About the Report
We are delighted that you are reading the 13th Sustainability and Integrated Report/Corporate Social Responsibility report issued by Taiwan Mobile.

Reporting Period
The period of information disclosure of this report is 2020 (January 1 to December 31, 2020).

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 2020 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 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
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To the Stakeholders

Chairman’s Message
To all stakeholders,

Countless precious lives have been lost in the battle against COVID-19, as the severity of the global outbreak continues to be heightened, virus variants are spreading, and there is an uneven distribution of vaccines and medical resources. The world and Taiwan continue to face this enormous challenge. At the same time, Taiwan was met with the harshest droughts throughout the past 50 years in the first half of 2021, while extreme weather also leads to disasters around the world. These events have led us to introspect on the dangers brought on the world through overdevelopments. This is a serious issue for everyone, and enterprises should actively work toward sustainable development and to face this difficult challenge with all stakeholders.

Human lives, civilization, and industry developments, have entered into a new match of either choosing to transform or to be phased out. Taiwan Mobile (hereinafter “TWM” or “the Company”) has shown unforeseen resilience and transformation in 2020. The Company initiated brand and cultural rebuilding on June 30, 2020, and launched a brand-new core brand philosophy, “Open Possible”. On July 1, 2020, we formally entered into the inaugural year of the Age of 5G, actively built infrastructure, and led industry competitors to expand to 6,000 substations throughout Taiwan. By the end of 2020, we rank in first place in terms of the number of 5G substations and usability rate, and the number of our 5G users exceeded 500,000 within 6 months, and have reached over 800,000 users by June 2021. Moreover, we continue to demonstrate innovative values through inter-disciplinary collaborations for artificial intelligence (AI), big data, and cloud services.

While being committed to business expansions, we see caring for our employees as a top priority. With the re-emergence of COVID, we immediately commenced flexible working hours and work from home to reduce the risk of viral infection while commuting. The safety protection equipment of front-line staff was reinforced, while sufficient epidemic prevention leaves, medical insurance, subsidies, and necessary assistance were also offered to the staff that were infected or needed to be quarantined. Moreover, we also actively cooperated with the government’s epidemic prevention measures and assisted the remote learning of students from disadvantaged families. Besides providing 35,000 free Internet accounts to disadvantaged students, Taiwan Mobile Foundation also launched a fundraiser to provide brand-new tablet PCs to disadvantaged on two separate occasions. TWM began the fundraiser by donating 200 tablets, and quickly assisted seven charity groups to raise 2,257 tablets cumulatively valued at over NT$10 million, so that students from disadvantaged families and rural areas could also be equipped to partake in remote learning while schools continue to be suspended.

The Company prides itself on being a corporate pioneer in ESG sustainability, and we have been promoting sustainable engineering through the three ESG dimensions - corporate governance, social engagement, and environmental sustainability - since 2007, and we address the needs of all stakeholders while upholding our core principles of “Think Sustainable, Act Responsible”. TWM officially launched “Zetta Connected 2030” at the end of 2017 to fully address 17 Sustainable Development Goals (SDGs) of the United Nations, covering 5 main axes and visions for sustainability, including “Responsible Business,” “Creating Stakeholder Synergy,” “Elevating Future Experience,” “Realizing Social Potential” and “Minimizing Footprint.” Furthermore, review goals have been specified and employees are encouraged to realize visions that follow their hearts. They are encouraged to stretch their imagination in proposing technological applications for the future life, which will be achieved one by one with concrete actions.

In particular, as we accelerate the footsteps of 5G development, TWM is especially committed to environmental governance. Having anticipated the high energy consumption associated with 5G, TWM has proposed “joint frequency, grid connection, and co-building 5G” to mitigate the significant growth in carbon emissions from high energy consumption. Moreover, the Company has introduced the Task Force on Climate-related Financial Disclosures (TCFD) as the highest-guiding framework on evaluating corporate risk management since 2018 and promoted five core strategies, of which “enhancing the ratio of green energy consumption” has been prioritized. Besides promoting in-house green energy power plants and purchasing green energy step-by-step, TWM has also specified that 100% of energy consumption from IDC will be green by 2030. Concurrently, to meet current 5G development status, the Company expects to adopt Science-based Targets (SBT) and to reduce Scope 1 and Scope 2 emissions by 30%, as well as to reduce Scope 3 emissions by 15% in 2030, compared with the baseline in 2019. TWM is committed to strive toward our goal of Net Zero emissions.

While pursuing sustainability, TWM strives to be aligned with international trends, and joined the Global Enabling Sustainability Initiative (GeSI) in 2016 as the first corporate member in Taiwan and the third in Asia. We were further elected as a member of the board of directors in 2017 and re-elected three years later. We support the Digital with Purpose Movement (DWP) initiated by GeSI in 2021, and formally announced our resolve at the European Union Digital Assembly at Lisbon, Portugal on June 1, 2021. By collaborating with leading international enterprises, we will jointly build a sustainable future via digital technologies and innovations.

committed to strive toward our goal of Net Zero emissions.

At the same time, we also take part in sustainability assessments at home and abroad to enhance TWM’s sustainable actions with more rigorous performance evaluations. We were nominated by the DJSI World Index in 2020 for the fourth consecutive year, and ranked No. 1 as the forerunner of the telecommunications industry throughout the globe. We were also rated A for “Climate Change” by CDP for two consecutive years, and outperformed industry competitors by being honored with Gold Class Sustainability Award from S&P Global “Sustainability Yearbook 2021”. Moreover, TWM also continues to receive positive recognition of ISS-ESG Prime grade, and was the only Taiwanese telecommunications operator to rank among top 10 of the “Greater China Business Sustainability Index (GCBSI)”. Domestically, TWM has ranked within the top 5% in the “Corporate Governance Assessment” for seven consecutive years, and is a three-time champion for comprehensive ESG performance in telecommunications industry from Global Views Monthly. We have received the “Commonwealth Corporate Citizen Award” for 13 consecutive years, won 10 prizes from Taiwan Corporate Sustainability Awards, and are the only telecommunications company in Taiwan to be awarded the "Top Ten Sustainability Model Award" for six times.

The future is full of infinite possibilities; we remain hopeful in spite of the challenges ahead. We believe that the shape of future, will be determined by our unrestrained imaginations. TWM will continue to uphold our core vision of “Open Possible” and strive to realize all possible creative application services with our usual innovative technologies including 5G, IoT, AI, big data, and cloud services through our imaginations, to build a smarter and faster new life and to fulfill our new vision for a sustainable future.

Chairman
To the Stakeholders
President’s Message
To all stakeholders,

2020 was a monumental year for TWM. Besides the important task of brand restructuring, we also formally entered into the Age of 5G in July 2020 as well as actively initiated the second phase of our brand transformation. We invested toward service contents with more breadth, depth, longer growth cycles, and more opportunities, including new services and businesses ranging from 5G, smart home, cloud-based gaming, to e-commerce self-logistics. We also conducted more R&D projects and external investments and M&A. TWM's "Super 5G Strategy" (Gift, Group, Grit, Green & GSEA) has achieved full synergies in spite of the challenges from the pandemic, and several early milestones in the second phase of our brand transformation have been reached according to plans, which helped us to achieve high performance.

TWM proactively expanded 5G since its debut, and we continue to lead competitors in terms of market penetration rate for 5G users, number of substations, and 5G coverage. Though costs rose significantly from the amortization and depreciation of 5G frequency band, and annual profits declined from the pandemic's impacts on roaming revenue, TWM continues to deliver robust performance in 2020. Our consolidated revenues and after-tax profits in 2020 reached NT$132.86 billion and NT$11.29 billion respectively, while the after-tax earnings per share (EPS) was NT$4.01. We benefited from the accelerated growth in our second growth driver, the e-commerce business, which reached a 7% YoY growth in consolidated revenue. Momo's annual revenue ratio has exceeded 50% for the first time to arrive at 51%, while contributing 14% of operating profit. In terms of mobile business, due to drivers including the launch of 5G and smartphones including iPhone 12, coupled with our proprietary sales mix, including "free flagship phone with a fixed 48-month plan", "5G & WiFi package", and "5G and momo package", the growth of 5G users has exceeded our expectations. Furthermore, more than 80% of the 5G users have opted for more pricey data plans, leading revenues from monthly plans to growth on a monthly basis. With the economies of scale in e-commerce and operating leverage, TWM's annual consolidated operating profit and after-tax net profit have both exceed our financial forecasts, allowing us to answer our eight major stakeholders with actual operating performance and corporate governance founded on ethical business management.

TWM also utilized our strengths in 5G to accelerate the digital transformation of consumers and enterprises during the pandemic. In terms of e-commerce, full support was offered throughout the Group to accelerate momo's growth, achieving Group synergies; for personal users, we strove to serve the most number of users through pioneering 5G coverage, while offering diverse phone plans to satisfy the Internet access, shopping, and optimal broadband Internet needs for users during the pandemic. For home users, TWM continues to invest in infrastructure to enhance broadband speed, while also increasing the lineup of smart home packages to enhance users' quality of life. For corporate users, we are also accelerating the speed of building dedicated 5G networks for enterprises, and offer cloud-based data center Cloud PBX, corporate instant messenger (EIM), and M+ video "remote physical research" to assist the digital transformation of enterprises.

TWM continues to build more popular services and experiences on our 5G platform and to expand toward more innovative applications and industries, so that users can experience the new service applications enabled by 5G high-speed transmission from anytime, anywhere. In particular, myVideo, MyMusic, and myBook are actively investing toward quality contents that are made in Taiwan to grow and nurture the video industry. We have expanded to the gaming market and collaborated with the No. 1 international game developer, Riot Games; thereby commencing a new business model in telecom game agency. We also partnered with global leader in GPU display IC, NVIDIA to jointly build the "GeForce NOW" cloud-based gaming platform. Additionally, by collaborating with Formosa Plastics Transport Corp., a FPG subsidiary, along with startups and academia, we have expanded into industrial and commercial 5G automated driving to comprehensively accelerate the positive impacts beyond that of a 5G operator.

As a responsible corporation, on top of continuously enhancing operating performance, one should also continue to reduce the environmental burdens from one's business operations. TWM actively addresses the UN Sustainable Development Goals (SDGs), has specified 16 environmental sustainability targets, and reaped significant results in 2020. We dramatically reduced energy intensity by 60% from 2016, reduced waste by 14.25% from 2017, and reduced water consumption by 7.44% compared to 2017. Fourteen of our targets have been met, of which 12 have exceeded the targets, and the overall achievement rate has reached nearly 90%. The Company is particularly focused on energy conservation and carbon reductions. Going forward, key environmental strategies will be focused on enhancing the ratio of green energy consumption, and to which means we have taken pre-emptive measures to build our own green energy power plant and purchased green energy. Personally, I am also keen on achieving the "100% green energy consumption (RE100) throughout the Company" goal by 2040. In terms of social care, Taiwan's low birth rate, aging society, and urban-rural gap problems all require technological assistance. The basis of national competitiveness in the future will no longer be determined by economy, but technical accessibility and innovative logical thinking will also be key determining factors. TWM continues to integrate our core strengths in technology to promote "embracing love with technology", which has given birth to over 20 social engagement projects dedicated to caring for disadvantaged groups, ranging from community caring, technical welfare, developing culture and arts, technical prosperity, to social emergency responses. TWM is dedicated to enhancing the digital competitiveness of rural areas and disadvantaged families. In 2020, over 65,000 people benefited from the TWM digital education resources, the coverage rate of broadband mobile services was 97.78% for rural areas, cumulative sponsorships and donations toward social welfare reached NT$940 million, and the number of benefited disadvantaged users (students/seniors) dramatically increased by 145% compared with 2017.

"Open Possible!" Upholding our new brand culture and innovative philosophy, TWM is comprehensively enhancing the user experiences and values for personal users, home users, and corporate users, while internalizing and practicing ESG in the day-to-day activities of our staff. Going forward, TWM will continue to become the best model for leading sustainable growth in ICT industry, and we aspire to become a forerunner for global sustainability under the support of Chairman Daniel M. Tsai and the collective effort from all employees. With each solid step we take, we will bring the human race and the planet one step closer to an ideal future.
The number of disadvantaged people students receiving technology education benefited from discounted rates for telecommunications services increases by 145% compared with 2017.

Digital Wings provided Internet and mybook Live English for a quota of 10,000, benefiting 5,712 disadvantaged young people.

Promoted technology education that benefits 65,000 people (Coding Fun/Digital Learning centers/Digital Wings).

Green Power for Charity raised NT$3 million with a 54.99kW photovoltaic system built to generate NT$17.1 million in 20 years.

Total tap water consumption decreases by 7.44% compared with 2017.

Energy intensity decreases by 60% compared with 2016.

Obtained 519 renewable energy certificates, with 389,000 kWh for self-use.

Built green energy infrastructure of 1,520 kW.

Received the Sponsorship Gold Award and Long-term Sponsorship Award from the Sports Activist Awards.

Launched myNC Smart Tracking Wristband in 2019, used for and search for patients with dementia.

Received the ISS ESG enterprise evaluation Prime level for 3 consecutive years.

Selected as one of the constituent stocks of the FTSE4Good TPI Taiwan ESG Index.

The number of disadvantaged people students receiving technology education benefited from discounted rates for telecommunications services increases by 145% compared with 2017.

The DJSI World Index was ranked 1 in the global telecommunication industry for 4 consecutive years and the DJSI Emerging Markets Index for 9 consecutive years.

Ranked top 5% in the Corporate Governance Assessment for 7 consecutive years since 2015.

 Ranked top 1% in the DJSI Supply Chain Management among its global peers.

Received "Gold Class" for the S&P Global Sustainability Yearbook in the global telecommunications industry.

The number of disadvantaged people students receiving technology education benefited from discounted rates for telecommunications services increases by 145% compared with 2017.

Dare to Dream: The Bookstore After 10pm, the first original musical short in Mandarin, received over a million views online within 9 days.

myfone Mobile Composition Award supports OTT audiovisual talents.

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2020 Awards

*Rated A, the highest rating in Climate Change by CDP in 2019*

**Awarded Silver Class, Global Telecommunication Services Group in the 2020 Sustainable Yearbook**

**Received the ISS ESG enterprise evaluation Prime level for 3 consecutive years**

**Received the 2020 Exercise Enterprise Certification** from the Sports Administration

**Included in the DJSI World for 4 Consecutive Years and Ranked first in the telecommunications industry in the world**

**Win the CSEA Customer Service Excellence Awards for 4 consecutive years in the categories of “Best Customer Service Team” and “Best Telemarketing Team”**

**Received the “Benchmark Project Award” for medium-sized projects from the Project Management Institute’s Project Management Competition**

**Rated A, the highest ranking in Climate Change by CDP in 2020**

**Awarded the Gold Class as the leader in the Global Telecommunication Services Group in the 2020 Sustainable Yearbook**

**Remain in top 5% in the corporate governance evaluation for 6 consecutive years**

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**Included in the DJSI World for 4 Consecutive Years and Ranked first in the telecommunications industry in the world**

**Won first prizes in “CSR Annual Survey: Telecommunications Services” and “Excellent Project: Environmental Friendliness” from the Global Views Monthly**

**Chosen as one of the Top 10 Enterprises by TCIA for the “Taiwan Corporate Sustainability Awards” for the 6th time Awarded first place in the service industry for the first time, with a total of 10 awards as the best performer in the telecommunications industry**

**Received Silver Award from the “National Enterprise Environmental Protection Awards” as the only telecommunications company**

**Received Silver Award Activists Award” Sponsorship Gold Medal and Long-term Sponsorship Award from the Sports Administration**

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Chapter 1
Excellent Brand

- Rebranding: Opening Endless Possibilities for You with Open Possible
- Engaging in "Super 5G" Applications in Multiple Fields: Creating a Beautiful Smart Life with Stakeholders
- Brand Sponsorship: Promoting Sports, Art and Culture to Boost the Positive Energy and Social Welfare
1. **Rebranding: Opening Endless Possibilities for You with Open Possible**

On June 30, 2020, Taiwan Mobile hosted a grand launch ceremony for its 5G services. Chairman Daniel M. Tsai held a crystal ball that symbolizes the ability to examine the past and explore the future, surrounded by the special effects of extremely fast beams to symbolize the development of Taiwan’s telecommunications through four generations. The energy was projected into the crystal ball in the hands of Chairman Daniel M. Tsai, which he held up in one swoop to reveal the TWM’s brand new corporate identification “Planet Possible” and the all-orange new 5G logo. The logo represents TWM’s brand new core spirit, “Open Possible,” striving into the 5G era with our users and business partners! With NCC Commissioner Yaw-Shyang Chen present, President Jamie Lin also revealed TWM’s 5G applications and future layout, 5G tariff plans and construction plans, as well as giving everyone a sneak peak of the first 5G concept store in the Taipei New Horizon Building. TWM’s 5G network service was officially launched at midnight on July 1. To celebrate the launch, the stores combined services in smart home, e-sports games, and the latest 4K high-definition video and audio quality, allowing users to enjoy the experience of mobile phone playback with zero lag.

In the past 23 years, TWM has experienced the digital transformation from 2G, 3G and 4G with Taiwan over the past 23 years. By now, TWM has transformed into a new-generation network technology company. As it enters the new era of 5G, it has further reinterpreted the vital core spirit of the brand “Open Possible.” With 5G, TWM is better equipped to integrate its businesses including telecommunications, network, media and e-commerce, entertainment and others to provide technology solutions (Integration). This helps us build a system of smart life applications (Intelligence), provide personalized products and experiences (Individuality), as well as inspiring new inspiration and perspectives (Inspiration) to open up new thoughts and new ideas for users with richer and more immersive content and experience. Supporting and Assisting Our Users in Realizing More Achievement and Dreams to Open Infinite Possibilities.

We launched the “Rebranding” project to connect to the future of 5G based on “unity” and “imagination” while representing the core brand spirit of TWM. We developed a new brand identity based on this intention to show our change and new mission: Opening Endless Possibilities for You with Open Possible. The new logo continues to adopt the colored ball design with twelve facets from the 4G era with evolved connotation. The new colors represent the company’s business departments and the brand, such as the “vitality orange” of TWM and the “dazzling pink” of momo shop, as well as “green” to symbolize the brand’s commitment to sustainability, and “purple” to show the power of “acting as one” to embracing technology, explore the world of the future, and strive to innovate to realize the beautiful vision for the future of 5G together with users. The new logo represents our vitality, ambition, creativity and courage in the new era. Open Possible is not only our brand philosophy but also creates a brand experience of infinite possibilities for our stakeholders.

We also revealed the new visual for the 5G logo based on the passionate orange shade that is typical of TWM. The arrow extending to the upper right represents speed and growth. It symbolizes that TWM will propel to the new 5G era at full momentum and speed, helping users and business partners to “Open Possible.”
Daniel M. Tsai: Co-creating an Innovative Space with Open Possibilities with Taiwan Mobile through 5G
2 Engaging in “Super 5G” Applications in Multiple Fields: Creating a Beautiful Smart Life with Stakeholders

5G went into commercial operation in Taiwan last year. With its characteristics of large bandwidth, hyperspeed and low latency, 5G will revolutionize human life. TWM sticks to its commitment to sustainability while striving to provide all possible innovative application services. We are creating a platform that "integrates" telecommunications, Internet, media and e-commerce into one, providing customers with technological solutions. Our infinite imagination shapes the future of the world. We hope to join hands with the eight major stakeholders to create a smarter, faster-paced new life through imagination, combining new technologies with AI, Internet of Things (IOT) and big data to move faster towards a beautiful new life and Open Possible together.

Smart Stadium

TWM has realized 3D real-time playback, VR reality competition training system and AR sports entertainment.

5G smart self-driving car

TWM, joined forces with Formosa Plastics Transport Corporation, is the first company in Taiwan to enter the fields of industry, medical industry and commercial self-driving cars.
Leading telecom game

TWM works with Riot Games to start a new business model of telecom game agent, build e-sports-level mobile games, partner with NVIDIA to build GFN alliance Taiwan Mobile gaming cloud platform. These attempts have changed the outlook of the gaming market, allowing players to play masterpiece 3A level PC games.

The most comprehensive online video and audio applications

5G makes 4K/8K real-time home entertainment no longer out of reach. TWM has its own entertainment services, covering video and audio streaming platform myVideo with high-quality 4K videos, high-quality MyMusic focuses on music with perfect sound quality, and online bookstore myBook with 4K high-definition magazines.

Smarter home

TWM has joined forces with Google to create convenient and safe smart home services for the Taiwanese market based on innovative technologies. This gives users easy access to audio-visual entertainment, home automation, remote voice control and home monitoring. This can quickly update your home to build a smart life dedicated to you and your family.

TWM has invested over NT$820 million in sports since 2003. In recent years, it has rendered its full support to basketball, baseball, golf, tennis and marathon events. TWM is the only domestic telecommunications company that hosts a gold tournament. It has equally sponsored world-class tennis player Latisha Chan for 7 years in a row, as well as the top tennis player Jason Jung for 3 years. In 2020, it sponsored aboriginal young karate athletes Hsueh-Peng Ku and Hsin Hu. In 2018 and 2019, TWM started sponsoring female golf players Wei-Ling Hsu and Min Lee. TWM is dedicated to helping excellent local players focus on winning, becoming world-class players, and allowing the world to see Taiwan. This effort has been acknowledged by the Sports Administration, Ministry of Education, receiving the Sponsorship Gold Medal from the “Sports Activists Award” for four consecutive years.

