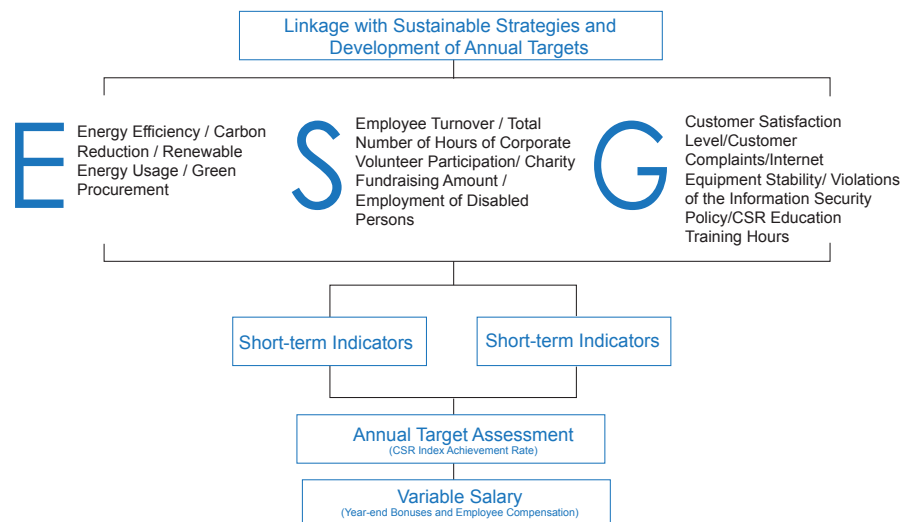
3.1.2 Remuneration of Senior Management

The salary structure of the Company's senior managers in 2018:

Title	Name	Salary/termination & retirement pension ratio	Bonus and extra compensation ratio	Employee salary ratio
President	James Jeng	43.4%	29.6%	27.0%
Executive Vice President and CFO	Rosie Yu	47.7%	25.8%	26.5%
Senior VP and CTO	Jeff Ku	46.1%	27.6%	26.3%
VP and General Counsel	Ariel Hwang	55.5%	25.6%	18.9%
VP and CIO	James Chang	50.4%	25.2%	24.4%
Senior VP & Acting CTO	Tom Koh	50.7%	24.8%	24.5%
VP & CDO	Eddie Chan	50.8%	26.7%	22.5%
Vice President	Jay Hong	51.9%	23.0%	25.1%

Title	Name	Salary/termination & retirement pension ratio	Bonus and extra compensation ratio	Employee salary ratio
Vice President	Iris Liu	50.3%	26.8%	22.9%
	Naomi Lee	52.3%	24.3%	23.4%
	C.H. Wu	50.0%	25.8%	24.2%
	Steve Chou	50.1%	25.3%	24.6%
	Daphne Lee	54.5%	28.5%	17.0%
	David Lin	48.5%	29.5%	22.0%
	Michael Teng	56.5%	25.8%	17.7%
Senior VP & CTO	C.H. Jih*	87.2%	12.8%	0.0%

*Resigned managers

Linkage with Sustainable Strategies and Development of Annual Targets

E — Energy Efficiency / Carbon Reduction / Renewable Energy Usage / Green Procurement

S — Employee Turnover / Total Number of Hours of Corporate Volunteer Participation/ Charity Fundraising Amount / Employment of Disabled Persons

G — Customer Satisfaction Level/Customer Complaints/Internet Equipment Stability/ Violations of the Information Security Policy/CSR Education Training Hours

Short-term Indicators   Short-term Indicators

Annual Target Assessment
(CSR Index Achievement Rate)

Variable Salary
(Year-end Bonuses and Employee Compensation)

The resolutions of the Board of Directors with regard to CSR in 2018:

Date	No.	Agenda	Resolution
2/1	8-5	Suggestions on questionnaire for the Dow Jones Sustainability Index (DJSI)	Informed
		Revision of the Ethical Corporate Management Best Practice Principles	Passed
4/27	8-6	2030 Vision and Blueprint	Informed
		Revision of the Tax Policy and Management Regulations & Analysis of Non-financial Tax Risks	Informed
7/26	8-9	2017 Corporate Social Responsibility Report	Informed
		Scientific-based Target (SBT) Report	Informed
		Scientific-based Target (SBT) Report	Informed
11/1	8-10	Renewal of Directors Liability Insurance	Informed

3.2.1 Internal Control Mechanism

Internal Audit office reports to the Board of Directors; the auditors are all full-time staff.
• The targets of auditing include the Company and its subsidiaries, and the range of the audit covers all the operation and management functions including finances, business, etc. The top ten cycles shall be audited according to the law.
• The audit method is mainly a regular audit according to the annual audit plan, and additional project audits if necessary, to make timely discoveries of possible deficiencies in the internal control system and propose suggestions for improvement.
• After the audit, an audit report is submitted to the Chairman of the Board, and the audit supervisor shall regularly report the status and results at the Audit Committee meetings and the Board meetings, to fully implement the spirit of corporate governance.
• Each of the Company's departments and subsidiaries are urged to conduct self-evaluations, establish the Company's self-monitoring mechanism, of which the results are used by the Company's Board of Directors and the President as the basis of generating an internal control systems statement.

3.2.2 Remuneration Committee

The committee is composed of all four independent directors, one of whom resigned on February 11, 2018〖HR Note: according to the consultant's advice, this sentence shall be removed and moved to the column for Directors' information in the paragraph of 3.1.1 〗. The committee is operating in accordance with the Remuneration Committee Charter and responsible for the formulation and regular review of the policies, systems, standards, and structures of the performance evaluation and Directors' and managers' remuneration, while assessing and setting Directors' and managers' salary and compensation on a regular basis, as well as seeking, reviewing, and nominating candidates for Directors.

3.2.3 Audit Committee

The Audit Committee mainly assists in the quality and integrity of the Board of Directors in monitoring the Company's accounting, auditing, financial report procedures, and financial control. The duties include appropriate expression in the financial report, auditing, and effective internal control, affairs involving the Board's personal interests, trading of major assets or derivative products, major capital loans and endorsements or guarantees, collection or issuance of securities, the appointment of the financial accounting and internal auditing supervisor, company risk control, the appointment and termination or salary and performance evaluation of certified public accountants, and the fairness, reason, and legal compliance of merger plans, etc.
According to the regulations, the Audit Committee consists of all the Independent Directors, who conduce each appropriate audit and investigation according to organization regulations, and have the right to hire independent lawyers, accountants, or other consultants to assist with duties, as well as have direct contact channels with auditing supervisors, accountants, and employees. The Audit Committee meeting is held at least once quarterly, and additional meetings are held whenever necessary. Each quarter, the auditing supervisors and accountants separately report the auditing affairs and financial statement auditing results, and the implementation status, effectiveness and suggestions are all sufficiently communicated.