In addition, the Company has combined the Group’s resources to make long-term effort in sponsoring art and cultural activities, as well as activities that have a social influence. It has sponsored the "Taipei Lantern Festival" for three years in a row, "TTV Super Star" for 6 years, and the "Golden Horse Awards," "THE WEB CONFERENCE 2020" (an annual major global Internet conference held in Taiwan for the first time), "IEEE GLOBECOM 2020" (the world's largest international communications conference) for the first time, the only telecommunications partner for A-Mei’s New Year’s Eve concert in Taitung, the dual-platform for live-streaming and so on. Even during the pandemic, TWM still actively engages in international forums and diversified audio-visual entertainment!
**TWM Concerts**

TWM is currently the only company in Taiwan that hosts free large-scale outdoor concerts. We have changed the meaning and positioning the corporate promotion of community arts and cultural events, transforming the traditional role of sponsor into a creative initiator and leader, demonstrating the professional capacity of integrating concept-based creativity and resources, as well as helping culture take root and developing everyone’s “soft power.”

TWM has been hosting concerts since 2005. The 5180 Mobile Donation platform was integrated in 2011, successfully helping social welfare organizations raise funds and publicize initiatives, becoming a model of promoting social welfare and artistic events for all companies.

**Over 21 classic songs were reinterpreted to honor TWM’s new brand philosophy of “Open Possible”**

**49 concerts were organized between 2005 and 2020 with 750,000 people attending**

**Helped 23 charitable organizations between 2011 and 2020 by raising over NT$3.21 million**

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Kuo Hsing-chun:

It’s very touching to watch the clip with the music of “Perfect Landing.” It hasn’t been an easy ride for anyone. We all experienced frustrations and injuries, and we only got back to the top with continuous effort. I will for sure try my best to open all possibilities at the Tokyo Olympics.

Huang from the concert fan page:

Thank you, TWM, for holding these grand concerts every year to bring family and friends together. It’s nice to have you. Thank you for your hard work.

Lu from the concert fan page:

It was a beautiful night tonight. My gratitude goes to the Sun Moon Lake Scenic Area Administration and TWM for preparing high-quality music and fireworks each year. We look forward to this day every year. See you again next year!
Chapter 2

Operational Performance

- Financial Overview
- Operation Overview
- Response to COVID-19
## Key Business Performance

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td>118.7 billion</td>
<td>124.4 billion</td>
<td>132.9 billion</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>34.4 billion</td>
<td>32.8 billion</td>
<td>31.4 billion</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>18.2 billion</td>
<td>17.2 billion</td>
<td>16.1 billion</td>
</tr>
<tr>
<td><strong>Non-operating income</strong></td>
<td>(472,825) thousand</td>
<td>(611,525) thousand</td>
<td>(598,369) thousand</td>
</tr>
<tr>
<td><strong>Pre-tax income</strong></td>
<td>17.7 billion</td>
<td>16.6 billion</td>
<td>15.5 billion</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>14.5 billion</td>
<td>13.3 billion</td>
<td>12.4 billion</td>
</tr>
<tr>
<td><strong>Other comprehensive income (after tax)</strong></td>
<td>98,554 thousand</td>
<td>487,173 thousand</td>
<td>(853,669) thousand</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>14.6 billion</td>
<td>13.8 billion</td>
<td>11.5 billion</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of the parent company (income after tax)</strong></td>
<td>13.6 billion</td>
<td>12.5 billion</td>
<td>11.3 billion</td>
</tr>
<tr>
<td><strong>Profit attributable to non-controlling interest</strong></td>
<td>8.4 billion</td>
<td>8.1 billion</td>
<td>11.1 billion</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to owners of parent company</strong></td>
<td>13.8 billion</td>
<td>13.0 billion</td>
<td>10.4 billion</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to non-controlling interest</strong></td>
<td>8.2 billion</td>
<td>8.1 billion</td>
<td>11.3 billion</td>
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</tbody>
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*Unit: NT 1 billion*
Please refer to page 83-88 of the 2020 Annual Report for financial information.

For ESG performance tables, please refer to appendix P.132.

### Fresh Cash Flow Yield

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>Yield</td>
<td>7.3%</td>
<td>6.2%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

### EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>5.01</td>
<td>4.51</td>
<td>4.01</td>
</tr>
</tbody>
</table>

### ROE

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>20%</td>
<td>18%</td>
<td>15%</td>
</tr>
</tbody>
</table>

### Dividend Yield

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Yield</td>
<td>5.0%</td>
<td>4.5%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

### Average salary of full-time employees in non-management roles

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>1,039</td>
<td>1,054</td>
<td>1,060</td>
</tr>
</tbody>
</table>

### Total Number of Users

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Users</td>
<td>7,2661</td>
<td>7,1782</td>
<td>7,2644</td>
</tr>
<tr>
<td>Million People</td>
<td>7.2661</td>
<td>7.1782</td>
<td>7.2644</td>
</tr>
</tbody>
</table>

### Customer satisfaction

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td>86%</td>
<td>90%</td>
<td>89%</td>
</tr>
</tbody>
</table>

### Energy consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption</td>
<td>438,057.04 MWh</td>
<td>437,800.04 MWh</td>
<td>469,705.58 MWh</td>
</tr>
</tbody>
</table>

### Network population coverage rate

<table>
<thead>
<tr>
<th>Year</th>
<th>2018(4G)</th>
<th>2019(4G)</th>
<th>2020(4G)</th>
<th>2020(5G)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>99.27%</td>
<td>99.32%</td>
<td>99.36%</td>
<td>56.45%</td>
</tr>
</tbody>
</table>

### Internet downloading speed

<table>
<thead>
<tr>
<th>Year</th>
<th>2018(4G)</th>
<th>2019(4G)</th>
<th>2020(4G)</th>
<th>2020(5G)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed</td>
<td>84.7 Mbps</td>
<td>97.7 Mbps</td>
<td>108.6 Mbps</td>
<td>286.3 Mbps</td>
</tr>
</tbody>
</table>

(Note 1) The results were measured by Telecom Technology Center (TTC), commissioned by NCC.
(Note 2) TWM user speed test result.

Please refer to page 83-88 of the 2020 Annual Report for financial information.

For ESG performance tables, please refer to appendix P.132.
2.1. Financial Overview

1. Financial Performance: All-round Development for 5G to Boost Operating Profit

After the launch of 5G, the three major players have raised their all-you-can-use tariffs to NT$1,399, bringing health competition for the leading operators. The company is committed to building 5G network and promoting related applications. As of the end of 2020, TWM ranked first in the number and availability of 5G base stations. Although the amortization and depreciation of 5G spectrum has gradually increased, and the pandemic had an impact on income from roaming services, the net profit after tax still exceeded the annual budget target. In 2020, the consolidated total revenue was NT$132.9 billion, with NT$31.3 billion in EBITDA. The profit after tax was NT$11.3 billion, and earnings per share were NT$4.01.

In addition to continuing to join forces with Google to promote "Smarter Home," TWM partnered with Riot Games and NVIDIA to enter the game market in 2020. With the "good things come in two" plan that combines 5G and high-speed fixed network, the users can enjoy new services and applications made possible high-speed network. TWM has mobile, fixed network, cable television and e-commerce businesses. The depth and scope of users can help diversify the business.

With the advent of the 5G era and an aging society, the development of Industry 4.0, smart home and smart care have gradually matured. Exploring 5G applications and grasping business opportunities will bring competition in the telecommunications industry to different levels. TWM will adhere to the spirit of innovation, incorporate technology with life to increase profits from individuals, families, businesses and retail business groups. Please refer to page 91-93 of the 2020 Annual Report for financial condition and performance.

<table>
<thead>
<tr>
<th>Business (NTD in Million)</th>
<th>Telecommunications</th>
<th>Cable TV</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market presence</td>
<td>One of the three mobile telecommunications companies with the most users in Taiwan</td>
<td>Covering 11% of Taiwan's households</td>
<td>Largest B2C e-commerce in Taiwan</td>
</tr>
<tr>
<td>2020 revenue**</td>
<td>61,533</td>
<td>6,193</td>
<td>67,198</td>
</tr>
<tr>
<td>Percentage of consolidated revenue</td>
<td>46%</td>
<td>5%</td>
<td>51%</td>
</tr>
<tr>
<td>YoY</td>
<td>-9%</td>
<td>2%</td>
<td>30%</td>
</tr>
<tr>
<td>EBIT in 2020**</td>
<td>11,325</td>
<td>2,208</td>
<td>2,219</td>
</tr>
<tr>
<td>Percentage of consolidated EBIT</td>
<td>71%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>YoY</td>
<td>-15%</td>
<td>6%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Note: 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.

2. Dividend Policy: Safeguarding Shareholder Rights and Ensuring Equal Treatment

In terms of dividend policy, TWM 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 recent years is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash dividends</td>
<td>5.6 share</td>
<td>5.5 share</td>
<td>4.75 share</td>
</tr>
<tr>
<td>Amount of dividend</td>
<td>$15,244</td>
<td>$15,366</td>
<td>$13,350</td>
</tr>
</tbody>
</table>

Unit: NT$ million
2.1. Financial Overview

2. Dividend Policy: Safeguarding Shareholder Rights and Ensuring Equal Treatment

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 in the minute book, on the Company website and MOPS, providing multiple channels for shareholders to fully exercise their rights. In 2020, electronic voting rights accounted for 95.76% of the attendance, which showed the results of corporate governance implementation.

3. Tax Policy: Implementing Tax Policies with a Sound Tax Management System

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.

The 2020 and 2019 domestic and foreign operations and income tax information are listed in the following table, with Taiwan as the main operating country and a 20% income tax in accordance with the law.

<table>
<thead>
<tr>
<th>Projects</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Domestic</td>
<td>Foreign</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>130,486,507</td>
<td>2,374,477</td>
</tr>
<tr>
<td>Net operating income</td>
<td>15,353,198</td>
<td>702,962</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>3,063,960</td>
<td>53</td>
</tr>
<tr>
<td>Payment of Income Tax</td>
<td>2,328,514</td>
<td>10</td>
</tr>
<tr>
<td>Tax Concession</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>Government Subsidy Income</td>
<td>51,077</td>
<td></td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>19.82%</td>
<td></td>
</tr>
<tr>
<td>Cash payment tax rate</td>
<td>15.06%</td>
<td></td>
</tr>
</tbody>
</table>

Note: “Domestic” and “foreign” are divided by the users’ identity and the area of operations.
2.2. Operation Overview

1. Business System: Synergies of diversified business

Taiwan Mobile Co., Ltd. was established in February 1997. In the same year, it obtained the license for Type I Telecommunications Enterprise from the government, as well as setting up headquarters, branch offices and other business sites in Taiwan. Among them, the physical channel service stores are located all over Taiwan. Between 2007 and 2008, TWM acquired and merged with Taiwan Fixed Networks, Taiwan Telecom, TransAsia Telecom and MOBITAI Communications with framework spanning across mobile communications, fixed networks, broadband Internet and the cable TV industry. It is domestic provider with the most comprehensive range of telecom and media service in the fields of T (telecommunications), I (Internet), M (media & entertainment) and E (e-commerce). Please refer to page 67-73 of the 2020 Annual Report for details on operation overview.
2.2. Operation Overview

2. Board of Directors: Over Half of Independent Directors as the Precedent in the Telecommunications Industry

Board Composition:
The Board of Director is the highest governance body with 9 seats of directors with background in business, finance, telecommunications and information technologies with 3-year terms. The Chairman does not hold any executive positions in order to ensure Company’s independent operations.
The Audit Committee and Remuneration and Nomination Committee are formed by all independent directors to strengthen the system and ensure effective operations.
Percentage of Director Age: 22.22% between 30-50 years old, 77.78% Above 50 years old
Percentage of female directors: 11.11%
Distribution of nationalities: ROC 77.78%, Singapore 11.11%, US 11.11%
For detailed information, please refer to P.16 of the 2020 Annual Report

Board Functions:
Supervising the Company’s legal compliance, timely disclosure of important information and ethical operation.
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.

Board training:
The courses in 2020 include corporate management and news crisis management strategies, forward-looking financial institution information security governance: business challenges and effective investment strategies, corporate governance lectures, common corporate governance deficiencies in companies and analysis of related laws and regulations, corporate governance and corporate financial information transparency, and competition for management rights case analysis, etc.
(For detailed information, please refer to P.29 of the 2020 Annual Report)

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.
(For detailed information, please refer to P.29 of the 2020 Annual Report)

3. Shareholders: Attracting Long-term Investors by Providing Quality Shareholder Return

Top 10 Shareholders Percentage of Ownership Top 10 Shareholders Percentage of Ownership
1. TFN Union Investment Co., Ltd.
2. Shin Kong Life Insurance Co., Ltd.
3. Cathay Life Insurance Co., Ltd.
4. TCC Investment Co., Ltd.
5. Ming Dong Industrial Co., Ltd.
6. Fubon Life Insurance Co., Ltd.
7. Dao Ying Co., Ltd.
8. Richard M. Tsai
9. TCCI Investment & Development Co., Ltd.
10. Daniel M. Tsai

Date: July 25, 2020

Note: Subsidiary of the Company’s reinvestment
2020 Board Members

Chairman of the Board
Daniel M. Tsai

Management Team
Director
Richard M. Tsai
Director
Jamie Lin
Director
Cheng-Ju, Tsai
Independent Director
Hsueh-Jen Sung
Independent Director
Char-Dir Chung
Independent Director
Wan Jia Le
Independent Director
Hsi-Peng Lu
Independent Director
Tung-hai Chen

Excellent brand
Sustainable Strategies
Create Value
Operational Performance

Environmental sustainability
Social inclusion
Innovative accomplishments
Sustainable partnerships
Ethical operation
Happy workplace
Brand values
Elevating Future Experience
Minimizing Footprint
Realizing Social Potential
Creating Stakeholder Synergy
Responsible Business
2.2. Operation Overview

4. Network Reliability: Deploying High-Quality Network Infrastructure to Improve 5G Network Coverage Everywhere

In response to the exponential demand for data services, the Company began to provide 5G network services on June 30, 2020. By the end of 2020, TWM has provided 4G/5G dual connectivity mobile broadband services with over 6,000 high-speed 5G base stations in more than 60% of the administrative regions, with 5G covering over 60% of the population. In 2021, TWM was certified by the NCC as the company with over half of the 5G coverage in Taiwan. TWM has seen exponential growth in 5G users since the service was launched, with over 800,000 users by June 2021. TWM honors 4G users' rights while building 5G network by improving the quality of 4G network services. To this end, the Company continues to expand 2CA dual-band carrier aggregation and 3CA tri-band carrier aggregation in areas with capacity requirements in metropolitan areas to increase speed. The speed in 2020 increased by 11.2% compared with 2019, reaching 108.6Mbps. In the meantime, the company actively sought to overcome problems in remote and rural areas as well as outlying islands. In 2020, TWM provided mobile broadband network at the following locations: Jiuju Mountain Villa, Tianchi Mountain Villa, Cypress Villa, Xiangyang Mountain House, Jiamei Lake Mountain House are remote and rural areas such as Sanhe Village, Majia Township, Pingtung County and so on.

Contingency for major incident in 2020: No disconnection affected TWM services in 2020. There were no IT infrastructure incidents occurred in 2020.

Chiaming Lake Mobile Communications Co-constructed Base Station: the Largest Solar-powered System for Base Station at High Altitude

The Chiaming Lake base station co-construction project cost more than NT$60 million with hard work from all engineering personnel. Under the leadership of TWM, employees have invested more than 1,000 hours of work. The team of engineers has climbed up and down the mountain for about 3,500 trips for evaluations, deployment planning, construction coordination, installation supervision, signal measurement, etc. Everything was transported by backpack on the steep and winding roads to build the base station and solar power systems. A total of 219 solar panels and 280 storage batteries were adopted to build the largest solar-powered base station in Taiwan's mountains, safeguarding over 10,000 hikers every year.
2.3 Response to COVID-19

Immediate response to the pandemic:

*Advanced pandemic alerts and response mechanism*
TWN has learned from the SARS episode to make advanced preparations for the current pandemic. The company-wide anti-epidemic alerts were issued before the Lunar New Year (January 22), with travel control over the holiday for all employees to establish travel history and body temperature reporting mechanism.

*Large-scale epidemic prevention and working from home*
TWM carried out the off-site backup with plenty of time to spare. All employees from the headquarters and various business groups work together. Even though the impact was grave, everybody worked together efficiently. With swift actions, all tasks were handed over with no issue. All departments were also encouraged to practice the work from home (WFH) project. The supervisor decided the number of people and length of time for the WFH project to provide employees with flexibility and due care. In 2020, the number of working hours at home exceeded 200,000.

*Offering staff all-round care*
Providing adequate supplies, such as masks, alcohol, infrared thermometer, and purchasing of sterilized and anti-virus cloth masks (which can be washed and reused) to distribute to all employees. In addition, to help employees with children when classes were suspended, leave and the possibility of taking the children to work were provided. All benefits were offered in spite of the pandemic. Marriage leave could be extended, and even though year-end and year-start parties were canceled, the employees were gifted with coupons and online lottery.

*Epidemic prevention package for corporate customers*
Helping to prevent the pandemic with science and technology, building a safe working environment for companies and medical institutions addressing the pandemic to overcome the difficult period.
- Introducing WebEx video conferencing with cloud technology to help companies build a multi-location real-time video and online collaboration mode.
- Cloud PBX assists enterprises in building remote backup to virtualize the physical switchboard in the cloud. The WFH phone can function as a desktop extension.

*Home quarantine anti-epidemic package*
myVideo and MyMusic partnered with New Taipei City and Taoyuan City to provide a total of 9,000 sets of 14-day free monthly rental serial numbers to people under home quarantine persons, so as to lessen their suffering from having to stay indoor for 14 days. Moreover, people under home quarantine can apply for the TWM Broadband “Free Epidemic Prevention Package” 14-day high-definition digital channel, so that people can still enjoy a high quality of life during the home quarantine period.

*Suspended classes, continuous studying*
The “Digital Wings” project launched by the Taiwan Mobile Foundation in 2019 was incorporated in the Ministry of Education’s “Epidemic Prevention Home Studying Program” in 2020, providing 10,000 15-day all-you-can-use numbers for free to help disadvantaged students study online during the epidemic. In addition, for existing users with a monthly package, free data is provided for children from 6 to 12 years old. In the meantime, the mobile audio and video myVideo and myBook for e-books have respectively selected parent-child-friendly travel programs as well as free resources of children’s literature and picture books, providing them with the audiovisual tool for studying at home.
2.3 Response to COVID-19

Moving towards the Post-pandemic Era:

Internal Business Continuity Plan
The company set up the "Epidemic Prevention Response Command Center" with the president as the general convener, and the supervisors of each unit as the epidemic prevention representatives responsible for conveying and coordinating various epidemic prevention measures. Depending on the pandemic, the government’s policy was taken into consideration for hierarchical management measures for epidemic prevention. When necessary, the WFH and remote backup mechanisms would be launched. The command center supports immediate response to future outbreaks to ensure that the company operates with no issue.

Establish Epidemic Prevention Emergency Response Center

<table>
<thead>
<tr>
<th>01-Employee management</th>
<th>02-Supplier and visitor quarantine management</th>
<th>03-Environmental Management</th>
<th>04-Contingency</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Prohibited to travel for pandemic-hit areas for tourism or business</td>
<td>- Suppliers and visitors who have been to pandemic-hit areas are prohibited from visits</td>
<td>- Infrared body temperature monitoring and alcohol for hand disinfection are provided at the entrance of each building</td>
<td>- Manpower: Inventory of manpower in each unit, with the replacement for each employee fully capable of taking over the tasks</td>
</tr>
<tr>
<td>- Cooperate with pandemic tracing and report back immediately with M+</td>
<td>- Meetings with external suppliers are conducted as video conferences as much as possible</td>
<td>- Increase the frequency of air exchange rate for air conditioning or leave the windows open for ventilation</td>
<td>- Equipment: Formulate a contingency for system equipment for each technical unit</td>
</tr>
<tr>
<td>- Those who meet the control conditions for management need to carry out self-health management at home</td>
<td>- Name-based registration for visitors with obligation to wear a mask</td>
<td>- The environment and gadgets on display machines are disinfected on a daily basis in the directly-operated stores. Customers are provided with hand sanitizers</td>
<td>- Remote backup plan/Work from home</td>
</tr>
<tr>
<td>- Make epidemic prevention announcements through the Labor Safety Office and perform relevant measures</td>
<td>- Those who have a fever are prohibited from entering</td>
<td>- Public space (meeting room, pantry, toilet) is disinfected more frequently with readily-available alcohol</td>
<td>- Stock up on epidemic-prevention supplies</td>
</tr>
<tr>
<td>- Do temperature check and wear a mask at work on a daily basis</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Create various solutions and application models with 5G to allow for more space for imagination for remote work and home entertainment
Using AR, VR, and MR (Mixed Reality) technologies to allow remote service personnel to go through equipment testing, troubleshooting or plant machine maintenance one-by-one for on-site staff.
- Applying technology to high-risk work environments such as firefighting and construction engineering. In the future, real situations are not necessary for pre-employment safety training. Instead, a one-time virtual modeling can provide new personnel with a VR immersive experience to complete training.
- AR/VR tools can be used for exhibitions, allowing users to enjoy the famous paintings of the Louvre and the underwater world of the Okinawa Aquarium at home.
Chapter 3
Sustainable Strategies

Zetta Connected 2030
2020 Goals and Performance
ESG Operational Mechanism
Sustainable Strategy Map
Identification of Material Topics
Risk Analysis
Stakeholder Communication
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.