3.3.1 Risk Management

The Company actively plans risk management policies, the organizational structure and risk management system; potential risks in the operation of the Company are dealt with beforehand for prevention. The risk management policy was established in 2011. In order to summarize the current risk management framework and control mechanism, the risk management framework was adjusted in 2015, and the Risk Management Committee was set up after the approval of the Board of Directors. The Chairman of the Board is the Committee Chair, and the President is the Deputy Chair. The Committee reports to the Board of Directors to reinforce the risk management mechanism of the organization.

The Internal Audit Office conducts annual year-end risk assessments, and rates the importance and possibility of each risk, then calculates the risk value according to the results of the rating. The risk value will become the basis of next year's audit plan.

In 2018, the audit results did not show any internal control deficiencies and abnormalities, but the results proposed 5 items for improvement to the departments, which were evaluated and determined not having a material impact on the company. Furthermore, there were 58 items of actual suggestions regarding operation procedures, which would become reference for the departments to improve management quality. The improvement and suggestions would be continuously followed up until they have been completely improved.

Risk Management Policy

(1) Continue to promote the operation model with risk management as the direction.
(2) Establish a risk management mechanism with early identification, precise measurement, effective monitoring and strict control.
(3) Build a risk management system for the overall company, and control the risks within an acceptable level or a range of control.
(4) Introduce the latest risk management guidelines and improve continuously.

Risk management framework
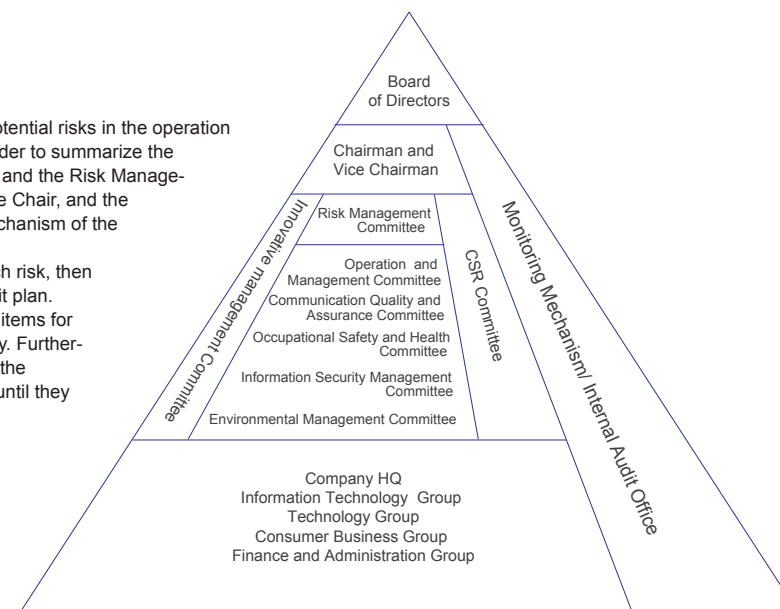
For more information: refer to P35 of the 2018 annual report

Modes of operation
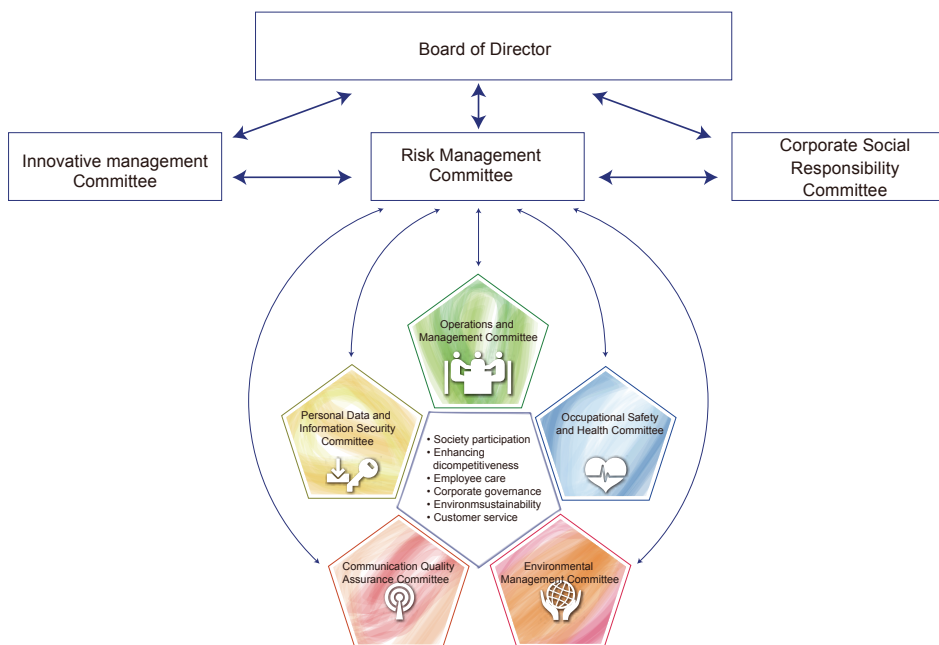
Risk Management Operations

Risk Management Operations

To implement the Company's risk management policies, relevant control mechanisms are compiled by the Risk Management Committee.

Appointment of committee members
• Committee Chairman: The Committee is chaired by the Chairman of the Board or a person designated by the Chairman
• Committee Members: Members of the Committee are selected from the heads of departments responsible for the relevant risk management areas or their designated proxy and coordinated by the Committee Chairman.
• Executive Secretary: Selected and appointed by the Committee Chairman.

Frequency of meeting
• Regular: At least once every six months
• Non-scheduled: When a risk management issue arises, a meeting is proposed by members of the Risk Management Committee and the Executive Secretary, and then the meeting is convened upon approval by the Committee Chairman.

Communication mechanism with the CSR Committee
• The Risk Management Committee reports any CSR-related issues to the CSR Committee. Issues proposed to be discussed in 2018 were as follows:
In line with the future business development, the De-Identification Standards is the basis for business promotion. The resolution has been passed for promoting the privacy protection framework standards ISO 29100 certification, and the certification has been obtained.
The resolution has been passed for promoting the personal information & privacy protection standards (BS 10012:2017; ISO 29100:2011); the scope for certification is determined to be some key operational procedure, such as: application and setting-up of account, activation of account, change of account, affairs related to account, customer service and services provided in domestic direct shops.
• The CSR Committee reports issues associated with operating risks to the Risk Management Committee. The issues proposed to be discussed in 2018 were as follows:
The Company provides risk analysis results on the basis of international standards for risk identification.

The Communication Mechanism with the Innovation Management Committee
• The Risk Management Committee reports issues associated with innovations and digital competitions to the Innovation Management Committee.
• The Innovation Management Committee reports issues associated with operating risks to the Risk Management Committee.

Chapter 4
Appendix

Photo by:黃正雄

KPMG 安侯建業聯合會計師事務所

KPMG

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Independent Limited Assurance Report

To Taiwan Mobile Co., Ltd.