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, the new attitude toward life in the future.

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.

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.
1 How Big Your Heart Is, How Great Your Vision Will Be

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.

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**Stage of implementation (Completed items)**

- Become a global benchmark enterprise
- Promote CSR strategy integration
- Absolute reduction of carbon emissions
- Application for renewable energy certificates, green power procurement and construction of green power generation facilities
- 100% introduction of ISO14001
- Promote green energy for charity
- Evaluate the social benefits of charity projects
- Communication with Stakeholders
- Host a supplier CSR conference and CSR Forum
- Industry-academic cooperation on carbon management strategy and quantification of Scope 3 emissions
- Obtain carbon footprint label for multimedia services products
- Implement social return on investment (SROI)
- Build TWM sustainability vision blueprint for 2030
- Setting and verifying SBT

**Completed ahead of schedule**

Become a leader in International awards
(Top 1 in Telecommunication Services Industry in 2018 and 2020 DJSI World)
Issue integrated reports
Receive CDP leadership rating (winning the highest rating of level A for CDP from 2019 to 2020)

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**2015-2018**

- **Short-term goals for value creation**
  - Build CSR brand image
  - Value chain climate change management
  - Optimize the social benefits of public welfare projects
  - Review targets in the 2020 stage
  - Evaluation of 2030 vision targets
  - Total use of renewable energy: reaches 0.99%
  - Total carbon emissions: reduced by 2.73% compared with 2019

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**2019-2020**

- **Mid-term goals for value creation**
  - Total use of renewable energy: reaches 10%
  - Cloud IDC’s renewable energy consumption: reached 50%
  - Total carbon emissions: reduced by 16.36% compared with 2019
  - Reaching 75% of 5G population coverage
  - Advanced telecommunications users account for 60% of total users
  - The coverage rate of high-speed wired network service reaches 88% of the operating areas.
  - Reaching 33 million users with innovative products and services
  - Reaching 800,000 users each month with smart customer service
  - The coverage rate of village image surveillance: reaches 48%
  - Flood image surveillance: reaches 48%
  - The number of benefited members in disadvantaged groups: increases by 2.05 times compared with 2017
  - Corporate governance assessment scores: remain in the top 5%
  - Elect the minimum of one female director
  - 100% of the employees signing the Declaration of Integrity
  - 0 data leak caused by hacking
  - Carbon emissions of the supply chain: decrease by 8% from that in 2020

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**2021-2025**

- **Long-term goals for value creation**
  - Total use of renewable energy: reaches 20%
  - Cloud IDC’s renewable energy consumption: reached 100%
  - Total carbon emissions: reduced by 30% compared with 2019
  - Reaching 85% of 5G population coverage
  - Advanced telecommunications users account for 95% of total users
  - The coverage rate of high-speed wired network service reaches 98% of the operating areas.
  - Reaching 41 million users with innovative products and services
  - Reaching 1,500,000 users each month with smart customer service
  - The coverage rate of village image surveillance: reaches 78%
  - Flood image surveillance: reaches 78%
  - The number of benefited members in disadvantaged groups: increases by 2.15 times compared with 2017
  - Corporate governance assessment scores: remain in the top 5%
  - Elect the minimum of one female director
  - 100% of the employees signing the Declaration of Integrity
  - 0 data leak caused by hacking
  - Carbon emissions of the supply chain: decrease by 20% from that in 2020

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**2026-2030**

- **Ongoing**
  - The original 2020 plan completed in advance

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2020 Goals and Performance

We held two inter-departmental workshops to identify key and secondary SDGs of the Company through employee voting at the end of 2017 and the beginning of 2018. The result focuses on 11 key SDGs and 51 corresponding SDGs for the 2030 sustainability goals, with an annual check point for each item. Out of the 51 goals set in 2018, 3 have been removed from the review due to service suspension. The target achievement rate for 2020 was 83% with the following performance:

Key SDGs

- Responsible Business
- Creating Sustainable Society
- Elevating Future Experience
- Minimizing Footprint
- Realizing Social Potential
- Creating Stakeholder Synergy

Secondary SDGs

- Responsible Business
- Creating Sustainable Society
- Elevating Future Experience
- Minimizing Footprint
- Realizing Social Potential
- Responsible Business
- Sustainable Strategies
- Create Value
- Operational Performance
- Appendix
- Environmental sustainability
- Social inclusion
- Innovative accomplishments
- Sustainable partnerships
- Ethical operation
- Happy workplace
- Brand values
- Elevating Future Experience
- Minimizing Footprint
- Realizing Social Potential
- Creating Stakeholder Synergy

Possible by Possible by
## 2020 Goals and Performance

### Zeta Connected 2030 Theme SDGs Dimension of strategies

<table>
<thead>
<tr>
<th>Dimension of strategies</th>
<th>2020 Strategic goal</th>
<th>2020 Performance</th>
<th>Progress of target completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewable energy</strong></td>
<td>Total installed capacity of renewable energy reaches 280 kW</td>
<td>316.77 kW</td>
<td>Climate change mitigation and adaptation Green operations</td>
</tr>
<tr>
<td></td>
<td>Since 2015, the TWM Green Energy Initiative has reached a total of 2.8 million people</td>
<td>297 million people</td>
<td>Green operations</td>
</tr>
<tr>
<td></td>
<td>Total use of renewable energy reaches 0.005%</td>
<td>0.127%</td>
<td>Green operations</td>
</tr>
<tr>
<td><strong>Energy efficiency</strong></td>
<td>Emission intensity from energy decreasing by 95% compared to 2016</td>
<td>60%</td>
<td>Climate change mitigation and adaptation</td>
</tr>
<tr>
<td></td>
<td>The electricity consumption of the computer room decreased by 10% compared with 2016</td>
<td>20%</td>
<td>Green operations</td>
</tr>
<tr>
<td></td>
<td>Cloud IDC's average annual power usage effectiveness (PUE) reaches 1.75</td>
<td>1.73</td>
<td>Green operations</td>
</tr>
<tr>
<td><strong>Sustainable usage of natural resources</strong></td>
<td>Total tap water consumption decreases by 3% compared with 2017</td>
<td>7.44%</td>
<td>Green operations Green Application and Loop Economy</td>
</tr>
<tr>
<td></td>
<td>The amount of paper used for application forms decreased by 10% each year</td>
<td>81%</td>
<td>Planning for paperless service options for franchises, including new applications, changes and prepaid cards</td>
</tr>
<tr>
<td><strong>Sustainable recycling</strong></td>
<td>Reduce total waste by 9% compared to 2017**</td>
<td>14.25%</td>
<td>Green operations Green Application and Loop Economy</td>
</tr>
<tr>
<td></td>
<td>Number of recycled cell phone reaches 10,000 per year</td>
<td>18,865</td>
<td></td>
</tr>
<tr>
<td><strong>Resilience and adaptation</strong></td>
<td>Promote at least one material climate issue or policy proposal and action every year</td>
<td>1. Launch the &quot;Green Power for Charity&quot; label to support Green Energy Initiatives with consumers and suppliers 2. Respond to and sponsor the GeSI's DwP New Digital Mission climate initiative</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TWM computer and equipment rooms are built with 100% resilient infrastructure</td>
<td>100%</td>
<td>Completed</td>
</tr>
<tr>
<td></td>
<td>1. Add 10 more realms of double backup shelter cycle Hubs 2. Establish microwave transmission in important districts of countryside and provide high-speed internet service in more than 10 base stations</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td><strong>Low carbon footprints</strong></td>
<td>Reduce total carbon emissions by 5.7% compared with 2016**</td>
<td>13%</td>
<td>Climate change mitigation and adaptation</td>
</tr>
<tr>
<td></td>
<td>The carbon emissions of the outsourced raving logistics fleet are reduced by 12% compared with 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Digital healthcare</strong></td>
<td>The coverage rate of digital healthcare services reaches 90%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mobile health management</strong></td>
<td>Mobile healthcare products or services generate revenues of NT$370 million</td>
<td></td>
<td>Service suspended and not included in the review</td>
</tr>
<tr>
<td><strong>Communications infrastructure</strong></td>
<td>Advanced telecommunication users** generate for 95% of total users</td>
<td>100%</td>
<td>Technology innovation &amp; application Network reliability and coverage rate</td>
</tr>
<tr>
<td></td>
<td>The coverage rate of wired high-speed network service reaches 90% of the operating areas</td>
<td></td>
<td>In addition to the implementation within the budget, technical verification of the new equipment (at lower cost) is carried out as a preparation for subsequent introduction</td>
</tr>
<tr>
<td></td>
<td>The revenue from the fixed-network users changing into &quot;advanced integrated telecommunications services&quot; reached NT$120 million</td>
<td></td>
<td>Accelerate integration services and applications with new features</td>
</tr>
<tr>
<td><strong>Smart innovation and application</strong></td>
<td>Innovative products or services generate revenues of NT$5.6 billion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- **Goal reached**
- **Goal exceeded**
- **Goal not met**

**Abbreviations:**
- **SDGs**: Sustainable Development Goals
- **NT**: New Taiwan Dollar
- **kW**: Kilowatt
- **kWh**: Kilowatt-hour
- **PUE**: Power Usage Effectiveness

**References:**
1. Through the sales growth of 3C products in vertical e-commerce and the cross-selling from existing members, as well as developing diversified services such as telecom contract for the platform
2. Leverage new technologies to expand the market, such as cloud gaming, etc.
2020 Goals and Performance

<table>
<thead>
<tr>
<th>Zeta Connected 2030 Theme</th>
<th>SDGs</th>
<th>Dimension of strategies</th>
<th>Strategic goal</th>
<th>Performance</th>
<th>Progress of target completion</th>
<th>Corresponding material topic</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart living</td>
<td></td>
<td></td>
<td>The number of users of home security products reaches 34,000 households</td>
<td>1.55 billion</td>
<td>Customer experiences</td>
<td>Strengthen product and market competitiveness through new services such as AI home protection (image detection and active alerts)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Digital multimedia products and services generate an income of NT$1.9 billion</td>
<td>1.857 billion</td>
<td>Technology innovation &amp; application</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>The sum of mobile commerce service transactions reach NT$1.52 billion</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>The revenues generated from the Internet of Vehicles reach NT$80 million</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Sustainable city</td>
<td></td>
<td></td>
<td>Base station service operation rate reached 99.8%.</td>
<td>99.87%</td>
<td>Customer experiences</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>The coverage rate of village image surveillance or river hydrology/flood image surveillance reaches 30%</td>
<td>30%</td>
<td>Technology innovation &amp; application</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising events</td>
<td></td>
<td></td>
<td>The total amount of funds raised through TWM channels since 2006 reaches NT$120 million</td>
<td>125 million</td>
<td>Giving back to society, Customer experiences</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The sponsorships and donations for public interest since 2003 amount to NT$820 million</td>
<td>940 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service affordability</td>
<td></td>
<td></td>
<td>The coverage rate of the mobile broadband internet service in rural areas reaches more than 97%</td>
<td>97.78%</td>
<td>Giving back to society, Customer experiences</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The number of disadvantaged people (students/the elderly) who benefited the rate discount grow by 35% compared with 2017</td>
<td>145%</td>
<td>Technology innovation &amp; application</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reinforce resistance to disasters</td>
<td></td>
<td></td>
<td>Over 97% of the population living in remote areas receives emergency warning service within 5 seconds after a disaster happens</td>
<td>97.78%</td>
<td>Social emergency responses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Complete the Advanced Mobile Location (AML) service development for Android phones</td>
<td>Completed</td>
<td>Climate change mitigation and adaptation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accessibility to remote healthcare</td>
<td></td>
<td></td>
<td>The number of people benefiting from telehealth products or services reaches 16,000 persons</td>
<td></td>
<td>Technology innovation &amp; application</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation safety</td>
<td></td>
<td></td>
<td>Installed 10,000 smart street lights</td>
<td>42,351</td>
<td>Talent development and retention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental quality monitoring</td>
<td></td>
<td></td>
<td>Over 20,000 air quality monitoring devices in Taiwan with relevant applications provided</td>
<td>2.5 units of myAir</td>
<td>Supply chain management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equal opportunities</td>
<td></td>
<td></td>
<td>The number of users benefiting from TWM digital education resources reaches 62,000</td>
<td>6.5 people</td>
<td>Technology innovation &amp; application</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Since 2012, the Equal Opportunities for Education Initiative has reached a total of 2.35 million people</td>
<td>264 people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge and skills education for sustainable development</td>
<td></td>
<td></td>
<td>Through internal employee education and training, the number of employees who have obtained relevant sustainability information increases by 3% from that of 2017</td>
<td>1379%</td>
<td>Technology innovation &amp; application</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The number of people reached by external CSR-related activities and events increases by 3% from that of 2017</td>
<td>12.4 people</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>The total number of online visits to the category or special section of sustainability has amounted to 100,000 since 2018</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
## 2020 Goals and Performance

### Zetta Connected 2030 Theme

<table>
<thead>
<tr>
<th>SDGs</th>
<th>Dimension of strategies</th>
<th>2020 Strategic goal</th>
<th>Performance</th>
<th>Progress of target completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee cultivation</td>
<td>Plan multiple learning channels based on organizational development needs and continue to track training hours per capita</td>
<td>64 hours</td>
<td>Talent development and retention</td>
<td></td>
</tr>
<tr>
<td>Friendly workplace</td>
<td>90% of pregnant employees received prenatal education</td>
<td>90%</td>
<td>90%</td>
<td>Employees’ physical and mental health</td>
</tr>
<tr>
<td></td>
<td>90% of postnatal employees received caring phone calls</td>
<td>94.1%</td>
<td>4.45 points</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 points (out of 5) in terms of satisfaction with parenteral lectures or study groups</td>
<td>4.45 points</td>
<td>4.8 points</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 points (out of 5) in terms of satisfaction with the use of breastfeeding rooms</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>75% of employees are satisfied with the friendly work environment.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights and justice</td>
<td>Rated top 10% in the global industry ranking of third-party evaluation in terms of information security management</td>
<td>Top3%</td>
<td>Respect for and protection of human rights, information security and privacy protection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ranked top 10% in the global industry ranking of international sustainability ratings in terms of human rights management</td>
<td>Top9%</td>
<td>Customer experiences</td>
<td></td>
</tr>
<tr>
<td>Transparency and honesty</td>
<td>At least one female Director</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Corporate governance assessment scores remain in the top 5%</td>
<td></td>
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<tr>
<td></td>
<td>Zero tolerance of any violation of Ethical Corporate Management Best Practice Principles</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>One seat of female independent director elected</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Sustainable supply chain management</td>
<td>Complete supply chain carbon emissions inventory between 2020 and 2023</td>
<td></td>
<td></td>
<td>Supply chain management</td>
</tr>
<tr>
<td></td>
<td>The trial inventory has been completed in 2020. In 2021, carbon inventory and reduction action plan will be officially carried out</td>
<td></td>
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</tbody>
</table>

**Note 1:** In line with the decision of the ESG Steering Committee from March 2021, the index coverage and definition for calculations have been adjusted with reasonable target values reset.

**Note 2:** New SBT has been approved by SBTi in May 2021, the targets have been adjusted accordingly.

**Note 3:** Advanced telecommunications users are defined as users of 4G and 5G.

**Note 4:** Please refer to Chapter 3.4 Identification of Material Topics on P.44 for details.

A cross-departmental employee target verification workshop was held in January 2021. Each department reviewed the 2030 long-term goals based on the five main axes, and set 2021-2025 annual goals. After the review, there is a total of 52 new goals (one more than 2018). 17 are retained, 7 are deleted, and 35 are modified (including 20 adjustments, 4 merges, and 11 new ones). The short, medium- and long-term goals are as follows:

Please refer to appendix on P.133-134 for the progress check for Zetta Connected 2030 goals.

<table>
<thead>
<tr>
<th>Zetta Connected 2030 Theme</th>
<th>SDGs</th>
<th>Dimension of strategies</th>
<th>2021 Strategic goal</th>
<th>2025 Strategic goal</th>
<th>2030 Strategic goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewable</strong></td>
<td></td>
<td>Total use of renewable energy reaches 1.5%</td>
<td>10%</td>
<td>20% Note 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>15% of cloud IDC renewable resource consumption</td>
<td>50%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td><strong>Energy efficiency</strong></td>
<td></td>
<td>Energy intensity decreased by 61% compared with 2016</td>
<td>67%</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The electricity consumption of the information equipment room decreased by 21% compared with 2016</td>
<td>23%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual average PUE of cloud IDC reaches 1.69</td>
<td>1.81</td>
<td>1.5 Note 1</td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable usage of natural resources</strong></td>
<td></td>
<td>Total tap water consumption decreases by 4% compared with 2017</td>
<td>8%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual reduction of total paper consumption for customer service and stores reach 193 million sheets</td>
<td>1.99 million sheets</td>
<td>204 million sheets</td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable recycling</strong></td>
<td></td>
<td>Total waste\textsuperscript{a}\textsuperscript{b} reduced by 12% compared to 2017</td>
<td>20%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recycle a total of 25,000 broken/old phones</td>
<td>89,000</td>
<td>198,000</td>
<td></td>
</tr>
<tr>
<td><strong>Low carbon footprints</strong></td>
<td></td>
<td>Total carbon emissions \textsuperscript{c}\textsuperscript{d} reduced by 5.45% from that in 2019</td>
<td>Reduced by 16.36%</td>
<td>Reduced by 30%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The reduction of carbon emissions of outsourced logistics and warehouse is increased by 16% compared with 2016</td>
<td>Increased by 28%</td>
<td>Increased by 50%</td>
<td></td>
</tr>
<tr>
<td><strong>Resilience and adaptation</strong></td>
<td></td>
<td>Promote at least one material climate issue or policy proposal and action every year</td>
<td>At least once a year</td>
<td>At least once a year</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Add 10 more realms of double backup shelter cycle Hubs</td>
<td>Add 40 loops of base station loop double backup</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>100% of TWM service rooms are resilient infrastructure</td>
<td>100% resilient infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mobile health management</strong></td>
<td></td>
<td>Number of users using air quality services reaches 30,000 people</td>
<td>50,000 people</td>
<td>100,000 people</td>
<td></td>
</tr>
<tr>
<td><strong>Communications infrastructure</strong></td>
<td></td>
<td>5G population coverage rate reaches 55% and above</td>
<td>Above 75%</td>
<td>Above 85%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Advanced telecommunications users \textsuperscript{e}\textsuperscript{f} account for 20% of total users</td>
<td>60%</td>
<td>99%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The coverage rate of wired high-speed network service reaches 81% of the operating areas</td>
<td>88%</td>
<td>98%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The number of users for diversified integrated communication services reaches 85,000 people</td>
<td>140,000 people</td>
<td>240,000 people</td>
<td></td>
</tr>
<tr>
<td><strong>Smart innovation and application</strong></td>
<td></td>
<td>Number of users for innovative products and services reaches 25 million people</td>
<td>33 million people</td>
<td>41 million people</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The number of enterprise users for cloud services reaches 150</td>
<td>700</td>
<td>1,450</td>
<td></td>
</tr>
</tbody>
</table>
### 3. Comprehensive Review of Short-, Medium- and Long-term Targets

<table>
<thead>
<tr>
<th>Zetta Connected 2030 Theme</th>
<th>SDGs</th>
<th>Dimension of strategies</th>
<th>2021 Strategic goal</th>
<th>2025 Strategic goal</th>
<th>2030 Strategic goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Elevating Future Experience</strong></td>
<td><strong>Giving back to society</strong></td>
<td>The sponsorships and donations for public interest since 2003 amount to NT$1.016 billion</td>
<td>NT$1.3 billion</td>
<td>NT$1.5 billion</td>
<td></td>
</tr>
<tr>
<td><strong>Service affordability</strong></td>
<td>5G coverage rate for remote and rural areas reaches over 10%</td>
<td>Over 50%</td>
<td>Over 95%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reinforce resistance to disasters</strong></td>
<td>The number of beneficiaries of disadvantaged group Note 6 grows by 1.94 times compared to 2017</td>
<td>Grows by 2.05 times</td>
<td>Grows by 2.15 times</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Build 4 domain record systems</strong></td>
<td>Over 10% of the population living in remote areas receives emergency warning service within 5 seconds after a disaster happens through 5G</td>
<td>Over 50%</td>
<td>Over 95%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Build 1 new overseas roaming signal analytical system</strong></td>
<td>Build 1 new overseas roaming signal analytical system</td>
<td></td>
<td>The coverage rate of the positioning services for victim location tracking in disaster areas reaches 90.83% of the communications population.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Smart living** | Digital content services reach 24 million members | 31 million | 39 million |
| **myfone online shop receives 30.9 million people** | 42.04 million people | 61.77 million people |
| **Number of users for IoV reaches 88,000** | 220,000 | 400,000 |
| **Smart customer services reaches 100,000 users per month** | 800,000/month | 1.5 million/month |

| **Smart home** | Ship a total of 400,000 smart home devices | 2.4 million | 5 million |
| **The number of users of home security products reaches 37,154 households** | 58,562 households | 100,000 households |
| **Base station service operation rate reaches 99.8%** | 99.8% | 99.9% |
| **The coverage rate of village image surveillance or river hydrology/flood image surveillance reaches 33% (11 townships)** | 48% (16 townships) | 78% (26 townships) |
| **Install 230,000 smart IoT devices per year** | 480,000 | 800,000 |

| **Smart city** | Giving back to society | The sponsorships and donations for public interest since 2003 amount to NT$1.016 billion | NT$1.3 billion | NT$1.5 billion | |
| **Service affordability** | 5G coverage rate for remote and rural areas reaches over 10% | Over 50% | Over 95% | |
| **Reinforce resistance to disasters** | The number of beneficiaries of disadvantaged group Note 6 grows by 1.94 times compared to 2017 | Grows by 2.05 times | Grows by 2.15 times | |
| **Build 4 domain record systems** | Over 10% of the population living in remote areas receives emergency warning service within 5 seconds after a disaster happens through 5G | Over 50% | Over 95% | |
| **Build 1 new overseas roaming signal analytical system** | Build 1 new overseas roaming signal analytical system | | The coverage rate of the positioning services for victim location tracking in disaster areas reaches 90.83% of the communications population. | |

| **Promote sports** | Since 2021, TWMT has organized a total of 250 events to support sports events, promote sports to the general public and enhance health | 1,200 events | 2,500 events |
| **Since 2007, TWMT has supported arts/exhibition activities, fostered creative talents, improved cultural access and implemented cultural equality to bring positive energy and well-being to the society with a total of NT$220 million** | NT$260 million | NT$300 million |

| **Enhance arts and Culture** | Since 2007, TWMT has reached 2.584 million people with digital technology to realize equal educational opportunities | 3.24 million people | 7.85 million people |
| **Since 2018, reaching a total of 140,000 people through TWMT channels with the concept and education of sustainability** | 300,000 people | 500,000 people |

| **Knowledge and skills education for sustainable development** | | | | |
### 3. Comprehensive Review of Short-, Medium- and Long-term Targets

<table>
<thead>
<tr>
<th>Zetta Connected 2030 Theme</th>
<th>SDGs</th>
<th>Dimension of strategies</th>
<th>2021 Strategic goal</th>
<th>2025 Strategic goal</th>
<th>2030 Strategic goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Business</td>
<td></td>
<td>Employee cultivation</td>
<td>Plan multiple learning channels based on organizational development needs, reaching 50 hours of training per capita</td>
<td>50 hours</td>
<td>50 hours</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,000 people trained on topics regarding diversity and inclusion</td>
<td>6,000 people</td>
<td>Up to 10,000 people</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workplace safety and health</td>
<td>70% of employees are satisfied with the friendly work environment</td>
<td>75%</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The satisfaction for Healthcare Promotion Workshop reaches 81%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>91% of pregnant employees receive the prenatal education</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Human rights and justice</td>
<td>Conduct human rights management surveys through international sustainability assessment entities, and continue to maintain over 95 points in this field in the industry</td>
<td>Over 95 points</td>
<td>Over 95 points</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0 data leak caused by hacking</td>
<td>Zero</td>
<td>Zero</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Elect the minimum of one female director</td>
<td>Maintain the minimum of one seat</td>
<td>Maintain the minimum of one seat</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transparency and honesty</td>
<td>Corporate governance assessment scores remain in the top 5%</td>
<td>Top 5%</td>
<td>Top 5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100% of the employees signing the Declaration of Integrity</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100% of the suppliers sign the &quot;Declaration of Integrity in Business Conduct&quot;</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sustainable supply chain management</td>
<td>-Disclosure of emissions for the base year</td>
<td>Supply chain carbon emissions reduced by 8% compared to 2020</td>
<td>Supply chain carbon emissions reduced by 29% compared to 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-Source main partners for supply chain emissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enhancing sustainable development</td>
<td>Since 2015, the TWM Sustainability Initiative has reached a total of 2.9 million people</td>
<td>3.3 million people</td>
<td>3.8 million people</td>
</tr>
</tbody>
</table>

Note 1: We have planned total use of renewable energy reaches 60% by 2035; reaches 100% by 2040.
Note 2: When the total power consumption reaches 15MW in 2030, the average PUE will reach 1.5.
Note 3: Excluding the total amount of business and domestic waste that can be recycled and reused.
Note 4: New SBT has been approved by SBTi in May 2021, the targets have been adjusted accordingly.
Note 5: Advanced telecommunications users are defined as 5G users.
Note 6: The definition of disadvantaged groups includes students/the elderly/disabled/migrant workers.
3.2 ESG Operational Mechanism

Guiding Principles
In January 2011, the Board of Directors adopted the "Corporate Social Responsibility Policy" to internalize corporate social responsibility in its operations strategy and management. In 2015, the ESG Code of Practice was formulated as the guiding principles for long-term ESG promotion.

Dedicated Department
The Social Responsibility Department was established under the Public Relations and Brand Management Division in 2007. In 2019, the Public Relations and Brand Management Division was renamed as the Sustainability and Brand Development Division, and the Social Responsibility Department was renamed as the Sustainability Development Department. The department serves as the executive secretary to the ESG Steering Committee with dedicated staff as well as independent budget, responsible for integrating inter-departmental ESG tasks in addition to planning and carrying out ESG strategies and projects.

Committee
The CSR Committee was officially formed under the Board of Directors in 2014. To demonstrate the Company’s dedication to ESG and stay updated with the international trend of sustainable development, the Committee was formally renamed as the ESG Steering Committee in March 2021. The ESG Steering Committee is chaired by the Chairman of the Board, and the President serves as the Deputy Chairman. The senior management from each business group serves as members of the Committee.

Communication mechanism with other functional Committees
The Company has developed a comprehensive communication mechanism for sustainable development management. In addition to the ESG Steering Committee, a Risk Management Committee and an Innovation Management Committee have been established under the Board of Directors respectively in 2015 and 2017. In August 2020, the Board of Directors became in charge of the Personal Information and Security Committee. The ESG Steering Committee reports to the two committees on issues related to business risks, social innovation and information security from time to time, in order to join hands in promoting the Company’s sustainable development. Please refer to P.63-64 for details on risk management.

Frequency and number of meetings
The ESG Steering Committee convenes on a quarterly basis and reports to the Board of Directors. A total of 4 committee meetings were held in 2019 with 15 resolutions passed, of which 11 proposals were submitted to the Board of Directors. The Company’s sustainability performance rating was reported to the Annual Shareholders’ Meeting.

ESG Internalization
The ESG performance has been included in the Board of Directors’ self-evaluation since 2017. Moreover, the Taiwan Corporate Governance Association has been tasked to evaluate the effectiveness of the Board of Directors every three years since 2018. To strengthen ESG implementation, the compensations of the President and Vice Presidents have been tied to their ESG performance since 2016. Please refer to P.57-58 Compensations for Senior Management for details.

Educational training is held sporadically on an annual basis, in which key ESG 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.

Important decisions of the ESG Steering Committee in 2020
- New members on ESG Steering Committee
- Results for Zetta Connected 2030
- Result and plan for Science-based Targets (SBT) for carbon reduction
- Current status of independent directors’ supervision and participation in the Personal Information and Security Committee
- Analysis for corporate true value
- Current status on Task Force on Climate-Related Financial Disclosures (TCFD)
- Onshore wind power investment plan
- Experience and result sharing for sustainable experience in the group
- Plan for reward mechanism for employee participation in volunteering
- Analysis of ESG material topics
- Corporate risk and opportunity identification
- Result of stakeholder communication
3.3 Sustainable Strategy Map

Six Categories of Capital Input

- Intellectual Capital: NT$215 million
- Financial Capital: NT$40.53 billion
- Social Capital: NT$178 million
- Natural Capital: NT$100 million
- Manufactured Capital: NT$18.88 billion
- Human Capital: NT$6.41 billion

Sustainable Strategy Integration

Please refer to Chapter 3.5 on P.46 for details on sustainable strategy integration, operational management and risk analysis.

Six Categories of Capital Input

- Financial Capital (Operating cost): NT$40.53 billion
- Human Capital (Employee compensations & benefits): NT$6.41 billion
- Social Capital (Social investments): NT$178 million
- Natural Capital (Green procurement): NT$109 million
- Manufactured Capital (Telecommunications construction and maintenance costs): NT$18.88 billion
- Intellectual Capital (Research and development costs): NT$215 million

Sustainable Strategies

Create Value
Operational Performance
Environmental sustainability
Social inclusion
Innovative accomplishments
Sustainable partners
Ethical operation
Happy workplace
Brand values
Elevating Future Experience
Minimizing Footprint
Realizing Social Potential
Creating Stakeholder Synergy
Responsible Business

TWM Operating Nuclei
6C Operating Nuclei

Corporate governance & operating performance
Risk management
Ethical operation
Respect & protection of human rights
Legality/lega compliance
Technology innovation & application
Social emergency responses
Digital inclusion & social innovation
Giving back to the society
Network quality & coverage
Communication mechanism
Transparent & fair marketing
Risk management
Ethical operation
Respect & protection of human rights
Legality/lega compliance
Technology innovation & application
Social emergency responses
Digital inclusion & social innovation
Giving back to the society
Network quality & coverage
Communication mechanism
Transparent & fair marketing

Convergence

GSEAR
Gift
Gratitude
Green
Glue
Glitter
Grit

Talent cultivation & retention
Service impact management
Customer experiences
Electromagnetic field safety
Information security
Privacy protection
Communication mechanism
Network quality & coverage
Giving back to the society
Digital inclusion & social innovation
Social emergency responses
Technology innovation & application
Legal compliance
Respect & protection of human rights
Corporate governance & operating performance
Supply chain management
Green operations
Climate change mitigation and adaptation
Green application & circular economy
Employees’ physical & mental health

Appendix
We have invested six categories of capital in the diversification strategy blueprint of "T.I.M.E." namely telecom, Internet, Media & Entertainment and E-Commerce, combining the new Super 5G strategy with 6C operating core, corresponding to 17 UN SDGs, identifying 23 material topics (one more than last year) and formulating Zetta Connected 2030 as the highest standard for sustainable operations, thereby creating the values of seven brand highlights in order to fully respond to the eight stakeholders.

Create seven key brand values
Please refer to Chapter 3.1 on P.32 for details on the creation of 7 brand value highlights and values internalized in Zetta Connected 2030.

Response to eight stakeholders
Please refer to Chapter 3.1 on P.32 for details on the response to 8 major stakeholders, sustainability performance and response.
3.4 Identification of Material Topics

1 Material Topic Matrix: 5 Steps for Focusing on the Core of Sustainability

Based on the five-step identification process, 23 topics concerning sustainability were selected in the first step (with one more topic than last yearNote). 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 ESG Steering 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 material concerned topics based on the scores on the X-axis, Y-axis, and the bubble size for each topic.

Note: Considering information safety and privacy protection are two different topics, "Information security and privacy protection" was divided into two topics.

2 Material Topic Matrix: Assisting the Enterprise to Reflect on Threats, Opportunities and Challenges Regarding Sustainability

Based on the results of the material topic matrix, we further identified the key 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, climate change mitigation and adaptation, network quality and coverage, information security, privacy protection and technology innovation & application. 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 2020, please refer to the diagram below. Please see the appendix on P.135-136 for the detailed description of the key topic boundaries.

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

Text in red: Key topics
3 Key Topics and Strategies: Proactively Formulating Sustainability Strategies to Respond to the Impact

We conducted an impact analysis of the seven key topic for 2019 to explore how to respond to the impacts and set strategic targets, as well as continuing to track the progress of implementing the targets.

<table>
<thead>
<tr>
<th>Key topics</th>
<th>Impact on the Company</th>
<th>Response</th>
<th>Strategic objectives</th>
<th>Target Year</th>
<th>Progress for 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change mitigation and adaptation</td>
<td>• 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 5.5.3 on P.48.</td>
<td>• Carbon emissions reduction • Infrastructure resilience enhancement</td>
<td>Total carbon emissions are reduced by 30% compared with 2019</td>
<td>2030</td>
<td>Increase by 2.02%</td>
</tr>
<tr>
<td>Green application and circular economy</td>
<td>• 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.</td>
<td>Waste management</td>
<td>Reduce 30% of total waste compared to 2017</td>
<td>2030</td>
<td>Reduced 14.25%</td>
</tr>
<tr>
<td>Network quality and coverage</td>
<td>• Mobile communication network coverage directly affects whether users can use high-speed services. • Service quality affects customer satisfaction.</td>
<td>• Continue to improve mobile broadband network coverage and provide service quality</td>
<td>5G population coverage reaches 85% Coverage rate of 5G in rural area reaches 95%</td>
<td>2030</td>
<td>• 5G population coverage reaches 88.45% • Coverage rate of 5G in rural area reaches 93%</td>
</tr>
<tr>
<td>Information security</td>
<td>• The Company provides mobile voice and mobile data services as a key infrastructure company designated by the government. As such, it needs to handle information security management and maintenance in accordance with regulations to reduce the risk of hacker attacks and penalties for violations.</td>
<td>• Implementation and continuous improvement of the ISO/IEC27001 “Information Security Management System”.</td>
<td>Achieve management system KPI tracked by the Personal Data and Information Security Committee</td>
<td>2030</td>
<td>The management review meeting reports that the KPI has reached the target every 6 months</td>
</tr>
<tr>
<td>Privacy protection</td>
<td>• The telecommunications industry owns a large amount of users' personal information. Legal reliability is implicated with accidental leaks as well as severe damage to the Company’s image.</td>
<td>Implement and continuously improve the BS 10012 and IEC29001 “Information Security Management System” by integrating it into business procedures.</td>
<td>0 data leak caused by hacking</td>
<td>2030</td>
<td>Working on ISO 27001 certification process</td>
</tr>
<tr>
<td>Technology innovation &amp; application</td>
<td>• In response to the development of new technologies such as 5G, Big Data, AI, IoT, etc., services can become more diverse, personalized, faster and stronger, bringing new demands and new threats to the revenue. • The continuous innovation of technology has brought players from new categories to the market, coupled with the existing players catching up, the competition is increasingly intense.</td>
<td>• Integrate the advantages of companies in the group, including cable TV, mobile, AppWorks (startup). • Building a sustainable super 5G ecosystem with five major aspects including GfL, Group, Ghi, Green and Greater South East Asia. • Continuous to cultivate talents in new businesses and integrate value chain capabilities, expand business scope and depth to transform into a technology company.</td>
<td>Revenues from innovative products/services reached NT$17.7 billion</td>
<td>2030</td>
<td>NT$4.96 billion</td>
</tr>
<tr>
<td>Supply chain management</td>
<td>• 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 a material impact on TWm’s brand and operations.</td>
<td>• Sustainable Supply Chain Responsibility Management • Supply chain ESG assessment</td>
<td>Carbon emissions of the supply chain decreased by 20% from that of 2020</td>
<td>2030</td>
<td>• Carbon inventory education and training provided to suppliers • Completed trial carbon inventory for 84 suppliers, including on-site audits of 10 suppliers</td>
</tr>
</tbody>
</table>
3.5 Risk Analysis

1. Industry Analysis and Countermeasures: Maximizing Operating Synergy to Enhance Industry Competitiveness

In response to the development of new technologies such as 5G, Big Data, AI, IoT, etc., services can become more diverse, personalized, faster and stronger, bringing new demands and new threats. Looking into the future of the 5G era, we must analyze the global/local development trends and the opportunities and threats of our main business activities, so as to plan specific innovation strategies as follows:

<table>
<thead>
<tr>
<th>Commercial activity</th>
<th>Global industry development trends</th>
<th>Taiwan’s domestic industry development trends</th>
<th>TWM’s current market position</th>
<th>Opportunities</th>
<th>Threats</th>
<th>Innovative strategy/services</th>
<th>Corresponding company</th>
</tr>
</thead>
<tbody>
<tr>
<td>myVideo</td>
<td>New media services</td>
<td>The pandemic accelerates the growth of OTT and cloud gaming</td>
<td>The entertainment industry is developing towards remote, virtual, and personalized trends</td>
<td>Integrating online to offline services to create smart home</td>
<td>Content providers actively want a share of the market by starting a competitive relationship with streaming services platforms</td>
<td>Increased investment in new hardware and the newly-added GeForce NOW gaming platform</td>
<td>TWM TFN Media Kuro Times</td>
</tr>
<tr>
<td>Mobile Commerce Services</td>
<td>The pandemic changed consumption patterns and increased e-commerce demand</td>
<td>Store shopping service</td>
<td>With the highest revenue in the telecommunications industry, mobile shopping platform launched online recycling of used phones</td>
<td>• Combining telecommunication e-commerce member information to digitize user behavior and improve forecasting ability</td>
<td>• Physical retail launches online shopping sales</td>
<td>Many similar services</td>
<td>TWM</td>
</tr>
<tr>
<td>IoT and Platform</td>
<td><em>Business opportunities in healthcare ecosystems</em></td>
<td><em>Business opportunities for technology targeting elders</em></td>
<td><em>As more people are into fitness, consumers boost their health with devices and services</em></td>
<td>• Users care about health and air quality</td>
<td>• Increased demand for elderly care</td>
<td><em>mySports provides PH2.5 data</em></td>
<td>TWM</td>
</tr>
<tr>
<td>Smartmedia</td>
<td>Mobile advertising business</td>
<td><em>The rise of privacy awareness changes the ways AI applications work and leads to data collection methods</em></td>
<td><em>Adopts MarTech tools with AI for precise data application</em></td>
<td>• Combining exclusive telecommunication information with e-commerce member information to assist customers in analyzing audience profiles</td>
<td>• Targets audience with exclusive telecommunication data and partners with platform to provide multiple advertising shopping guidance</td>
<td>Numerous competitors and diverse market types</td>
<td>TWM TFN Media</td>
</tr>
<tr>
<td>Personal users services</td>
<td>Increased demand for remote work and online shopping</td>
<td>Increased demand for home broadband</td>
<td>The only group business in Taiwan covering telecommunications, home broadband and online shopping</td>
<td>Expand the home broadband market and increase online shopping revenue through group collaboration</td>
<td>Work with a third-party for a bigger market share in the competitive industry</td>
<td>Work with a third-party for a bigger market share in the competitive industry</td>
<td>TWM TFN Media</td>
</tr>
<tr>
<td>Corporate customer services</td>
<td>Cloud economy</td>
<td>Vertical application of 5G</td>
<td>Cloud Service</td>
<td>5G ecosystem partners develop application service for different industries</td>
<td>Enterprise digital transformation and demand for cloud services and information security</td>
<td>Numerous cloud competitors</td>
<td>TWM</td>
</tr>
<tr>
<td>5G Telecommunication services</td>
<td><em>Diversified application services drive mobile network traffic growth</em></td>
<td>Energy conservation, low carbon and sustainable development from the energy policy of telecommunications network</td>
<td>5G went into commercial operation in Taiwan in July 2020.</td>
<td>• Ranked as the second largest domestic operator with 24% of mobile service users</td>
<td>• An increase in network equipment increases energy consumption</td>
<td>3G equipment phased out to expand 4G smart power saving and reduce energy consumption</td>
<td>TWM</td>
</tr>
<tr>
<td>Information technology</td>
<td><em>Pandemic accelerates the application of digital technology</em></td>
<td>Values enterprise digital transformation and information security</td>
<td>Cloud computing applications and host virtualization</td>
<td>• Equipped with the capacity for software development</td>
<td>• Information security attack</td>
<td>Information security attack</td>
<td>TWM</td>
</tr>
</tbody>
</table>

In summary, to maintain competitiveness in the 5G era, we must respond proactively to changes in the business environment, innovate and develop new services, and continuously improve technology and system capabilities.
3.5 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 responsible for risk issues of the operation and the business attributes are discussed by the business attributes, opportunities and countermeasures. The risk management process (see below) is detailed in the risk management chapter P.63-64.

With reference to the enterprise risk management framework published by the United States COSO (Committee of Sponsoring Organizations of the Treadway Commission) organization, the Board of Directors, Risk Management Committee, and dedicated Risk Management unit have identified 19 major risks 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 7 issues in 2020 has increased compared with the previous year, including policy and legislation changes, climate change/natural disaster, Information privacy and security, hacker attacks, supply chain management, innovation kinetic energy growth and responsiveness to the trend of innovation, which were approved by the ESG Steering Committee.