We were engaged by Taiwan Mobile Co., Ltd. ("the Company") to provide limited assurance on the Corporate Social Responsibility Report ("the Report") of the Company for the year ended December 31, 2018.

Reporting Criteria

The Company shall prepare the Report in accordance with the Comprehensive option of Global Sustainability Standards Board's ("GSSB") Global Reporting Initiative Standards ("GRI Standards") as set forth in "About This Report" of the Report.

Management's Responsibility for the Report

The Company is responsible for determining its goals with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly prepare and present the information included in the Report. The Company is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Report that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements No. 1 – "Assurance. Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation and to issue an independence limited assurance conclusion on whether the Report is free from material misstatement.

However, the related disclosures of the Greenhouse Gas Emissions (Scope 1, 2 and 3) in the Report, which are verified by the other party engaged by the Company, are out of our assurance scope.

Independence, professional standards and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In addition, we applied Statements of Auditing Standard No. 46 – "Quality Control for Public Accounting Firms" in the Republic of China. Accordingly, we maintained a comprehensive system of quality control including documented policies and procedures regarding

compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Summary of Work Performed

Our main work on the Report included:

- Obtain and review the Report;
- Inquiries of responsible management level and non- management level personnel to understand the operational processes and information systems used to collect and process the information reported.
- On the basis of the understanding obtained from the above matters, perform analytical procedures on the Report and if necessary, select samples to test for acquiring sufficient and appropriate evidence.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Report, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended 2018 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of the Company. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Report has not been properly prepared, in all material aspects, in accordance with the Reporting Criteria.

Other Matters

The management of the Company is responsible for the maintenance of its website, which according to its report, we shall not be responsible for any further changes on the information or its applicable benchmarks, nor be responsible for reconducting any assurance work after the issuance date of the Report.

KPMG

Taipei, Taiwan (Republic of China)

June 26, 2019

Notes to reader

The limited assurance report is the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report, the Chinese version shall prevail.

ESG data statistic table

Economic dimension

Item	2016	2017	2018	GRI Indicators	Page
Consolidated revenue (NT$'000)[1]	116,647,498	117,171,107	118,732,328	201-1	Consolidated financial statements P10
Operating costs (NT$'000)[1]	78,790,518	81,445,116	84,315,734	201-1	
Net income (NT$'000)[1]	15,928,443	14,948,787	14,485,768	201-1	
EPS(NT$)[1]	5.63	5.21	5.01	201-1	
Total assets (NT$'000)[1]	151,377,405	154,522,754	147,667,028	102-7	Consolidated financial statements P9
Total liabilities (NT$'000)[1]	85,190,870	89,011,153	79,673,332	102-7	
Total equity (NT$'000)[1]	66,186,535	65,511,601	67,993,696	102-7	
Financial Capital (NT$100 million)[2]	787	518	466	Voluntary disclosure	P12
Manufactured (NT$100 million)[3]	24	58	72	Voluntary disclosure	P12
Intellectual capital (NT$100 million)[4]	1.2	7	7	Voluntary disclosure	P12
No. of 4G subscribers (10,000)	443.93	552.59	707.10	Voluntary disclosure	-
Local procurement (%)	93.92	96.07	95.82	204-1	P42
Supplier CSR performance assessment (no. of reports)	250	268	305	Voluntary disclosure	P45

Environmental dimension

Item	2016	2017	2018	GRI Indicators	Page
Electricity Consumption (100 million kWh)	4.65	4.47	4.30	302-1	P76
GHG emission-(ton-CO2e) Location-based	251,449.24	241,492.83	243,661.89	305-1/305-2	P76
GHG emission-(ton-CO2e) Market-based	-	-	240.,856.44	Voluntary disclosure	P76
Scope 3 emissions (ton-CO2e)[5]	47,675	31,668	698,585	305-3	P77
Water consumption (m3)	313,096	327,435	321,978	Voluntary disclosure	P84
Recycled resources (metric ton)	32.2	47.0	53.3	Voluntary disclosure	P84
Office copy/printer paper consumed (no. of sheets)[6]	8,563,766	8,804,780	7,979,996	Voluntary disclosure	P84
Disposed waste electric cables and wires (metric ton)[7]	390.23	822.31	289.68	Voluntary disclosure	P83
Electronic bills (thousand copies)	95,643	110,000	150,000	302-5	P83
Natural Capital (NT$100 million)[8]	3.36	1.72	2.21	Voluntary disclosure	P12

Social dimension

Item	2016	2017	2018	GRI Indicators	Page
Total staff [9]	6,034	5,991	5,819	102-8	P133
Average no.of hours of employee training[10]	28.8	55.6	68.4	404-1	P93
Injury rate (IR)[10]	0.026	0.077	0	403-2	P100
Occupational disease rate (ODR)[10]	0	0	0	403-2	P100
Lost day rate (LDR)[10]	0.12	1.67	0	403-2	P100
Absentee rate (AR)[10]	2067.18	2,840.24	2,964.78	403-2	P100
Human capital (NT$100 million)[11]	73	63	61	Voluntary disclosure	P12
Social capital (NT$ thousand)[12]	126,392	143,209	147,275	203-2	P12
Customer satisfaction surveys(%)[13]	89	85	86	102-43~102-44	P55
Corporate volunteer hours (Hours)	5,603	6,287	4,294	203-2	P117
5180 donations (NT$ Ten thousand)	896	924	1,062	203-2	P113

Note 1: Source of data: Consolidated financial statements of TWM and its subsidiaries.
Note 2: Operating costs
Note 3: Telecommunications construction and maintenance costs; due to the adjustment of the construction and maintenance of the scope of the construction, the data of the past three years (2016-2018) was revised simultaneously.
Note 4: Research and development expenses
Note 5:Beginning in 2018, we are calculating GHG emissions for each of the 15 scope 3 categories.
Note 6:Since 2018, we have calculated TWM Broadband into the total office copy/printer paper consumed, the data of the past three years (2016-2018) was revised simultaneously.
Note 7: Including the total of recycling, incineration and burial of waste optical cable and waste copper cable.
Note 8: Green procurement
Note 9: Beginning in 2015, we are including employees of Taiwan Fixed Network, Taiwan Teleservices & Technologies, and TWM Broadband as part of our total workforce. Employees of Taiwan Digital Service and Taiwan Kuro Times were also added in 2016.
Note 10: Data includes only that from TWM (the parent company); refer to P.100 for data for TWM subsidiaries .
Note 11: Employee Salaries and Benefits
Note 12: Social Investment
Note 13: Only individual customer satisfaction surveys were conducted before 2015 (inclusive). Since 2016, we have conducted customer satisfaction surveys including corporations and households.

Major indicators, objectives and performance tracking

Sustainable Theme	KPI	Unit	2016	2017	2018	Goal of 2030
Minimizing Footprint	The proportion of total carbon emission reduction compared with 2016	%	-	3.96	3.45	31.4
	The proportion of IDC renewable resource consumption	%	10.55	17.15	24.82	35
	Capacity of renewable energy generators	kW	80	80	215	6,000
Realizing Social Potential	The total amount of fundraising through the TWM channels accumulatively.	100 Million dollars	0.82	0.92	1.02	2
	The number of disadvantaged people (students/the elderly) who benefit accordingly in 2017.	%	-	-	32	50
Responsible Business	The average employee training hours.	Hours	28.8	55.6	68.4	55
Creating Stakeholder Synergy	Signing rate of 'Declaration Letter for Environmental and Occupational Health and Safety Policy for Contractors'	%	100	100	100	100
Elevating Future Experience	Percentage of advanced telecommunications users account	%	64	78	96	99
	Base station service operation rate	%	99.9	99.9	99.9	99.9

Material Topics and Boundaries

Key Brand Values	Material Topics	Materiality to TWM	GRI Standards Indicators	TWM's involvement with the impacts	Internal	Suppliers	Customers	Shareholders/ investors	Communities /NGO	Competent authorities	Rating agencies	Media
Ethical Operation	Corporate governance and operating performance	Operating performance reflects on how TWM performs in achieving the greatest benefits for all stakeholders	201-1 201-4	TWM has caused the impacts	●			●			●	
	Risk management	Understanding the level of risks and their impacts, establishing responses to individual risks, and seizing opportunities for business growth while maintaining adequate risk levels.	102-15 201-2		●			●			●	●
	Ethical operation	Ethical conduct and anti-corruption management for employees to maintain the Company's reputation	205-1~ 205-3		●	●		●			●	●
			206-1		●	●		●			●	●
	Legality / legal compliance	Emphasis on equal opportunities and respecting employees' basic human rights are the foundations to organizational growth.	412-1~ 412-3		●						●	
	Respect and protection of human rights	Legal compliance for business operations, products, and services to maintain Company reputation	307-1		●	●				●	●	
			417-2~ 417-3		●		●			●	●	
			415-1	TWM has contributed to the impacts	●			●			●	
			419-1	TWM has caused the impacts	●	●				●	●	
Sustainable Partners	Network quality and coverage	Our excellent services are founded on our stable and solid network infrastructure.	417-1~ 417-2	TWM has contributed to the impacts	●		●				●	
	Communication mechanism	TWM provides diverse grievance channels and listens to voices from various channels and aspects to enhance our governance and to seize market trends.	103-2	TWM has caused the impacts	●						●	
			103-2		●		●			●	●	
			103-2		●		●			●	●	
			103-2		●		●			●	●	
	Supply chain management	Effective supply chain CSR management can help to enhance CSR management and promote the sustainable development of our value chain.	308-1~ 308-2	TWM is directly linked to the impacts through its business relationships	●	●					●	
			204-1		●	●					●	
			414-1~ 414-2		●	●				●	●	
Innovative Accomplishments	Innovative technological applications	Can improve internal processing, reduce environmental impacts, and lead to new market opportunities.	203-1~ 203-2	TWM has contributed to the impacts & TWM is directly linked to the impacts through its business relationships	●		●				●	

Category	Topic	Description	GRI	Impact relationship							
Environmental Sustainability	Climate change mitigation and adaptation	Actively establish carbon reduction strategies and mitigate the impacts to the environment.	305-1~305-7	TWM has caused the impacts	●			●		●	●
			302-1~302-5	TWM has caused the impacts	●		●	●		●	●
	Green operations	Environmental management system can reduce internal operational and external environmental costs.	305-3/305-5	TWM has contributed to the impacts	●		●	●	●	●	
			306-2		●		●	●	●	●	
	Green application & circular economy	Besides strategizing from a risk-hedging and cost-reduction perspective, we should also plan to develop relevant products and applications in dealing with climate change so that our climate change strategies can be even more well-rounded.	203-1~203-2	TWM is directly linked to the impacts through its business relationships	●		●	●		●	●
Excellent Brand	Information security and privacy protection	Implement personal information management to enhance customer loyalty and satisfaction.	418-1	TWM is directly linked to the impacts through its business relationships	●		●			●	
	Service impact management	Be held liable for products and the contents on our service platforms to minimize the social impacts from our products and services.	203-1~203-2		●		●			●	
	Customer experiences	Be responsible to our clients by providing detailed information on our products and services.	102-43~102-44		●		●			●	
			417-1		●		●			●	
	Electromagnetic field safety	Enhance network coverage while conveying accurate knowledge regarding electromagnetic fields to achieve peaceful coexistence with communities.	416-1~416-2	TWM has contributed to the impacts	●		●	●		●	
	Transparent & fair marketing	Brand value management, marketing, information disclosure, and explanations/communications for product and service fees all pose considerable influences on our brand image.	417-1~417-3	TWM has contributed to the impacts	●		●			●	
Happy Workplace	Employees' physical and mental health	The physical and mental well-being of our employees is an intangible asset to TWM. Creating a healthy work environment will enhance productivity.	403-1~403-4	TWM has caused the impacts	●		●			●	
	Talent cultivation & retention	By providing comprehensive compensations system, well-rounded benefits and incentives, comprehensive education training and career training, while also paying attention to creating workplace equity, we can lead employees to co-create a sustainable, valuable future.	202-1~202-2	TWM has caused the impacts	●					●	
			401-1~401-3		●					●	
			402-1		●					●	
			404-1~404-3		●					●	
			405-1/405-2		●					●	
			406-1		●					●	
			407-1		●					●	
			408-1		●					●	
			409-1		●					●	
Social inclusion	Giving back to the society	TWM sees community service and giving back to the community as part of our responsibilities. We aspire to bring positive influence on the society through promoting local arts and cultural development, caring for disadvantaged groups, and social participation.	203-1~203-2	TWM has contributed to the impacts	●				●	●	●
	Digital inclusion & social innovation	We aspire to bring positive influence on the society through providing products and services that help to solve social problems (such as aging society, home security, and digital gap), and by making it easier for diverse social groups (e.g. senior citizens and disadvantaged groups) to access our products and services.	203-1~203-2		●		●		●	●	●
	Social emergency responses	We are empathetic in the face of disasters, and actively provide career resources or funds to fill the community with warmth.	203-1~203-2		●		●		●	●	