2.Sustainability Risk and Opportunity Management:
Focusing on Key Risks and Anticipating Impact on Operations

We have further selected 12 key (including 5 emerging risks) risks and assessed the potential impacts, countermeasures taken (to reduce risks and seize opportunities), and actual projects.
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. Please refer to the Risk Management Chapter P.47 for detailed risk management procedures.

Climate Change Risk Management
In 2021, a total of 12 major climate risks were re-examined, identifying four of which with high-risk impacts, 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. Please see the Risk Management chapter 3.5 for details on climate risk management.

Potential Impact
The bubble size represents the likelihood of potential risk.

1. Increased sustainability requirements and regulations (demand for renewable zero-carbon energy)
2. Increase in the cost of greenhouse gas emissions (additional carbon tax, carbon fee or fines imposed due to regulations)
3. Increased frequency and severity of strong typhoons/hurricanes (including strong winds and floods caused by typhoons)
4. Increased costs for low-carbon technology transformation (increased costs due to the need to develop technologies in line with the demand for carbon reduction)
5. Replacement of the existing products and services with low-carbon alternatives (for example circular economy mobile phones)
6. Failure to invest in new technologies (for example when companies work with switch their R&D direction to low-carbon technology, resulting in the failure of the new technology in development that we invested in)
7. Technology upgrades or innovations that do not support low-carbon transformation (missing out on the trend to invest in the R&D for low-carbon innovations)
8. Changes in customer behavior (consumers are becoming more aware of climate changes and have different demand for products and services)
9. Shift in customer preferences (impact on customer service reduces the trust and recognition customers have in TW)  
10. Increase in frequency and severity of rainstorms
11. Increase in average temperature (by year)
12. Changes in rainfall patterns (extended dry seasons) and drastic weather changes (extreme single-day high and low temperatures)

Note: After the two axes of the matrix are normalized, the diagram is prepared with the average of all risks as a midpoint.
3 Managing Climate Risks and Opportunities: Inventory of Climate and Financial Impacts to Effectively Take Advantage of Business Opportunities

Climate Change Strategy

For the impact of 12 major climate risk factors on TWM’s strategy, operations and financial planning, and the description of relevant response measures, please refer to Appendix P.XX for details. A more in-depth climate scenario analysis is conducted in terms of 4 potential high climate risks to understand the impact of climate risks in different scenarios for TWM. Three risks with high potential impact have been selected as the quantitative targets. The impact and effect on TWM has been evaluated based on the assumptions of climate change scenarios. The descriptions are as follows:

<table>
<thead>
<tr>
<th>Climate Risks</th>
<th>Climate Change Scenarios</th>
<th>Aspect of Financial Impact</th>
<th>Financial Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Risk: Increase in frequency and severity of typhoons/hurricanes</td>
<td>2DS Scenario</td>
<td>1. Strong winds cause loss of equipment and assets</td>
<td>The total loss due to typhoon in 2019-2030 is estimated to reach up to NT$58 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Flooding leads to loss of equipment and assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Operation interruption leads to customer-related compensation costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Power shortage adds to interruption of operations or increase in operating costs</td>
<td></td>
</tr>
<tr>
<td>Transformation Risk: Low carbon technology transformation and increased costs</td>
<td>2DS Scenario</td>
<td>Considering the cost required for “energy efficiency improvement”</td>
<td>Estimated to receive a total investment of NT$2.05 billion in 2019-2030</td>
</tr>
<tr>
<td>Transformation Risk: Increased demand and regulations related to sustainability</td>
<td>NDC Scenario</td>
<td>1. Cost of purchasing green energy</td>
<td>Estimated to receive a total investment of NT$14.997 billion in 2022-2030</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Cost of self-build power generators</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Carbon fee</td>
<td></td>
</tr>
<tr>
<td>Well below 2DS Scenario</td>
<td></td>
<td>1. Cost of purchasing green energy</td>
<td>Estimated to receive a total investment of NT$12.646 billion in 2022-2030</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Cost of self-build power generators</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Other carbon reductions cause input costs</td>
<td></td>
</tr>
</tbody>
</table>

Climate change indicators and goals

In order to effectively manage the impact of relevant climate change risks and opportunities on TWM, in addition to completing the Scope 1, 2 and 3 greenhouse gas inventory, we have set short-, mid- and long-term targets for greenhouse gas reductions and renewable energy use. The relevant climate risk and opportunity management objectives for improving climate change resilience are as follows:

Green energy for self-use/green energy wheeling for purchase/green energy investment*: For details, please refer to the 2020 performance (on P.35) and 2030 target (on P.38) of the Company’s total renewable energy.

Smart energy conservation in equipment rooms and base stations: Please refer to the Company’s energy intensity performance in 2020 (on P.35) and the 2030 target (on P.38) for details.

Strengthened financial impact disclosure: As of 2021, three climate risks with high potential impacts have been quantified.

Note1: There is no green energy investment in TWM’s short-term plan.
3.6 Stakeholder Communication: Adequately Respond to Stakeholders’ Needs

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, as well as a cross-industry Group experience sharing and exchange meeting for the first time in 2020, 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.

We value and prudently respond to stakeholders’ concerned issues. One incident violating customer interests took place in 2020. The description and improvement measures are as follows:

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Improvement measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/30</td>
<td>Our partner FEII. Formosa electronic industries inc. notified us that the Mypower MP-10050 power bank produced by this company has safety concerns and needs to be recalled.</td>
<td>The Company worked with FEII. Formosa electronic industries inc. in publishing a recall notice on December 30, 2020. It will upgrade the specific product to FEII FPW-8500 power bank from January 1 to June 30, 2021.</td>
</tr>
</tbody>
</table>

Our communication methods with stakeholders are detailed in the appendix on P.137.
3.7 International Sustainability Initiatives: Joining Hands with the World to Amplify the Positive Impact

**GeSI (Global Enabling Sustainability Initiative)**

TWM joined GeSI in 2016 and was elected as a board director since 2017 to oversee the Climate Change Committee and participate in the operation of the Industry Responsibility Committee. TWM was re-elected in 2020. In December 2020, GeSI announced the "Digital With Purpose" (DwP) initiative at the Web Summit, the largest technology event in Europe focusing on creating business value through digital technology. The goal is meeting the targets of the Paris Agreement and the United Nations SDGs while reducing any negative external impact in the process. The Company is deeply involved in the DwP initiative structure, and echoes the DwP with many actions: President Jamie Lin has showed his support with 24 large-scale international telecommunications industry players such as NTT, Verizon, Huawei, Swisscom and CXOs, CDPs and the Chairman of the Council of the European Union.

[GeSI Board member: https://www.gesi.org/governance/iris-liu](https://www.gesi.org/governance/iris-liu)

**SBT (Science Based Targets)**

We are committed to formulating SBT, which has been validated by SBTi. Please refer to Chapter 4.5 on P.103 for details on the Company’s SBT.

[Companies taking action: https://sciencebasedtargets.org/companies-taking-action](https://sciencebasedtargets.org/companies-taking-action)

**TCFD (Task Force on Climate-related Financial Disclosures)**

In addition, CDP introduced the TCFD structure in 2018. We responded positively by introducing TCFD at the end of the same year, as well as continuing to take inventory and respond to the impact. Please refer to Chapter 3.5.3 on P.48-49 for details on the Company’s TCFD results.
Chapter 4

Creating Value

- Ethical operation
- Happy workplace
- Sustainable partners
- Innovative accomplishments
- Environmental sustainability
- Social inclusion
4.1 / Ethical Operation

Vision:
Achieving corporate governance that promotes inclusive and sustainable economic growth while taking into account the balanced ESG development, providing employees with a happy workplace and the possibility to participate in sustainable international business from a bigger perspective, making honor and sense of achievement a new life philosophy in the future.

Corresponding to material topics:
Corporate governance and operating performance/Risk management/Respect for and protection of human rights/Ethical operation/Legality and legal compliance/Information security and privacy protection

Corresponding to one key SDG:

Corresponding to three secondary SDGs:

Corresponding to 8 major stakeholders:

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

Key Results and Performance

- NT$132.86 billion of consolidated total revenue
- NT$16.06 billion of EBIT
- NT$11.29 billion in net profit after tax
- EPS 4.01
- Top 5% in the Corporate Governance Assessment for 7 years since 2015
- Top 9% in human rights management in the same industry globally
- 100% of the employees signed the Declaration of Integrity
- 37.5% of female senior executives in TWM
- Top 3% in information security management in the same industry globally
- Election of one female independent director in 2020

Vision:
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Corresponding to one key SDG:

Corresponding to three secondary SDGs:

Corresponding to 8 major stakeholders:

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- Customers
- Competent authorities
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- 100% of the employees signed the Declaration of Integrity
- 37.5% of female senior executives in TWM
- Top 3% in information security management in the same industry globally
- Election of one female independent director in 2020
Ethical Operation Goals

2021 Goals:
- Growth in consolidated revenue
- Growth in EPS
- Growth in EBIT
- Growth in net profit
- Maintain the top 5% rating in Corporate Governance Assessment
- 0 incident of personal data leak due to hacking
- Maintain over 95 points in human rights management in the same industry globally
- Maintain the minimum of one female director
- Maintain 100% of employee signing rate for the Declaration of Integrity
- Maintain 37.5% of female senior executives

2030 Goals:
- Growth in consolidated revenue
- Growth in EPS
- Growth in EBIT
- Growth in net profit
- Maintain the top 5% rating in Corporate Governance Assessment
- 0 incident of personal data leak due to hacking
- Maintain over 95 points in human rights management in the same industry globally
- Maintain the minimum of one female director
- Maintain 100% of employee signing rate for the Declaration of Integrity
- Maintain 37.5% of female senior executives
4.1.1 Maximizing Value for Eight Major Stakeholders

Implementing corporate social responsibility based on the principle of honesty to maximize value for the 8 major stakeholders

- The average annual salary of employees exceeds NT$1 million as the best in the industry
- Constituent stock in the "Taiwan Employment 99 Index"
- Winning the CSEA Customer Service Excellence Awards for 3 consecutive years in the categories of "Best Customer Service Team" and "Best Telemarketing Team"
- Awarded the "National Store Excellent Store Manager Award" and "Outstanding Store Manager Election" by the TCFA Taiwan Franchise Association
- 5G network population coverage rate reaching 56.45%, average speed increase for 4G users reaching 11.2%
- NT$109 million of total green procurement
- TWM has made suggestions to the President in person while actively lobbying the Industrial Development Bureau and the Environmental Protection Administration to turn waste optical cables into resources and move towards the next stage of waste cable upcycling program
- NT$132.86 billion of consolidated total revenue; EPS NT$4.01; NT$16.06 billion of EBIT; NT$11.29 billion in net profit after tax
- Ranked top 5% in the Corporate Governance Assessment for 7 years since 2015
- Selected as one of the constituent stocks of the FTSE4Good TIP Taiwan ESG Index
- Included in the DJSI World Index for 4 consecutive years and selected as number 1, selected for the DJSI Emerging Markets Index for 9 consecutive years
- Rated A, the highest level of rating for CDP Climate Change for 2 consecutive years
- Received "Gold Award" for the 2021 S&PGlobal Sustainability Indices
- Certified Prime level of the ISS-ESG enterprise evaluation
- Actively respond to domestic rating agencies, including the Global Views Monthly, CommonWealth Magazine, TAISE and so on
- Help the media understand the latest trends in the telecommunications industry through continuous communication, jointly promote positive development of Taiwan's telecommunications industry, as well as improving the quality of services and operational performance through media supervision
- A total of 233 press releases and 16 press conferences
- Nominated and awarded "Gold Award" for the 2021 S&P Global Sustainability Indices
- Certified Prime level of the ISS-ESG enterprise evaluation
- Actively respond to domestic rating agencies, including the Global Views Monthly, CommonWealth Magazine, TAISE and so on
- Help the media understand the latest trends in the telecommunications industry through continuous communication, jointly promote positive development of Taiwan's telecommunications industry, as well as improving the quality of services and operational performance through media supervision
- A total of 233 press releases and 16 press conferences
- Nominated and awarded "Gold Award" for the 2021 S&P Global Sustainability Indices
- Certified Prime level of the ISS-ESG enterprise evaluation
- Actively respond to domestic rating agencies, including the Global Views Monthly, CommonWealth Magazine, TAISE and so on
- Help the media understand the latest trends in the telecommunications industry through continuous communication, jointly promote positive development of Taiwan's telecommunications industry, as well as improving the quality of services and operational performance through media supervision
- A total of 233 press releases and 16 press conferences
4.1.2 Supervision Mechanism: Enhancing Internal Control to Implement Corporate Governance

1. Internal Control Mechanism

Internal Audit office reports to the Board of Directors with dedicated full-time auditors.
- Audit targets: the Company and its subsidiaries
- Scope of audits: covering all the finance, business and operational management
- Audit method: regular audits are performed according to the annual audit plan, and additional project audits are executed when necessary to make timely discoveries of possible deficiencies in the internal control system and propose suggestions for improvement. All departments and subsidiaries of the Company are urged to perform self-assessment, establish the Company's self-supervision mechanism.
- Audit result communication: The audit supervisor shall regularly report the status and results at the Audit Committee meetings and the Board meetings. The convener of the Audit Committee is responsible for reporting the communication with the internal audit supervisor to the shareholders' meeting in order to implement the spirit of corporate governance.

2. Remuneration to Senior Management

Regulations:
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. The salary structure of managers is divided into fixed salary and non-fixed salary (year-end bonus and employee remuneration). The variable salary accounts for about 50% of the individual's annual salary, with contribution to the Company's operations, future business risks, environmental protection and corporate social responsibility, etc. taken into consideration. Performance management regulations are then adopted as the base for determining the amount of non-fixed salary.
Performance assessment: The operation, participation and contributions and participation in ESG 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 2020. The self-evaluation has been completed by the Directors with an average score of 4.9 (out of 5), showing that the system is comprehensive and functional.
The performance and remuneration of President and Vice Presidents were set to be related to ESG. The annual targets were set in consideration of ESG indicators that were related to their duties, such as customer satisfaction, customer complaint, energy conservation and carbon reduction, employee turnover rate and corporate volunteer. When evaluating the annual performance, indicators related to risk management are also taken into consideration, including audit and information security management. To further strengthen the link between ESG performance and manager remuneration, if annual ESG targets are not met, the managers' annual assessment level may be reduced by one level, or the year-end bonus and employee remuneration may be reduced within 10% depending on the situation. The non-fixed salary of management shall be based on remuneration committee recommendations, and shall be approved by the board of directors.
For the salary structure of the Company's senior managers in 2020, please refer to appendix P.138.
4.1.2 Supervision Mechanism: Enhancing Internal Control to Implement Corporate Governance

2 Remuneration to Senior Management

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Salary/termination &amp; retirement pension ratio</th>
<th>Bonus and extra compensation ratio</th>
<th>Employee salary ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Jamie Lin</td>
<td>41.5%</td>
<td>34.3%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Executive VP &amp; CFO</td>
<td>Rosie Yu</td>
<td>49.2%</td>
<td>25.4%</td>
<td>25.4%</td>
</tr>
<tr>
<td>Senior VP &amp; CTO</td>
<td>Tom Koh</td>
<td>48.8%</td>
<td>27.2%</td>
<td>24.0%</td>
</tr>
<tr>
<td>VP &amp; CIO</td>
<td>James Chang</td>
<td>57.0%</td>
<td>24.9%</td>
<td>18.1%</td>
</tr>
<tr>
<td>VP &amp; CDO</td>
<td>Eddie Chan</td>
<td>55.9%</td>
<td>26.4%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Vice President</td>
<td>C.H. Wu</td>
<td>57.8%</td>
<td>23.9%</td>
<td>22.3%</td>
</tr>
<tr>
<td></td>
<td>Steve Chou</td>
<td>50.5%</td>
<td>26.8%</td>
<td>22.7%</td>
</tr>
<tr>
<td></td>
<td>Jay Hong</td>
<td>52.9%</td>
<td>23.4%</td>
<td>23.7%</td>
</tr>
<tr>
<td></td>
<td>Shirley Chu</td>
<td>55.9%</td>
<td>26.1%</td>
<td>18.0%</td>
</tr>
</tbody>
</table>

3. Remuneration and Nomination Committee

The Committee is composed of all 5 independent directors in accordance with the "Remuneration and Nomination Committee Charter," responsible for formulating and regularly reviewing the policies, systems, standards and structure of Directors' and managers' salary and remuneration, as well as seeking, reviewing and nominating director candidates. The Remuneration and Nomination Committee convened 4 times in 2020 with details disclosed on the Company website.

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Char-Dir Chung</td>
<td>100</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Hsueh-Jen Sung</td>
<td>100</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Hsi-Peng Lu</td>
<td>100</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Tung-hai Chen</td>
<td>100</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Wan Jia Le</td>
<td>100</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Jack J.T. Huang*</td>
<td>100</td>
</tr>
</tbody>
</table>


4. Audit Committee

The Audit Committee is composed of all independent directors, whose powers include the fair expression of financial reports, effective implementation of audits and internal control, matters involving the Directors' own interests, major asset or derivative commodity transactions, major capital loans and endorsements or guarantees, fundraising or issuance of securities, appointment and dismissal of financial, accounting and internal audit managers, corporate risk management, appointment or dismissal of CPA or remuneration and performance evaluation, merger and acquisition and regulatory compliance, etc. The Audit Committee meets every quarter and additional meetings are held whenever necessary. The Audit Committee reviews the financial reports and audit reports every quarter, as well as engaging in in-depth individual communications with the accountants and audit supervisors. Major capital expenditure or investments are also reviewed by the Audit Committee. The Company had convened two Remuneration Committee meetings in 2020 with the following attendance:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Char-Dir Chung</td>
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<td>100</td>
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<td>Committee Member</td>
<td>Tung-hai Chen</td>
<td>100</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Wan Jia Le</td>
<td>100</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Jack J.T. Huang*</td>
<td>100</td>
</tr>
</tbody>
</table>

4.1.3 Ethical Corporate Governance: Abiding by the Core Value of Ethics to Respond to Social Needs

1. Ethical Corporate Management

Best Practice Principles

- Accounting and internal control system
- Internal audit
- Grievance and whistle-blowing system
- Reward and punishment
- System blocking mechanism
- Domain control extension

- Training Programs
- Employees signing the Declaration of Integrity
- Supplier signing "Declaration of Integrity in Business Conduct"

- Subsidiary
- Donation exceeding 50% institutional shareholders
- Institution or institutional shareholder under substantive control
- TWM Employee Welfare Committee

The TWM Ethical Corporate Management Best Practice Principles was formulated in January 2011. In November 2020, the scope was extended to the TWM Employee Welfare Committee.

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 ICA's "Guidelines for the Prevention of Corruption of Listed Companies"/Taiwan's "Codes of Ethical Conduct for TWSE/TPEx Listed Companies"

Control Measures

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 2020, we communicated on anti-corruption issues such as ethical operation, covering 100% of the board members.

2020 Results

No employee, supplier or subsidiary violated ethical operations. Since January 1, 2014, 100% of employees sign the Declaration of Integrity each year. Multiple channels for ethical operation training.

2021 Goals

Zero tolerance of any violation of ethical corporate management best practice principles. 100% of employees signing Declaration of Integrity each year.
4.1.3 Ethical Corporate Governance: Abiding by the Core Value of Ethics to Respond to Social Needs

2. Code of Ethics / Procurement Rotation System

Employee Code of Ethics

"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, strengthening business ethics and legal compliance. In addition to online courses, there are also learning resource documents and courses on relevant topics, such as the group work code, legal requirement 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.

Rotation system for requisition/procurement employees

In order to strengthen the internal control mechanism, a comprehensive inventory of the group's purchase and acceptance business is regularly conducted for repetitive large quantity requisition, acceptance and procurement functions above a certain amount. Relevant personnel will be regularly rotated to different positions, and the restrictions on not returning to their original positions within a certain period of time has also 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.

3. Political Donation

The Company strictly abides by the government's "Political Donations Act" of the government and the internal "Ethical Corporate Management Best Practice Principles." 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. Legal Compliance

The Company strictly abides by the administrative guidance, laws and regulations of the competent authority. In 2020, only one fine was imposed for violations (detailed in the table below), which was decreased by 2 from the previous year. NT$500,000 was paid in fine compared with NT$2.8 million. No fine has been imposed for other major social and environmental law violations.

<table>
<thead>
<tr>
<th>Violations</th>
<th>Amount of Fine</th>
<th>Improvement measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fubon Multimedia Technology,* an affiliated enterprise of the Company, acquired 85% of shares from BEBE POSHE INTERNATIONAL CO., LTD. without declaration in 2018.</td>
<td>NT$500,000 fine from FTC</td>
<td>1. Reminded finance and accounting divisions to pay attention to regulations governing reinvestment (FTC merger declaration regulations.) 2. The merger was declared by the time of the investigation. The FTC made the decision to not prohibit the merger on February 19, 2020.</td>
</tr>
</tbody>
</table>

Note: Major violations refer to cases with fines amounting to NT$ 300,000 or more

*The Company did not own 50% of Fubon Multimedia Technology’s shares at the time of penalty.
4.1.3 Ethical Corporate Governance: Abiding by the Core Value of Ethics to Respond to Social Needs

5. Respect for and Protection of Human Rights

Human Rights Policy

The Company believes that creating a work environment that fully protects human rights is inseparable from the sustainable development of an enterprise. TWM’s Human Rights Policy is divided into four main axes, including support for international human rights conventions, respect for human rights in the workplace, full implementation of information security, and responding to the needs of society with core resources.

Human Rights Due Diligence

The Company strengthens and promotes human rights awareness of our employees and stakeholders through due diligence such as human rights assessment. The survey procedure consists of five steps:

Step 1: Guidance on human Rights Risk Issues

- The Company adjusts human rights issues and measures by following international standards, such as the United Nations Universal Declaration of Human Rights, Guiding Principles on Business and Human Rights, Business and Human Rights in the Information and Communications Technology Industry, the Declaration of Fundamental Principles and Rights at Work of the International Labor Organization, as well as relevant domestic laws and regulations, such as the Labor Standards Act, Act of Gender Equality in Employment, and other labor safety laws and regulations, while referring to relevant human rights reports of telecommunications and related industries.
- The Company stays updated with revisions each year to adjust human rights measures.

Step 2: Human Rights Risk Assessment

- Convening senior representatives of the company (1 to 2 per department) in a special task force to review the human rights issues and risks that may occur in the Company's operations and the entire value chain. Issues related to the pandemic were included in the final version of Human Rights Risks Assessment Survey in response to COVID-19 in 2020. The scope of the survey was also expanded, with the survey handed to all employees in all business groups and subsidiaries above the level of division chief and below the level of the vice president. A total of 1,338 surveys were sent out with 1,315 returned, with a response rate of 98.3%. We have adjusted the policy implementation according to the risk assessment results, as well as requiring all departments to list these risks as key tracking targets for the human rights risk matrix.

The human rights risk matrix is as follows:

1. Failed to meet the requirements of the personal information law when collecting personal information
2. Failed to ensure information security when purchasing equipment or goods
3. Colleagues failed to disclose customer personal information in accordance with information security regulations
4. Colleagues’ personal assets are not properly protected resulting in improper use or leakage
5. Recruitment/appointment/promotion/rewards and punishments discriminated against due to factors such as gender/race/nationality or religion
6. The company did not use the disability in full according to the law
7. The company does not allow associations to be established and participate in their activities
8. Colleagues are asked to go to work by the company and cannot vote (government's argument)
9. The company has not set up channels for colleagues to express their opinions
10. The company has taken anti-epidemic measures, and employees are still caught in the company
11. The company has not set up channels for colleagues to express their opinions
12. When purchasing equipment or peripheral components, the ‘Restriction of Hazardous Substances’ stipulated in the ‘Hazardous Chemical Management Standards’ were not included in the requirements
13. The company did not insulate related insurance for colleagues in accordance with the law
14. Failure to implement measures to protect pregnant or breastfeeding female workers in accordance with the law
15. The company failed to provide adequate safety and health education and training, which caused work safety incidents
16. The company’s failure to comply with statutory regulations has resulted in excessive working hours and physical and psychological impact on colleagues
17. The company has not set up channels for colleagues to express their opinions
18. Colleagues are asked to go to work by the company and cannot vote (government’s argument)
19. The company does not allow associations to be established and participate in their activities
20. The company fails to provide products and services that are convenient to use by diverse social groups
21. The company fails to provide products and services in response to social phenomena
22. Company business activities or construction destroy its ground or underground cultural heritage
23. The company did not provide adequate safety and health education and training, which caused work safety incidents
24. Colleagues are still caught in the company
25. The company failed to provide products and services in response to social phenomena
26. Colleagues are still caught in the company
27. The company did not provide adequate safety and health education and training, which caused work safety incidents
28. The company failed to provide products and services in response to social phenomena
29. Colleagues are still caught in the company
30. The company did not provide adequate safety and health education and training, which caused work safety incidents
4.1.3 Ethical Corporate Governance: Abiding by the Core Value of Ethics to Respond to Social Needs

Step 3 Human Rights Issues Management Measures

- Review the Company’s operations from the perspective of the value chain (suppliers, employees, customers), conduct comprehensive investigations of the potential risks of each department and the management measures taken, as well as compiling human rights risk due diligence reports. Inventory relevant human rights aspects of various departments, note management and improvement measures and track implementation results.
- Conduct a systematic annual questionnaire survey on suppliers from the upstream of the value chain, including compliance with labor practices and human rights issues, and conduct on-site audits of key suppliers to review labor practices and human rights compliance. See Chapter 4.3 Sustainable Partners for details. The downstream of the value chain may come in contact with ordinary and vulnerable groups. In addition to personal data protection, the Company provides a number of measures (such as barrier-free facilities, online applications, etc.) to ensure access to our services. The Company does not conduct due diligence on human rights prior to making important investments. As investment assessment focuses on future prospects and opportunities, human rights are not a priority in this aspect. However, after the investment has been made, the Group’s Human Rights Policy will be uniformly applicable to protect human rights at all levels of the value chain.

Step 4 Annual Review and Improvement

Repeat the same progress each year to review the current goals and progress, keep an eye on new potential problems to evaluate the effectiveness of our corrective measures. We hope to effectively manage human rights issues through this continuous evolutionary process.

Step 5 Information Disclosure

The Company publicly discloses the process of identifying human rights issues, the major human rights issues identified, the impacted parties and countermeasures on a yearly basis.

6. Personal Information Security and Privacy Protection

The company introduced the “ISO/IEC 27001 Information Security Management System” in order to protect the security of consumers’ personal data, as well as passing the new version of BS 10012 and ISO/IEC 29100 privacy protection certification. The personal data and information security committee has senior executives above the level of Vice Presidents as the Chairman, as well as high-ranking managers from each business group appointed by their top management as members. Independent Director Char-Dir Chung is also included. The Company continues to invest a large amount of resources to strictly implement various management and control requirements, conduct internal and external audits every six months, review the implementation, and ensure the management standards. 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 every quarter. In case of major issues, a meeting is convened with the consent of the Chairman.
(3) The operation of all groups subordinate to the committee:

Planning of the four aspects - external defense of hackers-establisment 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 in order to implement the user personnel data and internal sensitive information protection.
4.1.3 Ethical Corporate Governance: Abiding by the Core Value of Ethics to Respond to Social Needs

The company formulated a risk management policy in 2011. All related policies and procedures are disclosed on the official website. The policy was revised for the second time by the Board of Directors in 2020 as the highest principle for 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 revised in 2015, and the Risk Management Committee was set up after the approval of the Board of Directors to reinforce the risk management mechanism of the organization. The records of Risk Management Committee operations are summarized and submitted by the Audit Office to the Chairman for approval. Starting from 2021, the status will be reported to the Board of Directors at least once a year to ensure all risks are effectively managed.

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 2020 the audit results did not show any internal control deficiencies and abnormalities. Nevertheless, 73 concrete suggestions for operational procedures were proposed as reference for enhancing management quality. The improvement and suggestions would be followed up on a quarterly basis until they have been completely improved.

<table>
<thead>
<tr>
<th>Safety Issues</th>
<th>Protection measures</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer personnel information is stolen or inappropriately used</td>
<td>Insurance for &quot;Information Protection Liability&quot;</td>
<td>Reduces the risk of compensation in case of personal data breach</td>
</tr>
</tbody>
</table>
| Apply Cyber Security Management Act to minimize the risk for the breach | • Complete and submit the information security maintenance plan  
• Implement information protection measures (such as information security diagnosis, network attack and defense and social engineering drills) | Stay in line with requirements from the competent authority and 5G information security issues |
| Continuous monitoring and improvement | Establish and track various security KPIs | Regularly review the information security KPIs to ensure all items are gradually improved |

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

4.1.4 Risk Management: Comprehensive Risk Management System for Strengthening Management Practices

The company formulated a risk management policy in 2011. All related policies and procedures are disclosed on the official website. The policy was revised for the second time by the Board of Directors in 2020 as the highest principle for 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.

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4.1.4 Risk Management: Comprehensive Risk Management System for Strengthening Management Practices

Risk Management Methods
(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 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 Sustainable Development Committee
- The Risk Management Committee and the Sustainable Development Committee communicate with each other and present proposals on relevant issues.
- The 2020 Sustainable Development Committee adjusted the risk analysis results with reference to the risk identification process of international benchmarking institutions. The proposal was submitted to the Risk Management Committee after resolution.

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.
4.1.5 Communication Mechanism: Smooth Communication Channels for Protecting the Rights and Interests of Stakeholders

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.

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 2020, a total of 3 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 procedures.

2 Sexual Harassment Complaints
The company is committed to building a friendly environment with no harassment and discrimination by following the laws and regulations to formulate relevant standards for preventing sexual harassment complaints, as well as setting up an appeal hotline and mailbox. We continue to promote sexual harassment prevention and strengthen human rights awareness to internal and external personnel through onboard training, compulsory courses for all staff, instant messaging software, intranet, computer startup screen and recruitment website.
In 2020, there were two complaints of sexual harassment within the Company. Correction, punishment, follow-up remedies and prevention measures have been implemented.

3. Complaints of Unlawful Infringement of Duty
In order to protect all employees from physical or mental violations, the Company formulated the "Prevention and Control Measures and Operational Guidelines for Unlawful Violation in the Performance of Duties" as well as the "Statement on Prohibiting Workplace Violence." The operational guidelines have been promoted during onboard training, with the scope covering identifying workplace violence, how to seek assistance in the face of workplace violence, employee consultation and appeal channels. There was no relevant complaint in 2020.

4. Customer Complaint
There were no major environmental, social or human rights complaints in 2020. Please refer to Customer Service Commitment/Mechanism on P.94-95 for details.
We appointed President Transnet for goods delivery. The number of cases reported in 2020 has decreased, with no customer privacy infringement caused by undelivered goods. 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, and set quality observation indicators. TWM has added multiple pickup options to continuously optimize service quality.

5. Supplier Communication and Exchange
Our supplier related communication mechanism is detailed in Chapter 4.3 Sustainable Partners on P.80.
4.2 / Happy Workplace

Vision:
Achieving corporate governance that promotes inclusive and sustainable economic growth while taking into account the balanced ESG development, providing employees with a happy workplace and the possibility to participate in sustainable international business from a bigger perspective, making honor and sense of achievement a new life philosophy in the future.

Corresponding to material topics:
Employees’ physical and mental health/Talent development and retention

Corresponding to one key SDG:

Corresponding to three secondary SDGs:

Corresponding to 4 major stakeholders:

Taiwan Employment 99 Index
- Listed as a constituent stock in the “Taiwan Employment 99 Index”
- 7,910 people participated in health promotion, an increase of 36.54% from 2018

64 hours
- The average education and training of TWM employees was 64 hours, exceeding the 2020 results by 28%
- 82% friendly working environment satisfaction rate, exceeding the 2020 target

106,009 people
- Employee CSR education reached 106,009 persons, an increase of 13.79 times from 2017
- The hiring rate of the disabled is 1.7 times higher than the legal requirement, with the most senior employee serving for 27 years

3,189 people
- 3,189 employees participated in the Online Sports Competition, burning a total of 14.34 million calories
- Complete prenatal health education for 90% of the pregnant employees

94.1%
- Completed 94.1% of postnatal greeting phone calls for employees, reaching the 2020 target ahead of schedule
Happy Workplace Goals

2021 Goals:
• Plan multiple learning channels based on organizational development needs, reaching 50 hours of training per capita
• 70% of employees are satisfied with the friendly work environment
• Since 2015, the TWM Green Energy Initiative has reached a total of 2.9 million people
• 2,000 people trained on topics regarding diversity and inclusion
• Continue to recruit externally to create more employment opportunities for the physically-challenged
• Continue to promote mySports Online Sports Competition.
• Complete prenatal health education for 91% of the pregnant employees
• The satisfaction for Healthcare Promotion Workshop reaches 81%

2030 Goals:
• Plan multiple learning channels based on organizational development needs, reaching 50 hours of training per capita
• 77% of employees are satisfied with the friendly work environment.
• Since 2015, the TWM Green Energy Initiative has reached a total of 3.8 million people.
• 10,000 people trained on topics regarding diversity and inclusion
• Continue to recruit externally to create more employment opportunities for the physically-challenged
• Continue to promote mySports Online Sports Competition.
• Complete prenatal health education for 95% of the pregnant employees
• Overall satisfaction rate of the health promotion activities reaches 90%
4.2.1 Prioritizing Talent Cultivation to Maintain Core Competitiveness

As a new-generation technology and telecommunications company, we understand that talent is the key to maintaining core competitiveness. We see employees as partners for sustainable growth, grow together with the company, and move towards regional and world-class success, creating a sustainable future.

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 is the key to fulfilling 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.
- We have formulated talent training programs in response to industry trends and corporate development strategies, with the goal of enhancing employees’ workplace competitiveness and career development opportunities.

1. Recruitment, Diversity and Equality

As of the end of 2020, the majority of the employees are 31-50 years old with 47.7% of female and 48.1% of females in management positions. The Company mainly hires local employees, including 5 foreign employees and 19 indigenous employees (47.4% are female). To provide better services, approximately 20% of non-employees assist in business execution, such as retail sales services.

2020 Employee Profile

According to Age

- < 30 years old: 14 person
- 31-50 years old: 919 person
- > 51 years old: 430 person

According to Education

- Ph.D.: 430 person
- MA: 3,445 person
- University: 959 person
- College: 494 person
- Senior High School and below: 4,208 person

According to Gender

- Male: 2,757 person
- Female: 3,020 person

According to Ranking

- Executives (Vice President): 45 person
- Employees: 26 person
- Part-time: 5,706 person

The hiring rate of the disabled is 1.7 times higher than the legal requirement.

48.1% of women in management positions

Please refer to the Appendix P.XXX for the statistical table of employee structure.
4.2.1 Prioritizing Talent Cultivation to Maintain Core Competitiveness

New talents specialized in AI and big data are actively sought out to help the company become a technology and telecommunications company of the new era. Most of the newly recruited employees are under 30 years old. The Company hopes to drive its digital transformation by attracting new generation talents.

After an employee submits a resignation letter, the supervisor will conduct an interview followed by an interview and career development consultation offered by the Human Resources Department after the reason for resignation as well as feedback for the company is clarified through the exit questionnaire, as well as offering career counseling and recommending internal positions. In 2020, the turnover rate (7.39%) was lower than that of the previous year (8.83%).

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

- The hiring of the disabled is 1.7 times higher than the legal requirement, with the most senior employee serving for 27 years, 1 manager and 2 assistant managers.
- We have provided professional jobs, equal promotion channels, generous remuneration and benefits, and a friendly workplace to promote job opportunities for the disabled.
- Various disabilities: severe visual impairment, severe organ impairment, limb impairment, epilepsy, hearing impairment and facial impairment, etc.
- Various positions: Network Optimization, System Development, Legal Affairs, Sales, Market Survey, etc.
- Friendly environment: exclusive parking spaces, spacious seats and dedicated equipment.

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

Continue to work with colleges as well as recruiting students from abroad, including Europe and the US, for internship positions in Taiwan, building a foundation for global talent recruitment in the future. We have continued our partnerships with institutions of higher education. In 2020, 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. We will continue to maintain the relationship with higher education institutions and early contact with potential talent through internship, campus recruitment, and employees serving as lecturers and other means, further helping students combine studies with practice.

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

- The hiring of the disabled is 1.7 times higher than the legal requirement, with the most senior employee serving for 27 years, 1 manager and 2 assistant managers.
- We have provided professional jobs, equal promotion channels, generous remuneration and benefits, and a friendly workplace to promote job opportunities for the disabled.
- Various disabilities: severe visual impairment, severe organ impairment, limb impairment, epilepsy, hearing impairment and facial impairment, etc.
- Various positions: Network Optimization, System Development, Legal Affairs, Sales, Market Survey, etc.
- Friendly environment: exclusive parking spaces, spacious seats and dedicated equipment.
2. Compensation and Welfare

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. According to the 2020 statistics published by the Directorate General of Budget, remuneration in telecommunications industry was 1.74 times the market average. TWM was ranked as a constituent stock of the 2019 Taiwan HC 100 Index for four consecutive year. According to information released by TWSE in 2020, the average annual salary of TWM employees exceeded NT$1 million, which is the best in the industry. In order to maintain the competitiveness, the Company participates in external salary surveys each year to measure the salary level of the market. The Company’s operational performance and future development are taken into consideration as foundation of the reward plan. The Company implements a performance-based remuneration policy, with both year-end bonuses and employee remuneration differentiated based on individual performance to reward outstanding employees for their contributions.

The remuneration, benefits, promotion, training and employment rights shall not be treated differently due to factors such as gender, sexual orientation, age, marital status, race, and disability.

Note 1: Comparison is based on salaries of employees.
Note 2: Salaries of non-employee workers are higher than the minimum wage.
Note 3: Please refer to P.141 in the appendix for the salary ratio analysis of TWM and its affiliated companies.

Ratio of TWM’s standard starting salary to Taiwan’s minimum wage in 2020

<table>
<thead>
<tr>
<th></th>
<th>TWM</th>
<th>Taiwan Fixed Network</th>
<th>Taiwan Customer Service</th>
<th>Taiwan Digital Service</th>
<th>Taishin Property Insurance Agent</th>
<th>Taiwan Broadband</th>
<th>Taiwan Kuro Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>1.38 ~ 1.58</td>
<td>1.30 ~ 1.39</td>
<td>1.05</td>
<td>1.18</td>
<td>1.38</td>
<td>1.26 ~ 1.38</td>
<td>1.07</td>
</tr>
<tr>
<td>Times</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Differences in the number of full-time employees who are not managers, average salary and the median in 2019 are listed in the table below

<table>
<thead>
<tr>
<th>Disclosed items for full-time employees in non-management positions*</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of employees</td>
<td>3,597</td>
<td>3,631</td>
</tr>
<tr>
<td>Average Salary (NT$1,000)</td>
<td>1,054</td>
<td>1,060</td>
</tr>
<tr>
<td>Median Salary (NT$1,000)</td>
<td>909</td>
<td>914</td>
</tr>
</tbody>
</table>

*Employees in "management positions" refer to the same scope of disclosure of insiders (managers) by the annual report of the shareholders' meeting.
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 2020 was audited by Deloitte & Touche.
4.2.1 Prioritizing Talent Cultivation to Maintain Core Competitiveness

Holidays and diverse benefits are provided to motivate and attract talents. Besides the possibility of working from home, employee benefits include free group insurance for employees and their dependents, employee stock ownership trust (market value: NT$ 632 million), high subsidy for phone bills, digital content and reading services with family members, purchase discount for company products, comfortable working environment, emergency aids, rewards for long-term employees and so on. Please visit our website for further details. In 2020, employee salaries and consolidated expenses of the benefits totaled NT$6.41 billion. The final version of funding plan for labor pension is available on page 57 of the consolidated financial statement for 2020 Q4.

Encouraging employees to get married and have children:
- The shifts for employees who are pregnant or breast-feeding will be adjusted so that they will not work 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.
- With 175 newborns, the crude birth rate was 30.29 per thousand, which was higher than the crude birth rate in Taiwan (7.01 per thousand).
- Deadline for marriage leave was extended due to the pandemic. With schools closed, children were allowed at work with 66 employees applying for 91 children.

Statistics on 2020 Unpaid Parental Leave

<table>
<thead>
<tr>
<th>Category</th>
<th>TWM+Taiwan Fixed Network</th>
<th>TWM Digital Service</th>
<th>TWM Broadband</th>
<th>Taiwan Kuro Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people eligible to apply for unpaid parental leave</td>
<td>235</td>
<td>230</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Number of people who applied for unpaid parental leave</td>
<td>9</td>
<td>102</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Number of people expected to return from unpaid parental leave (A)</td>
<td>11</td>
<td>97</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Number of people who returned from unpaid parental leave as expected (B)</td>
<td>10</td>
<td>65</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Number of people who returned from unpaid parental leave in 2017 (C)</td>
<td>11</td>
<td>69</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Continued to work for more than one year after returning from unpaid parental leave in 2017 (D)</td>
<td>7</td>
<td>57</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Return rate (B/A)</td>
<td>90.91%</td>
<td>67.01%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Retention rate (D/C)</td>
<td>63.64%</td>
<td>82.61%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>
4.2.1 Prioritizing Talent Cultivation to Maintain Core Competitiveness

3. Career Development and Training

Learning development is in association with strategy. Our supervisors discuss and set the Individual Development Plan with each employee based on each department strategic goals, employee performance, career intention and multiple feedback. Employees are able to enrich the knowledge and skills needed for their current positions or the next stage through training, learning by working, self-study, etc. The percentage of positions (including external recruitment) filled by internal recruitment is 13%.

Besides regular promotion programs, promotion programs are available for R&D/technical positions to encourage career development for professionals. 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 85.5% and 29 people have taken over key positions. President cultivates young talents within the company through proposals and projects that are part of “Appointment with Jamie”.