Methods of Stakeholder Communications

Stakeholders	Importance to TWM	Communication strategies	Frequency	Our responses to
Employees	Talent is the key to maintaining an organization's sustainable competitiveness; we aim to create a comprehensive and stable working environment for our employees	Employment Relations Meeting	Once quarterly	Multidimensional Evaluation Talent Development and Retention Communication Mechanism
		Employee Welfare Committee	Once quarterly	
		Management level communications meeting and pre-meeting employee survey research mechanism	Once quarterly	
		Communications meeting among each business group and internal departmental communication mechanism	As needed	
		Employee feedback survey	Once every 2 years	
		Multi-faceted feedback mechanism, career development survey, performance evaluation interview and feedback on career development	1-2times/yearly	
		Internal education training, personal development section	Formulate the plan every year, track progress quarterly	
		General manager's email box, grievance email box	As needed	
		Internal/external website, internal community communication software, E-mail	As needed	
Suppliers	Suppliers are an important part of enterprise sustainability, and only through the support of the value chain are we able to provide our customers with comprehensive products and services	Green energy advocacy	As needed	Sustainable Partners Communication mechanism
		Communication mechanism with vendors	Instant	
		E-mail	Instant	
		Grievance hotline	As needed	
		Survey/ Conference	As needed	
Competent authority	Responsible for improving the practices and systems of the telecommunications industry in Taiwan	Meetings, Visiting	As needed	Legal compliance GRI tables
		Official document	As needed	
Communities / NGO	We have adopted the expression "The larger the business, the more responsibilities it has; Genuine care and concerns are the beginning of taking actions!" in the hopes of bringing positive influence to the society	Electromagnetic radiation measurement hotline	As needed	Stakeholder Negotiation Electromagnetic field safety User Usage Promotion and Assistance Social Inclusion
		Public service activity	As needed	
		Foundation website, store information	24 hours	
		Questionnaire/Forum	As needed	
		Discount telecom charges for specific groups	24 hours	
Customers	The voice of the customer is the impetus for our growth. We are committed to providing "five hearts" class customer service and to create the best smart mobile experiences for our subscribers	Customer service hotline and email box	24 hours	Network quality and customer experiences Innovation in products and services Communication mechanism
		Marketing activity	As needed	
		Customer satisfaction survey	At least 9 times	
		Open information/ communication message	As needed	
		Official website/ customer service App	24 hours	
		Questionnaire/Forum/Official document	As needed	
Shareholders / Investors	We are committed to maximizing the profitability of our shareholders through business performance	Organization of and participation in international/domestil important investors' general annual meeting, institutional investors ' conference, and Roadshow's investor meeting	238 rounds in 2018	Operational Strategies and Performance Ethical Governance and Legal Compliance
		Investor section	24 hours	
		Questionnaire	As needed	
Media	The media is the most direct and effective avenue for conveying the company's brand image	Press release	5-8 articles/weekly	Stakeholder Engagement Excellent Brand
		Press conference	As needed	
Rating agencies	Appraisal organizations represent the standards against which our performance is evaluated	Domestic important Awards	3-5 times/yearly	Key Performance and Awards
		International survey response	Once every year	

Waste recycled,incinerated and landfilled

Waste material	Recycled	Incinerated[5]	Landfill[6]	Total
Business-specific waste- Aged optical wire[1]	53.705	210.288	4.533	268.526
Business-specific waste- Aged copper wire[2]	10.579	10.356	0.223	21.158
Business-specific waste- Aged VRLA batteries[3]	719.941	-	-	719.941
Waste telecommunication equipment[4]	322.105	13.961	0.301	336.367
Common business waste - daily commodities	53.318	199.438	4.299	257.055

Note:
1.Ratio of recyclable material from optical wire is 20%
2.Ratio of recyclable material from copper wire is 50%
3.Ratio of VRLA batteries is 100%
4.Using the most environmentally friendly physical method to process and decompose the waste, 95.76% of which can be reused.
5.According to EPA's Solid Waste Incinerator Management System, all 24 large-scaled waste incinerators in Taiwan are equipped with energy recovery system and supply electricity to the national grid.
6.According to environmental data from the Environmental Protection Administration (https://erdb.epa.gov.tw/DataRepository/Statistics/TrashClear-NationalProcess.aspx?topic1=%E5%9C%B0&topic2=%E6%B1%A1%E6%9F%93%E9%98%B2%E6%B2%BB&subject=%E5%BB%A2%E6%A3%84%E7%89%A9), excluding recyclable refuse and other waste materials requiring special processing, the ratio of waste-to-energy and burial of urban refuse in 2018 were 97.89% and 2.11% respectively.

2016-2018 Staff ranking, age, and gender

Category	age	TWM+Taiwan Fixed Network+TWN Digital Service+Taiwan Teleservices & Technologies+Taihsin Property Insurance Agent[Note2]									TWM Broadband									Taiwan Kuro Times Co., Ltd.								
		2016			2017			2018			2016			2017			2018			2016			2017			2018		
		Male	Female	Ratio	Male	Female	Ratio	Male	Female	Ratio	Male	Female	Ratio	Male	Female	Ratio	Male	Female	Ratio	Male	Female	Ratio	Male	Female	Ratio	Male	Female	Ratio
Executives (Vice President)	< 30 years old	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
	31-50 years old	1	2	0.1	2	2	0.2	1	2	0.2	3	0	0.5	3	0	0.5	1	0	0.17	0	0	0.0	0	0	0.0	0	0	0.0
	> 51 years old	14	4	0.9	13	4	0.8	12	4	0.8	2	1	0.5	2	1	0.5	4	1	0.83	0	0	0.0	0	0	0.0	0	0	0.0
	Total	15	6	1.0	15	6	1.0	13	6	1.0	5	1	1.0	5	1	1.0	5	1	1.0	0	0	0.0	0	0	0.0	0	0	0.0
Employees	< 30 years old	788	880	0.3	740	763	0.3	624	702	0.3	20	27	0.1	19	20	0.1	18	22	0.07	5	6	0.3	4	12	0.3	10	10	0.4
	31-50 years old	1,853	1,738	0.7	1,849	1,806	0.7	1,835	1,776	0.7	295	194	0.8	287	202	0.8	279	202	0.8	15	17	0.7	16	19	0.7	14	17	0.6
	> 51 years old	92	21	0.0	120	36	0.0	158	49	0.0	37	19	0.1	49	22	0.1	59	19	0.13	0	0	0.0	0	0	0.0	0	0	0.0
	Total	2,733	2,639	1.0	2,709	2,605	1.0	2,617	2,527	1.0	352	240	1.0	355	244	1.0	355	244	1.0	20	23	1.0	20	31	1.0	24	27	1.0
Total number of employees		5,393			5,335			5,163			598			605			605			43			51			51		
Employment status	Full-time	5,369			5,312			5,139			593			601			605			34			37			35		
	Part-time	24			23			24			5			4			0			9			14			16		
Average Seniority		7			7.5			8.3			12.0			13.0			12.9			2.8			2.75			3.44		
Educational background	Ph.D.	0.12%			0.17%			0.24%			0.16%			0.16%			0.17%			0.00%			1.96%			1.96%		
	MA	15.99%			15.86%			16.15%			9.87%			9.92%			10.25%			32.56%			35.29%			35.29%		
	University	60.38%			60.84%			60.86%			37.29%			37.19%			38.18%			62.79%			58.82%			58.82%		
	College	17.45%			16.83%			16.44%			28.60%			29.09%			27.60%			4.65%			3.92%			3.92%		
	Senior High School and below	6.06%			6.30%			6.31%			24.08%			23.64%			23.80%			0.00%			0.00%			0.00%		

Note 1: All employees are based in Taiwan.
Note 2: Employees of Taihsin Property Insurance Agent were incorporated in 2018.