<table>
<thead>
<tr>
<th>100% of employees participated in training, with the training hours in 2020 listed as follows:</th>
<th>TWM</th>
<th>Taiwan Fixed Network</th>
<th>Taiwan Teleservices &amp; Technologies</th>
<th>TWM Digital Service</th>
<th>TWM insurance agent</th>
<th>TWM Broadband</th>
<th>Taiwan Kuro Times Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant manager or above</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>56.8</td>
<td>40.7</td>
<td>55.5</td>
<td>62.0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Female</td>
<td>54.7</td>
<td>48.2</td>
<td>50.9</td>
<td>0</td>
<td>0</td>
<td>22.9</td>
<td>31.9</td>
</tr>
<tr>
<td>Assistant manager or below</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>67.2</td>
<td>46.1</td>
<td>54.8</td>
<td>63.2</td>
<td>25.4</td>
<td>18.6</td>
<td>0.3</td>
</tr>
<tr>
<td>Female</td>
<td>61.6</td>
<td>47.4</td>
<td>58.9</td>
<td>57.5</td>
<td>16.8</td>
<td>18.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Average by gender</td>
<td>66.2</td>
<td>45.0</td>
<td>54.8</td>
<td>63.1</td>
<td>25.4</td>
<td>19.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Average training hours per employee</td>
<td>64</td>
<td>47.9</td>
<td>57.6</td>
<td>61.6</td>
<td>21.1</td>
<td>19.1</td>
<td>13.3</td>
</tr>
</tbody>
</table>
4.2.1 重视人才培育以维繫核心竞争力

The Company invests in the development of employees’ innovation and improvement in response to its transformation. In 2021, we will continue to assist employees to internalize Data DNA in work scenarios and decision-making.

- A series of Data DNA courses were launched to assist employees with developing data insight and analysis capabilities with 28,784 people in attendance.
- The newly established “Work Innovation and Improvement Contribution Award” recognizes and rewards individuals or teams that actively propose innovative models/practices or process improvements at work to make specific contributions to the organization. The e-newsletter has reached 100% of the employees.
- These clubs help the employees communicate with each other and explore different professional fields, so as to break away from the framework, promote digital transformation and achieve synergy. 92.3% of the participants are “willing to recommend” the clubs to other colleagues.
- The “Self-study Campaign” provides diverse content such as trends and innovations for the employees to expand their horizons.
- “Read a Book” adopts blended learning to help the employees continue to acquire new knowledge.
- 9,909 people have participated in the new style of learning.
- Scholarships and bursaries are granted to “digital professionals.”
- The newly founded “Invention Patent Bonus” that encourages innovation has been granted to three employees this year.
- Partnering with external organizations to cultivate professional skills required for employees to engage in innovative services while paying full salary for the four months of the training period. The employees will be transferred to new positions upon completion of their studies, with 100% completion rate.
4.2.1 Prioritizing Talent Cultivation to Maintain Core Competitiveness

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 93.2 points year on year (2.7% higher than target). Training and development category and its specific results in 2020 as shown in the chart below.

<table>
<thead>
<tr>
<th>Training and Development</th>
<th>Position</th>
<th>2020 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-learning</td>
<td></td>
<td>• Digital learning: 1,322 sessions, YOY +28.7%.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Mobile learning: 1 session a week throughout the year, YOY fans +18.5%.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• IDP for everyone: Target rate at 93.6% and completion rate at 83.0%.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Scholarships and bursaries: 30 in total with the amount exceeding NT$14.2 million.</td>
</tr>
<tr>
<td>ESG training</td>
<td></td>
<td>• ESG: 106,009 learners (YOY +63.4%), YOY hours +44.6%.</td>
</tr>
<tr>
<td>Human rights training</td>
<td></td>
<td>• Human rights: 100% of all employees participated in the training, YOY number of learners +3.1%, YOY number of hours +9.9%, 64,629.8 training hours.</td>
</tr>
<tr>
<td>Learning community</td>
<td>New hire community</td>
<td>• Environmental protection community: YOY membership +56.0%, YOY gift/exchange matching rate +25.5%.</td>
</tr>
<tr>
<td>Professional capability training</td>
<td>New hire training in each business group</td>
<td>• Outstanding store manager training: One new outstanding store manager has been added and awarded for six consecutive years.</td>
</tr>
<tr>
<td></td>
<td>Beginner/advanced professional training course and certificate examination</td>
<td>• Technical license: Planning training for new technologies, inventory of abilities/licenses: YOY licenses +24.2%.</td>
</tr>
<tr>
<td>Joint professional competency training</td>
<td></td>
<td>• Reserve store manager: 97% of certification rate.</td>
</tr>
<tr>
<td></td>
<td>New hire training</td>
<td>• Senior supervisions: YOY +33.6% of course participants.</td>
</tr>
<tr>
<td></td>
<td>New hire forum</td>
<td>• Junior and middle management training: 100% of after-class action plans or review with 89% of completion rate.</td>
</tr>
<tr>
<td></td>
<td>Beginner/advanced self-management, communication and expression, creative thinking, book club, celebrity/trend/TWM Talk lectures</td>
<td>• 99.2% agree with the following statement: “Supervisors believe that training has a positive effect on improving employee performance.”</td>
</tr>
<tr>
<td>Counseling/Support</td>
<td>Dedicated counselor</td>
<td>• 94.8% agree with the following statement: “Colleagues believe that training and learning resources are helpful for work.”</td>
</tr>
<tr>
<td></td>
<td>Survey/manual</td>
<td>• Mentor certification: 244 in total (40 new ones in 2020). Mentor gave feedback and encouragement at the “New Hire Forum” with 100% of satisfaction rate.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• New Hire Forum: 100% of course recommendation, and the turnover rate of new hires participating is 17% lower than that of non-participants.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Customer service training: The customer satisfaction rate of the trainees was increased by 2% upon completion.</td>
</tr>
</tbody>
</table>
TWM Talk: President Lin talked face-to-face with employees on innovation, ethics and growth
4. Performance Evaluation

We conduct career development survey and performance evaluations for all employees on a regular basis. The supervisors organize performance and career development interviews with the employees to discuss target achievement, innovation or performance of procedure improvement, giving recommendations for capacity that merits further development and feedback.

**Multidimensional evaluation:** The employees fill out a career development plan to which the supervisors offer feedback in terms of work, capacity development and career path. The employees can better understand their strengths and weaknesses through supervisor appraisals by supervisors as well as evaluations of superiors by subordinates and peers. The results will become the basis of their personal development, and this approach will hopefully help the employees learn work with others in an efficient manner 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 recommendations. The communication effectiveness is also examined through survey.

**Corporate Social Responsibility:** The employees are assigned CSR goals according to their jobs, the number of hours for CSR courses and volunteer work 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 information security will have a negative impact on performance evaluation.

### 4.2.2 Unimpeached Employee Communication and Diverse Inclusive Culture

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. Therefore, we have never blocked or impeded their freedom of association. There is no employment discrimination against local employees and indigenous people. No child labor or forced labor has been engaged, nor has the violation of human rights or discrimination. When an employee is appointed, the labor contract will be reviewed and signed by the employee in advance to protect the rights and interests of both the employer and employee. 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 understanding issues the employees are concerned with through regular employee feedback surveys, quarterly communication meetings are organized by supervisors with the opportunities to raise questions in order to promptly understand the Company’s status quo at all levels and make adjustments accordingly.
Diverse Cultural Inclusion

The Company creates the environment for diverse cultural inclusion which learns to respect differences and be aware of unconscious bias. The results of creating a diverse and friendly workplace in 2020 are listed in the table below:

**Learning Activities**
- **WinWinLectures:** Sharing the tips for overcoming difficulties and creating self-challenge
- **Online course for building awareness of unconscious bias:** Guiding participants to reflect on the stereotypes or bias at work.
- **Humanitarian movie theater:** Promoting gender equality and respect for differences through movies.

**Opinion survey**
- Dimension of "Diverse Environment and Respect for Differences" 83% approval (19% higher than usual)

**Recruitment**
- At least 2 female candidates are provided for each position

**Promotion**
- The promotion of female employees to management positions accounted for 48.1% of the total, which is slightly higher than the proportion of females (47.7%) in the company
- Equal opportunities for promotion

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

**Maternal Care**
- Female employees can apply for a pregnancy checkup leave, childbirth leave or maternity leave, dedicate their time on caring for the newborn baby.
- 3,309 hours of pregnancy checkup leave, 22,914 hours of childbirth leave, 54,080 hours of maternity leave

**Thanksgiving E Card**
- Encouraging employees to express their gratitude or well wishes for their colleagues.
- 7,067 cards sent
4.2.3 Keeping the Employees Healthy by Providing a Good Working Environment

We work on the goal of creating a work-life balance for employees, a healthy body and mind, and a family-friendly workplace based on the four major aspects of “health promotion, mental health, safe environment, and family care,” creating a future value goal for sustainable development. The management team takes this policy as a core element in consideration when making strategic and operational decisions on related issues.

1. Sound and Diverse Health Promotion and Care Programs

Based on the analysis of health examination results and surveys, the Company has planned health promotion activities that meet the needs of employees with cancer prevention seminars. The participation rate increased by 27.24% compared with 2019 and 36.54% compared with 2018, showing that employees attach greater importance to cancer prevention year by year. With climate change, the temperature in winter changes greatly. In addition to providing health monthly to remind employees to take care of themselves during winter, cardiovascular disease prevention lectures are also organized to prevent cardiovascular disease caused by low temperature.

**mySports Online Sports Day**

In 2020, a total of 3,189 people participated in the online sports day, consuming more than 14.34 million kcal, an increase of 2.37 million kcal compared to 2019. The energy devoted to sports has reached new heights. For the fifth consecutive year, the Company has held two-stage company-wide individual sports competitions and departmental competitions through the self-developed mySports App. Employees upload their records to the cloud to accumulate points on both an individual and departmental levels. With the encouragement of the company and the sense of competitiveness of various departments, TWM has managed to cultivate and grow a sports community and habits.

2. Mental Health - Stress Management

The “Stress-Relief Massage Service” provides free massage with a total of 22,427 people were served and a satisfaction rate of 97.0%. Employee assistance program: Both “internal consultation” and “EAPs external consultation” services are provided, serving 100 people with the utilization rate of 5.1%.

3. Work Life Balance

In 2020, the health check, HPV (Human Papilloma Virus) vaccination and herpes zoster vaccination were extended to family members.

Providing a comprehensive range of health services for female employees according to their needs at different stages:

- **HPV vaccination**
- **Pap smear**
- **Mammogram**
- **Female ultrasound and cancer screening during employee health check**

- **Breastfeeding rate reached 93.3%**
- **Satisfaction for breastfeeding room reached a score of 4.8**
- **Lectures on childcare-work balance**
- **Parenting book club**

Details of epidemic-prevention measures in response to the COVID-19 epidemic can be found in the dedicated chapter 1.3.
4.2.3 Keeping the Employees Healthy by Providing a Good Working Environment

4. Safe and Quality Work Environment

The occupational health and safety management system includes occupational safety and health impacts derived from operations, activities, and services such as telecommunications, Internet, multimedia, entertainment-related services, and office activities. The internal audit ratio is 100%, and the external audit is 18.43%.

Occupational Accident Reporting and Investigation

The procedure is put in place to enable occupational accidents to deal with injuries as soon as possible, prevent the disaster from creating more impact, and review the causes. It is used as the basis for accident prevention countermeasures, as well as safety and health improvement.

Hazard Factor Identification and Risk Assessment

Representatives of various departments form the Occupational Safety and Health Management System Working Group to review the "hazard identification and risk and opportunity evaluation" each year, taking into account (non-)routine operations, internal and external issues and other items. If the risk is unacceptable, such as the sockets in the office catching fire after not being used for a long time due to dust accumulation, improvement measures and goals will be planned and the risk control procedure implemented. After the improvement, the effectiveness will be evaluated again to maintain and continuously improve the performance of occupational safety and health management.

The Company has continuously won various awards from the Health Promotion Administration, MOHW and the Department of Health
- Health Promotion Administration - Autonomous certification for a healthy workplace
- Excellent nursery room certification granted by the Department of Health, Taipei City Government.

Complaint of illegal infringement at work

TEL: 02-66363180
E-MAIL: TWMHS@taiwanmobile.com

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. Analysis of occupational hazards in 2020: caused by 1 fall, 1 bruise, and 2 injuries from falling. The contractors had 1 fall in 2020. There was no case of occupational disease in 2020. Please refer to Appendix P.XX for the employment statistics of work-related injuries in 2020.
4.3 / Sustainable Partners

Vision:
Take Creating Stakeholder Synergy as the greatest driving force towards sustainability, creating positive influence in the era of the 5G and IoT to activate sustainable development of global partnership.

Corresponding to material topic:
Supply chain management

Corresponding to one key SDG:

Corresponding to three secondary SDGs:

Corresponding to the four major stakeholders:

<table>
<thead>
<tr>
<th>Key Results and Performance</th>
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<tbody>
<tr>
<td><strong>100 %</strong></td>
</tr>
<tr>
<td>• 100% implementation of the ESG threshold for major tenders</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>346 suppliers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reviewed 346 suppliers’ ESG self-assessment questionnaire</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>40 suppliers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Completed on-site audit on ESG issues for 40 suppliers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>84 suppliers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Complete carbon inventory for 84 suppliers, including on-site carbon emission audits for 10 suppliers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>100 %</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Maintained 100% signing rate of “Declaration of Integrity in Business Conduct” and “Safety, Health and Environmental Protection Guarantee for Contractors”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>99 %</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Achieved 99% of outreach for Guidelines on Corporate Social Responsibility for Suppliers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>300 participants</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hosted the second Circular Economy Forum on how TWM transformed waste optical cables into resources with circular economic values, with over 300 participants from 81 suppliers attended.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>12 suppliers</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Collaborating with 12 suppliers on “Green Power for Charity”</td>
</tr>
</tbody>
</table>
Sustainable Partners

2021 Goals:
- Raise the 2020-2022 supplier management target with desk review coverage to 80% in three-year for first-tier suppliers, as well as with on-site audit coverage of 85% for critical tier-1 suppliers
- Conduct 300 desk review on ESG self-assessment questionnaire
- Conduct on-site audits for 40-45 critical tier-1 suppliers
- Implement official supplier carbon inventory with action plan for reduction
- Conduct 10 on-site carbon inventory each year
- Maintained 100% signing rate of “Declaration of Integrity in Business Conduct” and “Safety, Health and Environmental Protection Guarantee for Contractors”
- 80% of ESG risk assessment coverage of tier-1 suppliers
- 90% of outreach for Guidelines on Corporate Social Responsibility for Suppliers
- Supplier exchange meetings and training

2030 targets:
- 20% reduction on carbon emissions of the supply chain compared to 2020
4.3.1 Supply Chain Overview: Practicing Sustainability as the Core of Supply Chain Management

TWM is a company that provides integrated service in “T.I.M.E.,” namely telecom, Internet, media and entertainment. We worked with over 550 suppliers in 2020 in 6 categories. The critical suppliers are identified based on the amount of procurement and their materiality. Our global procurement amount reaches NT$40.2 billion on a yearly basis, including mobile phone products, telecommunications/communications and network equipment. Among them, consumer electronics takes up the highest percentage in terms of procurement expenses.

TWM reinforces its supply chain resilience through local procurement and ESG risk management. In 2020, TWM’s local procurement totaled at 39.4 billion, accounting for 97.95% of the total annual procurement.

TWM enhances the resilience of its supply chain through three dimensions:
1. Optimizing supply and transportation routes: TWM has integrated transportation costs and carbon emissions from logistics and transportation into its supply and transportation route planning. We hope to strike a balance between transportation costs and carbon emissions by optimizing existing logistics routes to reduce environmental impact.
2. Green procurement: TWM sets corresponding environmental standards for different procurement items, as well as increasing the procurement volume of products and services that are above standard. In 2020, the amount of green procurement reached approximately NT$109 million yuan.
3. ESG risk assessment: TWM requires suppliers to conduct self-assessment for ESG performance, as well as conducting written and on-site visits to confirm the authenticity of the self-assessment results before carrying out risk identification. The suppliers are required to improve on high-risk items.

Note: Purchases of TFN Media and its affiliated companies are excluded.
4.3.2 Promoting a Sustainable Supply Chain: Integration Strategy and Working with Suppliers to Implement Carbon Reduction

The suppliers and TWM are jointly responsible for fulfilling their corporate social responsibilities and responding to stakeholders. To this end, we have integrated topics related to three aspects including environmental, social and governance (ESG) to build a supply chain management framework, requiring partners to respond to sustainable integration strategies and controlling potential supply chain risks.

**Sustainable supply chain management framework**

<table>
<thead>
<tr>
<th>Selection of new suppliers</th>
<th>Supplier maintenance</th>
<th>Improvement and suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>New supplier guidelines signing and data review</td>
<td>CSR assessment</td>
<td>Supplier CSR assessment report and suggestions for improvement</td>
</tr>
<tr>
<td>Basic information review (corporate governance, finance, on-site visits)</td>
<td>Identifying and evaluating risks in supply chain sustainability</td>
<td>Demand improvement from high-risk suppliers</td>
</tr>
<tr>
<td>Sign the agreements on Integrity in Business Conduct and Safety, Health and Environmental Protection</td>
<td>On-site audit</td>
<td></td>
</tr>
<tr>
<td>Promote the &quot;Guidelines for TWM Suppliers&quot;</td>
<td>Supplier GHG inventory</td>
<td></td>
</tr>
<tr>
<td>Fill out the ESG performance self-assessment form for new suppliers</td>
<td>Training on carbon emission</td>
<td></td>
</tr>
<tr>
<td>Supplier carbon reduction</td>
<td>Carbon management on-site audit</td>
<td></td>
</tr>
</tbody>
</table>

To implement the sustainable supply chain management framework, as well as building a more complete and comprehensive sustainable supply chain, TWM has formulated 4 key strategic goals regarding suppliers:

- **Quality management:** The technical evaluation mechanism confirms whether the equipment or service meets TWM’s requirement. The supplier’s quality management mechanism is kept in check through the economic performance of supply chain sustainability issues.

- **Stable service:** Suppliers are required to commit to complete service and delivery at the time of quotation. Unqualified suppliers failed to deliver products on time will be eliminated.

- **Risk control:** The suppliers are required to sign the "Declaration of Integrity in Business Conduct" as a measure for supervising supplier integrity. They are also required not to violate laws and regulations regarding fair competition, environmental protection laws, copyrights and the Labor Standard Act. Risk analysis is conducted based on the supplier sustainable assessment mechanism to identify supplier risks and assess their impact, as a reference for future cooperation.

- **Sustainability implementation:** Achieve sustainable supply chain integration through enhancing supply chain information transparency and capacity. TWM enhances its responsibility and accountability for the supply chain by disclosing the status of supplier management practices. At the same time, the Company enhances the sustainability awareness of internal and external personnel and supplier through regular staff and supplier training.

**Supplier educational training & annual supplier conference**

**Supply chain Carbon Management**

TWM has set the goal of reducing 20% of the supply chain carbon emission to become more eco-friendly by 2020 in Zetta Connected 2030. To this end, in addition to training suppliers on greenhouse gas and carbon management issues from 2018, TWM has continued to coach partners to take comprehensive inventory of greenhouse gas emission sources, improve data quality of the inventory results, as well as deepening the suppliers’ awareness of impact of carbon emissions from the supply chain. In 2020, TWM completed carbon inventory for 84 critical tier-1 suppliers and on-site visits for 10 suppliers.

In 2021, TWM will formulate a supply chain greenhouse gas reduction plan and performance tracking plan and will officially launch greenhouse gas inventory for suppliers. The collected data found will be used as the base year data for the 2030 reduction target.
4.3.3 Supply Chain Selection and Assessment: Implementing Quantitative Performance Threshold for Sustainability and Carefully Monitoring Supply Chain Quality

In addition to formulating relevant internal procurement regulations, TWM has set rules and regulations on corporate sustainability for the suppliers to abide by. The regulations 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.

New suppliers review and supplier maintenance

TWM started to implement "Self-Evaluation form for ESG Performance for New Suppliers" since 2017, focusing on ESG status such as environmental protection, labor human rights and legal compliance. The questionnaire is modified each year in line with the latest trends in sustainability. In 2020, 133 new suppliers submitted the self-evaluation. All existing/potential suppliers that can be tracked and managed by TWM are required to fill in the initial ESG self-assessment form. For major tenders, the ESG questionnaire submitted by suppliers must be reviewed by a third-party consultant. Only those who pass the threshold can receive bids.

In the meantime, all suppliers have to comply with "Taiwan Mobile Guidelines on Corporate Social Responsibility for Suppliers." New suppliers are required to sign the "Declaration of Integrity in Business Conduct," with the outreach reaching 99% for suppliers complying with social responsibilities in 2020. Contractors are required to sign the "Standard Operating Procedures for Safety, Health and Environmental Protection Management for Contractors" after reading the "Environmental and Occupational Health and Safety Policy for Contractors" when taking on tenders. The signing rate of the guarantee was 100% in 2020.