2016-2018 Employee turnover, gender and age distributions

Scope	TWM+Taiwan Fixed Network+TWN Digital Service+ Taiwan Teleservices & Technologies+Taihsin Property Insurance Agent)								TWM Broadband								Taiwan Kuro Times Co., Ltd.							
	New hires				Resigner				New hires				Resigner				New hires							
Category	Number of employees		Ratio*		Number of employees		Ratio*		Number of employees		Ratio*		Number of employees		Ratio*		Number of employees		Ratio*		Number of employees		Ratio*	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2018																								
< 30 years old	140	157	2.71%	3.04%	151	131	2.92%	2.53%	7	8	1.16%	1.32%	6	1	0.99%	0.17%	9	6	17.65%	11.76%	6	8	11.76%	15.69%
31-50 years old	78	55	1.51%	1.07%	169	161	3.27%	3.12%	13	6	2.15%	0.99%	12	9	1.98%	1.49%	2	1	3.92%	1.96%	4	5	7.84%	9.80%
> 51 years old	1	0	0.02%	0.00%	5	2	0.10%	0.04%	1	0	0.17%	0.00%	3	3	0.50%	0.50 %	0	0	0.00%	0.00%	0	0	0.00%	0.00%
Total	219	212	4.24%	4.11%	325	294	6.29%	5.69%	21	14	3.48%	2.31%	21	13	3.47%	2.16%	11	7	21.57%	13.73%	10	13	19.61%	25.49%
2017																								
< 30 years old	221	208	4.14%	3.90%	176	186	3.30%	3.49%	7	5	1.16%	0.83%	2	6	0.33%	0.99%	3	13	5.88%	25.49%	3	7	5.88%	13.73%
31-50 years old	105	79	1.97%	1.48%	198	132	3.71%	2.47%	13	11	2.15%	1.82%	14	5	2.31%	0.83%	3	6	5.88%	11.76%	3	4	5.88%	7.84%
> 51 years old	0	0	0.00%	0.00%	9	2	0.17%	0.04%	2	0	0.33%	0.00%	2	4	0.33%	0..66%	0	0	0.00%	0.00%	0	0	0.00%	0.00%
Total	326	287	6.11%	5.38%	383	320	7.18%	6.00%	22	16	3.64%	2.65%	18	15	2.97%	2.48%	6	19	11.76%	37.25%	6	11	11.76%	21.57%
2016																								
< 30 years old	319	347	5.91%	6.43%	168	154	3.12%	2.86%	7	11	1.17%	1.84%	8	4	1.34%	0.67%	3	3	6.98%	6.98%	3	10	6.98%	23.26%
31-50 years old	115	99	2.14%	1.84%	176	143	3.26%	2.65%	16	12	2.68%	2.01%	17	10	2.84%	1.67%	3	4	6.98%	9.30%	6	3	13.95%	6.98%
> 51 years old	1	1	0.02%	0.02%	8	1	0.15%	0.02%	0	0	0.00%	0.00%	3	3	0.50%	0.50%	0	0	0.00%	0.00%	0	0	0.00%	0.00%
Total	435	447	8.07%	8.29%	352	298	6.53%	5.53%	23	23	3.85%	3.85%	28	17	4.68%	2.84%	6	7	13.96%	16.28%	9	13	20.93%	30.24%

TWM plastics group salary ratio analysis

		Taiwan Mobile	Taiwan Fixed Network	Taiwan Teleservices & Technologies	Taiwan Digital Service	Taihsin Property Insurance Agent	TWM Broadband	Taiwan Kuro Times
Basic salary ratio based on the ratio of the gender (women being 1)	Deputy manager or higher	0.98	1.04	0.94	-	-	1	1.52
	Below deputy manager	1.18	0.98	0.97	1.08	-	1.08	1.11
Ratio of men's average annual salary (including performance incentives) to women (women being 1) in 2018	Deputy manager or higher	0.99	1.03	0.95	-	-	0.98	1.24
	Below deputy manager	1.19	0.98	1.01	1.08		1.06	1.12
Ratio of TWM's standard starting salary to Taiwan's minimum wage in 2016		1.5~1.7	1.27~1.5	1.14	1.27	1.49	1.4~1.5	1.11
In 2018, the ratio of the highest individual annual income to the mean individual income of other employees was		21.41：1						
In 2018, the ratio of percentage increase of the highest individual annual income to the percentage increase of other employees' individual income was*		1.58：1						

* Comparison is based on salaries of employees.
* Salaries of non-employee workers are higher than the minimum wage.

GRI (Global Reporting Initiative) Standards Index

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
1.Organizational profile				
102-1	Name of the organization	Company Overview		
102-2	Activities, brands, products, and services	Company Overview		
102-3	Location of headquarters	Company Overview		
102-4	Location of operations	Company Overview		
102-5	Ownership and legal form	Company Overview		
102-6	Markets served	Company Overview		
102-7	Scale of the organization	2.1.1.1Management Strategies and Performance / Financial Performance/Strategies/Targets 2.6.1.1 Employee Structure		
102-8	Information on employees and other workers	2.6.1.1 Employee Structure		
102-9	Supply chain	1.2 CSR Strategy Map 2.2.1 Classification Management		
102-10	Significant changes to the organization and its supply chain	—	No significant change	
102-11	Precautionary Principle or approach	1.4.2Risks and Opportunities Analysis 3.3 Risk Management		
102-12	External initiatives	2.5.3Carbon Management		
102-13	Membership of associations	See the Appendix		
2.Strategy				
102-14	Statement from senior decision-maker	To Stakeholders		
102-15	Key impacts, risks, and opportunities	1.4 2 Risks and Opportunities Analysis 1.4.3 Climate Change Risks and Opportunities Management		
3.Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	2.1.2 Corporate Governance and Legal Compliance		
102-17	Mechanisms for advice and concerns about ethics	2.1.4 Communications Mechanism		
4.Governance				
102-18	Governance structure		Refer to Annual Report	
102-19	Delegating authority	1.1 CSR Operational Mechanism		
102-20	a.Executive-level responsibility for economic, environmental, and social topics b.Whether post holders report directly to the highest governance body	1.1 CSR Operational Mechanism		

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
102-21	a.Consulting stakeholders on economic, environmental, and social topics b.If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	1.1 CSR Operational Mechanism		
102-22	Composition of the highest governance body and its committees	3.1.1The Highest Governing Body-Board of Directors 3.2 Supervision Mechanism 3.3 Risk Management		
102-23	Chair of the highest governance body	3.1.1The Highest Governing Body-Board of Directors		
102-24	Nominating and selecting the highest governance body	3.1.1The Highest Governing Body-Board of Directors		
102-25	Conflicts of interest	3.1 Governance Structure 3.2 Supervision Mechanism		
102-26	Role of highest governance body in setting purpose, values,and strategy	1.1 CSR Operational Mechanism 3.1.1The Highest Governing Body-Board of Directors		
102-27	Collective knowledge of highest governance body	3.1 Governance Structure		
102-28	Evaluating the highest governance body's performance	1.1 CSR Operational Mechanism 3.1 Governance Structure		
102-29	Identifying and managing economic, environmental, and social impacts	1.1 CSR Operational Mechanism 1.4.Environmental Analysis and Countermeasures 1.4.2 Risks and Opportunities Analysis 3.3 Risk Management		
102-30	Effectiveness of risk management processes	1.1 CSR Operational Mechanism 1.4.Environmental Analysis and Countermeasures 1.4.2 Risks and Opportunities Analysis 3.3 Risk Management		
102-31	Review of economic, environmental, and social topics	1.1 CSR Operational Mechanism 1.4.Environmental Analysis and Countermeasures 1.4.2 Risks and Opportunities Analysis 3.3 Risk Management		
102-32	Highest governance body's role in sustainability reporting	Our CSR Report was approved by the Chairman		
102-33	Communicating critical concerns	1.1 CSR Operational Mechanism		
102-34	a.Nature and total number of critical concerns b. Mechanism(s) used to address and resolve critical concerns	1.1 CSR Operational Mechanism		
102-35	a.Remuneration policies for the highest governance body and senior executives for the following types of remuneration b.How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	3.1.2Remuneration to Senior Management		

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
102-36	a. Process for determining remuneration b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management c. Any other relationships that the remuneration consultants have with the organization	3.1.2Remuneration to Senior Management		
102-37	a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.	3.1.2Remuneration to Senior Management		
102-38	Annual total compensation ratio	2.6.1.2 Remuneration and Benefits		
102-39	Percentage increase in annual total compensation ratio	2.6.1.2 Remuneration and Benefits		

5.Stakeholder engagement

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
102-40	List of stakeholder groups	1.6 Communications with Stakeholders and Response to Issues of Concern		
102-41	Collective bargaining agreements	-	No labor union Website:https://corp.taiwanmobile.com/social-responsibility/comprehensiveCommunicationChannels.html	
102-42	Identifying and selecting stakeholders	1.6 Communications with Stakeholders and Response to Issues of Concern		
102-43	Approach to stakeholder engagement	1.6 Communications with Stakeholders and Response to Issues of Concern 2.3.3 Customer Experience		
102-44	The reporting organization shall report the following information: a.how the organization has responded to those key topics and concerns, including through its reporting b.the stakeholder groups that raised each of the key topics and concerns.	1.6 Communications with Stakeholders and Response to Issues of Concern 2.3.3 Customer Experience		

6.Reporting practice

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
104-45	a.Entities included in the consolidated financial statements b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the repor		a. Refer to 2017 Annual Report b. Momo will issue its own CSR report, so the retail business is excluded from this report. c. Refer to0.1 About the CSR Report	
104-46	a. Defining report content and topic Boundaries b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	1.5.Procedure of Identifying Material Topics		
104-47	List of material topics	1.5.Procedure of Identifying Material Topics		
104-48	Restatements of information		N/A	
102-49	Changes in reporting		No significant change	

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
102-50	Reporting period	0.1 About the CSR Report		
102-51	Date of most recent report	0.1 About the CSR Report	Date of the latest report: July, 2018	
102-52	Reporting cycle	0.1 About the CSR Report		
102-53	Contact point for questions regarding the report	0.1 About the CSR Report		
102-54	Claims of reporting in accordance with the GRI Standards: a.This report has been prepared in accordance with the GRI Standards: Core optionoption b.This report has been prepared in accordance with the GRI Standards: Comprehensive option	0.1 About the CSR Report		
102-55	GRI content index GRI	Appendix GRI Standards Index		
102-56	External assurance	0.1 About the CSR Report		

GRI 201:Economic Performance

GRI 103: Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.1 Ethical Operation 2.1.4 Communications Mechanism		
103-3	The management approach and its components	1.1 CSR Operational Mechanism 2.1.1 Management Strategies and Performance		
201-1	Direct economic value generated and distributed	2.1.1 Management Strategies and Performance Appendix_ESG table		
201-2	Financial implications and other risks and opportunities due to climate change	1.4.3 Climate Change Risks and Opportunities Management		
201-3	Defined benefit plan obligations and other retirement plans	2.6.1.2 Remuneration and Benefit		
201-4	Financial assistance received from government	2.1.1 Management Strategies and Performance		

GRI202:Market Presence

GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its component	2.1.4 Communications Mechanism 2.6.1Talent and Retention		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.6.1Talent and Retention		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	2.6.1.2 Remuneration and Benefits		
202-2	Proportion of senior management hired from the local community	2.6.1.1 Employee Structure		

GRI203:Indirect Economic Impacts

GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.4 Communications Mechanism 2.4 Innovation Achievements 2.7 Social Inclusion		

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.4 Innovation Achievements 2.7 Social Inclusion		
203-1	Infrastructure investments and services supported	2.7.3.5.5 Rural Broadband Construction		
203-2	Significant indirect economic impacts	2.4 Innovation Achievements 2.7.5 Emergency Responses 2.7 Social Inclusion		

GRI204:Procurement Practices

GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.2.Sustainable partners 2.1.4 Communications Mechanism		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.2.Sustainable partners		
204-1	Proportion of spending on local suppliers	2.2.1 Overview of Supply Chain		

GRI205:Anti-corruption

GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.2 Ethical Governance and Compliance 2.1.4 Communications Mechanism		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.1.2 Ethical Governance and Compliance		
205-1	Operations assessed for risks related to corruption	-		N/A
205-2	Communication and training about anti-corruption policies and procedures	2.1.2 Ethical Governance and Compliance		
205-3	Confirmed incidents of corruption and actions taken	2.1.2 Ethical Governance and Compliance		

GRI 206:Anti-competitive Behavior

GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.2 Ethical Governance and Compliance 2.1.4 Communications Mechanism		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.1.2 Ethical Governance and Compliance		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-		N/A

GRI 302:Energy

GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.4 Communications Mechanism 2.5 Environmental sustainability		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.5 Environmental sustainability		

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
302-1	Energy consumption within the organization	2.5.2 Carbon Management		
302-2	Energy consumption outside of the organization	2.5.2 Carbon Management		
302-3	Energy intensity	2.5.2 Carbon Management		
302-4	Reduction of energy consumption	2.5.2 Carbon Management		
302-5	Reductions in energy requirements of products and services	2.5.2 Carbon Management		

GRI 305:Emission

GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.4 Communications Mechanism 2.5 Environmental sustainability		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.5 Environmental sustainability		
305-1	Direct (Scope 1) GHG emissions	2.5.2 Carbon Management		■
305-2	Energy indirect (Scope 2) GHG emissions	2.5.2 Carbon Management		■
305-3	Other indirect (Scope 3) GHG emissions	2.5.2 Carbon Management		■
305-4	GHG emissions intensity	2.5.2 Carbon Management		
305-5	Reduction of GHG emissions	2.4.4 Product and Service Innovation 2.4.5 Process Innovation 2.5.2 Carbon Management 2.5.4 Green Operations 2.5.5 Green Services		
305-6	Emissions of ozone-depleting substances (ODS)	-	We are not in the manufacturing industry and this aspect is thus inapplicable.	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-	We are not in the manufacturing industry and this aspect is thus inapplicable.	

GRI 306:Effluents and Waste

GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.4 Communications Mechanism 2.5 Environmental sustainability		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.5 Environmental sustainability		
306-1	Water discharge by quality and destination	-	We are not in the manufacturing industry and this aspect is thus inapplicable.	
306-2	Waste by type and disposal method	2.5.4 Green Operations		
306-3	Significant spills	-	We are not in the manufacturing industry and this aspect is thus inapplicable.	
306-4	Transport of hazardous waste	-	We are not in the manufacturing industry and this aspect is thus inapplicable.	
306-5	Water bodies affected by water discharges and/or runoff	-	We are not in the manufacturing industry and this aspect is thus inapplicable.	

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Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-2	The management approach and its components	2.1.4 Communications Mechanism 2.2. Sustainable Partners 2.6.1.5 Employee Relations		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.2. Sustainable Partners 2.6.1.5 Employee Relations		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.2.4 Supplier maintenance 2.6.1.5 Employee Relations		

GRI 408:Child Labor
GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.3 Respect for and Protection of Human Rights 2.1.4 Communication Mechanism 2.2. Sustainable Partners		
103-3	Evaluation of the management approach	2.1.3 Respect for and Protection of Human Rights 2.1.4 Communication Mechanism 2.2. Sustainable Partners		
408-1	Operations and suppliers at significant risk for incidents of child labor	2.1.3 Respect for and Protection of Human Rights 2.2.4.Supplier Selection and Assessment		

GRI 409:Forced or Compulsory Labor
GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.3 Respect for and Protection of Human Rights 2.1.4 Communication Mechanism 2.2. Sustainable Partners		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.1.3 Respect for and Protection of Human Rights 2.2. Sustainable Partners		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.1.3 Respect for and Protection of Human Rights 2.2.4.Supplier Selection and Assessment		

GRI 412:Human Rights Assessment
GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.3 Respect and Protection of Human Rights 2.1.4 Communication Mechanism 2.6.1 Talent Development and Retention		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.1.3 Respect and Protection of Human Rights		
412-1	Operations that have been subject to human rights reviews or impact assessments	2.1.3 Respect and Protection of Human Rights		
412-2	Employee training on human rights policies or procedures	2.6.4.1 Career Development and Training Learning development is in association with strategy.		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		N/A	

GRI 414:Supplier Social Assessment
GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.4 Communication Mechanism 2.2. Sustainable Partners		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.2. Sustainable Partners		
414-1	New suppliers that were screened using social criteria	2.2.4 Supplier maintenance		
414-2	Negative social impacts in the supply chain and actions taken	2.2.4 Supplier maintenance		

GRI 416:Customer Health and Safety
GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.4 Communications Mechanism 2.3.5 Content Improvement of the Product and Service Platform		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.3.5 Content Improvement of the Product and Service Platform		
416-1	Assessment of the health and safety impacts of product and service categories	2.3.5 Content Improvement of the Product and Service Platform		
414-2	Incidents of non-compliance concerning the health and safety impacts of products and services		N/A	

GRI 417:Marketing and Labeling
GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.2 Ethical Governance and Compliance 2.1.4 Communications Mechanism 2.3.2 Network Reliability		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.1.2 Ethical Governance and Compliance 2.3.2 Network Reliability		
417-1	Requirements for product and service information and labeling	All of our major services Compliant with 「Administrative Regulation Governing Tariffs of Type I Telecommunications Enterprises- Article 12		
417-2	Incidents of non-compliance concerning product and service information and labeling	2.3.2 Network Reliability	N/A	
417-3	Incidents of non-compliance concerning marketing communications	2.1.2 Ethical Governance and Compliance		

GRI 418:Customer Privacy
GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.2 Ethical Governance and Compliance 2.1.4 Communications Mechanism 2.3.4 Personal Information Security and Privacy Protection		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.1.2 Ethical Governance and Compliance 2.3.4 Personal Information Security and Privacy Protection		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.1.2 Ethical Governance and Compliance 2.3.4 Personal Information Security and Privacy Protection		

GRI 419: Socioeconomic Compliance
GRI 103:Management Approach

Indicators	Description	Chapter	Reasons for Non-disclosures	SGS External Assurance
103-1	Explanation of the material topic and its Boundary	Appendix Material Topics and Scopes		
103-2	The management approach and its components	2.1.2 Ethical Governance and Compliance 2.1.4 Communications Mechanism		
103-3	Evaluation of the management approach	1.1 CSR Operational Mechanism 2.1.2 Ethical Governance and Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	2.1.2 Ethical Governance and Compliance		

Participation of Taiwan Mobile in Various Associations and Societies

Taiwan Telecommunication Industry Development Association

Bridge Mobile Pte Ltd

Cable Broadband Institute in Taiwan

GSM MoU Association (GSMA)

Global e-Sustainability Initiative (GeSI)

Taiwan Network Information Center

The Business Council for Sustainable Development of Taiwan

Taiwan Communications Society

Cross-Strait CEO Summit

Taiwan Mergers & Acquisition and Private Equity Council

Cloud Computing & IoT Association in Taiwan

Chinese International Economic Cooperation Association

Chinese National Association of Industry and Commerce

Taiwan Chain Stores and Franchise Association

Taiwan Association of Information and Communication Standards

Taiwan Contact Center Development Association

The Institute of Internal Auditors, Taiwan

Chinese Non-Store Retailer Association

Taipei Computer Association

The Audit Bureau of Certification

Taiwan Electrical and Electronic Manufacturers' Association

Taipei Multimedia Production Association

Taiwan Corporate Governance Association

Digital Transformation Association

Chinese Public Companies Stock Affairs Association

Chinese Computer Audit Association

Taiwan Internet and E-Commerce Association

Taiwan Digital Publishing Forum

Taipei Electrical Commercial Association

Taiwan Telecommunication Engineering Industry Association

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