<table>
<thead>
<tr>
<th>Audit Items</th>
<th>Applicable to</th>
<th>2020 number of suppliers reviewed</th>
<th>2020 completion rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signing the &quot;Declaration of Integrity in Business Conduct&quot;</td>
<td>All Suppliers</td>
<td>905</td>
<td>100% signing rate</td>
</tr>
<tr>
<td>Signing &quot;Standard Operating Procedures for Safety, Health and Environmental Protection Management for Contractors&quot;</td>
<td>Engineering suppliers</td>
<td>98</td>
<td>100% signing rate</td>
</tr>
<tr>
<td>Filling in the initial ESG self-assessment form</td>
<td>All new suppliers</td>
<td>133</td>
<td>100% of recovery rate</td>
</tr>
</tbody>
</table>
4.3.3 Supply Chain Selection and Assessment: Implementing Quantitative Performance Threshold for Sustainability and Carefully Monitoring Supply Chain Quality

Supplier sustainability management and assessment

**Supplier ESG review targets**

To stay updated with the ESG performance of suppliers, TWM has set the management cycle every at three years, with mechanism of desk reviews, on-site audits, KPIs-setting and risk improvement tracking plans. TWM aims at maintaining the review coverage for tier-1 suppliers at above 80%, and at increasing the coverage of on-site audits for critical tier-1 suppliers to 85%. TWM keeps the target of maintaining improvement tracking for high-risk manufacturers at 100%.

**ESG questionnaire distribution**

The 2020 TWM ESG self-assessment questionnaire covers 18 categories of issues related to sustainability, including economic, environmental, and social aspects. The questionnaire has been modified to meet international trends including the emergence of new sustainability issues such as the COVID-19 pandemic, human rights protection and greenhouse gas management. Before the questionnaire is handed out, education and training was provided to the procurement staff and suppliers to clarify the management focus, content and key points of the year. In 2020, 346 questionnaires were collected.
On-site audit

TWM selected 40 critical or high-risk suppliers for on-site audit to gain an in-depth understanding of the supplier’s sustainable management practices, as well as understanding their obstacles in implementing ESG in order to propose precise and practical suggestions for improvement. To improve the understanding of the critical tier-1 suppliers, TWM has greatly increased the target of the three-year cumulative field visits to 85%. The Company hopes to continue to reinforce the relationship with suppliers and promote sustainable actions through on-site visits. In 2021, on-site audits are expected to be conducted on 40-45 critical/high-risk suppliers.

Sustainable risk assessment and improvement action plan

In addition to evaluating the ESG implementation of existing suppliers, TWM identifies and tracks changes in the supply chain sustainability risks (such as the probability of threat, potential impact, warnings in advance, etc.) through the sustainability risk assessment in order to assess the threat and impact of these risks on TWM in advance. In 2021, the main supply chain risk has been identified as information security risks.

TWM has identified 19 high-risk suppliers in 2018 and completed 100% on-site reviews in 2020. The five high-risk suppliers identified in 2019 have reached 100% review rate in 2020 (excluding two vendors that we no longer worked with in 2020). In 2020, a total of 346 TWM suppliers were assessed for sustainability risks with two companies with high economic risks and 1 company with high social risks identified. The follow-up reviews are expected to be completed at 100% in 2022.
4.3.3 Supply Chain Communication and Social Welfare:  
Leading the Supply Chain to Implement Corporate Social Responsibility

To achieve sustainability together with our suppliers, TWM continues to propose sustainable development action plans for partners through various training, exchange meetings and so on. In the meantime, suppliers are assisted in taking the initiative in learning to develop sustainability capacity, as well as invited to contribute to public welfare and give back to society. TWM looks forward to integrating the industrial capacity of all partners to achieve sustainable economic, social and environmental development goals through mutual efforts.

Circular Economy Forum

In line with the spirit of the first Circular Economy Forum, TWM announced the result of the "waste optical cable" recycling experiment in the second "Circular Value Rebirth" Circular Economy Forum of "Enterprise Circular Economy Application Practice Forum" to strengthen the role the telecommunications industry plays in circular economy, in order to realize the goal of giving new value to circular economy. Details regarding the results of the forum can be found in Chapter 4.5.5 on P.XX.

Green Power for Charity

In 2020, TWM upgraded the "Green Power for Charity" project by calling on 12 suppliers to help charity organizations build 54.95kWp "self-generated for self consumption" photovoltaic systems and subscribe for renewable energy certificates. These measures are combined with feed-in tariffs for surplus electricity generation to maximize the benefits of each kilowatt-hour of green power. In addition, for the 4th consecutive year of the "Green Power for Charity" project, TWM has cooperated with 71 suppliers to build photovoltaic systems of more than 394 kWh for 4 public welfare organizations. It is estimated that a total of 8.42 million kWh of green power will be generated in the next 20 years, bringing clean energy for the earth. Please refer to chapter 4.5.4 on P.XX for further details on the project.
4.4 Accomplishments

Vision:
Create a connection among people, things, time and space with 5G and IoT, build a future that is beyond imagination with forward-looking vision

Innovative products/services generated a revenue of NT$4.96 billion
Mobile business service transactions reached NT$1.857 billion
42,000 smart street lamps were built with a target achievement rate of 323%
Together with Riot Games, TWM released the annual mobile game masterpiece "League of Legends: Wild Rift". The open beta has received the highest downloads on both platforms or two consecutive weeks
The Double High Speed promotion was upgraded to 5G, boosting the annual growth by 11% for accumulated registered users of myVideo and MyMusic
Exclusive distribution of Google Nest Mini and Nest Audio, and more than 240,000 units sold since its launch.

Corresponding to material topics:
Technology innovation & application / Service impact management / Customer experiences / Network quality and coverage

Corresponding to one key SDG:

Corresponding to three secondary SDGs:

Corresponding to 3 major stakeholders:

5G self-driving cars

- Collaborated with Formosa Plastics to launch the 5G self-driving cars for industrial and commercial use. The 5G self-driving cars was out in trial in Chang Gung Health Cultural Village
- 280 electric scooters
- Collaborated with WeMo Scooter to install the PM2.5 Detector developed by TWM on 280 electric scooters.
- 85 fixed monitoring points to form an air quality map and forecast for Kaohsiung
- 30,000 players
- Collaborated with NVIDIA to launch the "GeForce NOW Alliance Taiwan Mobile" cloud gaming platform, allowing 30,000 players to play 3A-class PC game masterpieces

The highest downloads

- Together with Riot Games, TWM released the annual mobile game masterpiece "League of Legends: Wild Rift". The open beta has received the highest downloads on both platforms or two consecutive weeks
- The Double High Speed promotion was upgraded to 5G, boosting the annual growth by 11% for accumulated registered users of myVideo and MyMusic

The Double High Speed promotion was upgraded to 5G, boosting the annual growth by 11% for accumulated registered users of myVideo and MyMusic
Innovative Accomplishments

Goals

2021 Goals:
- Over 55% of 5G population coverage rate
- Advanced telecommunications users account for 20% of total users
- The coverage rate of wired high-speed network service reaches 81% of the operating areas
- Number of users for innovative products and services reaches 25 million people
- Digital content services reach 24 million members
- Smart customer service reaches 100,000 users per month
- The coverage rate of village image surveillance or river hydrology/flood image surveillance reaches 33% (in a total of 11 townships)

2030 Goals:
- Over 85% of 5G population coverage rate
- Advanced telecommunications users account for 99% of total users
- The coverage rate of wired high-speed network service reaches 98% of the operating areas
- Number of users for innovative products and services reaches 41 million people
- Digital content services reach 39 million members
- Smart customer service reaches 1.5 million users per month
- The coverage rate of village image surveillance or river hydrology/flood image surveillance reaches 78% (in a total of 26 townships)
4.4.1 Innovation Management Framework: Expanding Innovation Capacity and Incorporating in the Corporate Cultural DNA

1. Expanding Innovation Management Committee

1. In order to encourage all employees to participate in innovation, a new system was planned in 2020 to set up the Kepler team, with the goal of searching for and incubating innovation teams within the Company. Expected to be launched in 2021.

2. The organizational chart is as follows:

2. Setting data application innovation

To expand the scope of innovation and projects, TWM plans to add data application innovation, merge original product innovation and process innovation in 2020, which are scheduled to be implemented in 2021. The culture of innovation is passed on through internal competitions and inter-departmental communication.

3. Optimizing the Innovation Proposal system

Transformed the original innovation proposal system into a competition. The planning started in 2020 and will be implemented in 2021. Compared with the original system, a Kepler team was set up to search for and incubate innovative teams, on top of providing guidance with professional mentor. Afterwards, the winning team will be selected through a presentation. The idea will then be implemented and shared internally to carry out cultural iteration.

4.4.2 Innovation Management Process: Building a Systematic Innovation Management Mechanism for the Enterprise
**Double High Speed Promotion**
- Received NT$160 million in revenue in 2020

**Strategy/purpose**
- Creating the Smart Home Lifestyle
  - Integrating mobile and fiber-optic Internet access with smart home appliance packaging into smart home management

**Project process, innovation highlight**
- Integrating mobile and fiber optics to provide users with 5G mobile high-speed services outdoors and fiber-optic Internet access at home. The package comes with smart speaker Google Nest Mini/Nest Audio, allowing users to experience mobile and fiber double service all-inclusive smart lifestyle

**ESG Achievement**
- The Double High Speed package had 15 times of growth in revenue in 2020 compared to 2019 (old confluence included)
- The Double High Speed free gift (Google Nest Mini/Nest Audio) doubled the overall smart speaker monthly sales growth compared to that of 2019
- One-time application of mobile data and optical fiber, reducing carbon emissions by 60%

**Increase the amount of intelligent customer service contacts**
- Completed 380,000 phone calls
- Customer completed rate of self-service
- The satisfaction rate as high as 4.3 out of 5

**Strategy/purpose**
- Provides various customized services to meet inquiries/changes made by customers. At the beginning of the launch, the service provides account information inquiry, payment, and fee inquiry.

**Project process, innovation highlight**
- Provides a 24-hour text customer service robot on various digital channels to offer replies and guided dialogues.

**ESG Achievement**
- Provides a 24-hour text customer service robot on various digital channels to offer replies and guided dialogues. In 2020, 380,000 phone calls were completed.
- It has accumulated 120,000 FAQ and provides users with personalized information inquiries, including bills, contracts, unissued bills and prepaid card balances... etc., to instantly meet customer needs.

**Strategy/purpose**
- Building a shared and co-created ecosystem with altruism as intention: Giving new opportunities to various manufacturers for getting into smart homes and upgrading the industry
- Mutual help with manufacturers of household appliances to expand benefits

**Project process, innovation highlight**
- Building a shared and co-created ecosystem with altruism as intention: Giving new opportunities to various manufacturers for getting into smart homes and upgrading the industry
- Mutual help with manufacturers of household appliances to expand benefits

**ESG Achievement**
- The sales volume of Google Nest smart speakers reached 240,000 in 2020, which is equivalent to upgrading 240,000 households in Taiwan to smart homes
- 9 Taiwanese brands adopted TWM’s Smart Home Cloud to form an alliance in terms of technology and market to upgrade household products and home appliances in 2020
- Creating a comfortable new life with science and technology. In a real smart home, AI understands your habits.

**myAngel Digitized Care Service**
- Service area coverage: 165 villages/towns/districts

**Strategy/purpose**
- Improving home care with telecommunications technology
- TWM funded the services at the initial stage, with users and the society maintaining sustainable operations afterwards.

**Project process, innovation highlight**
- IA unique digitized care service that integrates smart watches (myAngel Watch), caregiver interface (myAngel App) and volunteer messaging system (i-Search Circle).
- myAngel Watch takes advantage of TWM’s mobile IoT network (NB-IoT), which saves 69% of battery power and extends the charging frequency from once a day to only once a week.
- myAngel App integrates indoor positioning technology to find the wearer even in places where there is no GPS signal.
- The i-Search Circle adopts M+ instant messaging software to allow caregivers to send out search requests to volunteers nearby even without knowing the missing elder.

**ESG Achievement**
- Assisted 881 families in protecting their elders from the risk of going missing
- Assisted the elderly in sending 1,612 help messages to their family members
4.4.3 Product and Service Innovation: Creating a New Experience With Smart Products and Services Based on a People-Oriented Approach

A total of 7 highlights of the innovative proposal for the year are as follows:

**Corporate customer services**

**M+ enterprise service**
- **Strategy/purpose**
  - Home office epidemic prevention solution
  - Accelerated the integration of M+ and CPBX products while expanding value-added application services to build a complete communication platform
- **Project process, innovation highlight**
  - The “M+ Enterprise Service” turns the enterprise user’s mobile phone into extensions. No landline calls are missed.
  - Enterprise users can save a huge communication fee and the procurement fee of telephone as well as manpower for maintenance.
  - Improve corporate communication efficiency and employee productivity.

**TWM IoV services**
- **Strategy/purpose**
  - TWM has developed the IoV service in response to the CASE trend (electric vehicles, sharing, IoV and self-driving technology).
  - Building IoV Big Data Service
- **Project process, innovation highlight**
  - From traditional GPS vehicles to the AI fleet management platform, TWM continues to optimize the IoV service to provide customized insurance policy services based on driving behavior.
  - Develop self-driving technology with partners by adopting 5G network and IoT technology with a connection management platform, introduce cellular car networking C-V2X and self-driving services, provide shuttle bus and cooperate with government agencies to expand the scope
- **ESG Achievement**
  - Help improve dangerous driving behaviors and reduce risks and rates for accident through AI machine learning
  - Introduce self-driving services to the public transportation system and develop a more efficient vehicle operating mode

**5G for Enterprise Private Network Service**
- **Strategy/purpose**
  - POC (Proof of Concept) solution for enterprise network
- **Project process, innovation highlight**
  - Combined with IoT applications with dedicated 5G network to ensure the security of data transmission and strengthen the flexibility and efficiency of production line operation
- **ESG Achievement**
  - Meet the needs of industry vertical application services such as low latency and large bandwidth through the enterprise network Model A “Dedicated Base Station” and TWM core network services

**ESG**
- Employees have to work from home due to COVID-19 pandemic. This service allows the company landline to be transferred to the mobile phones with no additional charge.
  - When employees contact customers on their private mobile phones, the company’s number will be displayed without giving away the information of the mobile phone number, saving the cost of landline and equipment while reducing energy consumption.
4.4.4 Process Innovation: Demonstrating the Value of Environmental and Social Innovation With Process Optimization

Reward the culture of innovation through setting up an internal competition process 13 projects in total including 3 highlight projects.

Strategy/purpose
- Apply innovative concepts
- Big data thinking
- Cross-domain sharing

Project process, innovation highlight
- Adopt innovative concepts to plan management models, such as AI modeling, machine learning algorithms, web crawlers, RFM, etc.
- Keep data analytics and information for future extension applications.
- Information can be used by other company divisions, such as digital media, marketing, debt collection, customer service, etc.

ESG Achievement
- Incorporate big data thinking with AI to balance the Company’s business performance and bad debt management to seek the best interests.

Digital footprint assists with network debugging

Strategy/purpose
- Wrong connection of the base station antenna is hard to detect. Field test consumes manpower and time, and the traditional KPI detection has its limits. Besides requiring more than one week of observation, the accuracy rate is only 50%.
- Sum up distinctive characteristics of each base station with user digital footprint analytics, effectively discovering the problem and guiding the maintenance staff to accelerate the repair.

Project process, innovation highlight
- First in the industry at home and abroad
- Customer-oriented
- Big data thinking
- Machine learning
- Breaking traditional limits with analytics

ESG Achievement
- Analyze the digital footprint to describe the connection problems of the base station while covering repeatability, create a user-oriented error detection method, and optimize network design for customer needs.
- Break through the long-term limits with analytics, increase the detection efficiency by 66% and the accuracy rate by 68%, effectively reduce unnecessary field test and transportation, increase data revenue and reduce labor costs and carbon emissions, contribute to environmental sustainability.

ESG Achievement
- Environment: Increase people’s willingness to pay online through diversified platforms, and reduce carbon emissions that may be generated by payment from physical channels
- Society: support the government’s policy of increasing the popularity of mobile payments
- Business: save costs through process innovation

Save from Each Transaction: Multi-option card payment diversion

Strategy/purpose
- Calculate based on the most appropriate combination, aggregate 60 types of payment combinations into 3 types of diversion paths (designated receipt, lowest cost and combined price comparison) to reduce cost.
- Multiple backup mechanisms achieve high-operational flexibility and provide full-time credit card services.

Project process, innovation highlight
- Near-AI: Find the most suitable diversion suggestions through combined calculations
- Mobility: mobile diversion switches can be adjusted according to management needs
- Leading position in the industry: timely integration with innovative payment platforms Cross-service applications: credit card transactions can be used for shopping and consumption to share features

ESG Achievement
- Environment: Increase people’s willingness to pay online through diversified platforms, and reduce carbon emissions that may be generated by payment from physical channels
- Society: support the government’s policy of increasing the popularity of mobile payments
- Business: save costs through process innovation

60 combinations of conditions, to be aggregated in 3 types of diversion paths using the principle of flexible calculations
4.4.5 Customer Experiences: Tracking and Improving Customer Service Quality and Satisfaction With a Smart Management Platform

1. Customer Behavioral Analysis-CEM
When addressing signal problems encountered by the users, CEM (Customer Experience Management) allows the staff to understand the signal strength before and after the problem reflected by the user in a faster and smarter way with quantitative indicators, pinpointing the problem with less time.

2. Customer Service Commitment/Mechanism

Customer Service Commitment
Creating the best experience for customers and continuing to implement the five commitments of comprehensive service.

Service Quality Certification
We actively introduce the SGS (Societe Generale Surveillance) service quality verification system. Having been endorsed by the most recognized verification agency in the world for the service provided for 8 consecutive years proves that our service quality and standards maintain a certain level and are closely in line with international standards.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>Processing Procedures for Customer Service Hotline</td>
<td>Processing procedures for all service channels</td>
<td></td>
</tr>
</tbody>
</table>
4.4.5 Customer Experiences: Tracking and Improving Customer Service Quality and Satisfaction With a Smart Management Platform

Service Processing and Customer Complaint Reporting
Handled by dedicated staff handles with systematic operation management and tracking to ensure rapid response and proper resolution of customer complaints.

The President personally oversees the improvement major customer complaints by regularly calling cross-departmental meetings to develop work plans for improving service quality. The number of customer complaints has dropped significantly from the year before according to NCC and the Taipei City Government in 2020, demonstrating an outstanding track record.

Service Upgrade Plan
Service response / Self-service voice system / Answering speed / Problem solvingTWM has launched a 24-hour customer service chatbot across various digital channels, providing replies and guided dialogues to confirm customer needs. You can engaged in a conversation with the TWM chatbot on the Facebook fan page or official LINE account. As of 2020, smart customer service chatbot have completed 380,000 service sessions, with customers completing 97.5% of the service on their own with the average score of 4.3 (out of 5). TWM will continue to elevate customer service experience, continue to analyze customer needs and launch diverse services that are thoughtful and satisfactory.
4.4.5 Customer Experiences: Tracking and Improving Customer Service Quality and Satisfaction With a Smart Management Platform

### 3 Customer Satisfaction

In 2020, the satisfaction of individuals, households and enterprise users reached 89%.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Business Clients</td>
<td>89%</td>
<td>90%</td>
<td>86%</td>
</tr>
<tr>
<td>Home Business Clients</td>
<td>92.7%</td>
<td>91%</td>
<td>89%</td>
</tr>
<tr>
<td>Enterprise Business Clients</td>
<td>88%</td>
<td>88%</td>
<td>91%</td>
</tr>
</tbody>
</table>

Note 1: The customer satisfaction survey index is the “satisfaction with telephone customer service”.
Note 2: Customer satisfaction rate % refers to the percentage of users who said that they are very satisfied and satisfied when being interviewed.
Note 3: Survey was conducted through telephone interviews, Internet surveys, etc. At least three times a year.
Note 4: The survey tools include online and phone interviews. At least one survey is held every year.
Note 5: The survey tools include online and phone interviews. At least one survey is held every year.

### 4 LED Wall Public Welfare Campaign

Songyan Cultural and Creative Park is an emerging leisure area in Taipei City. In addition to housing cultural and creative industries, the shopping mall and other park facilities have gathered people of all ages. The LED wall outside the Taipei digital living store is the most effective digital media for achieving exposure. Providing a rotation of public welfare activities to promote the most important public welfare issues of today and raise awareness. A total of 5 time slots were provided in 2019, equivalent to NT$6.4 million in sponsorship.

<table>
<thead>
<tr>
<th>Content</th>
<th>Time</th>
<th>Preferential rate for exposure (NT$)</th>
<th>Fixed rate for exposure (NT$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Taiwan Fund for Children and Families</td>
<td>30 seconds</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>2. The Fubon Universe Has Your Back</td>
<td>90 seconds</td>
<td>900,000</td>
<td></td>
</tr>
<tr>
<td>3. Respect for COVID-19 Fighters</td>
<td>30 seconds</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>4. Sun Moon Lake International Fireworks-Music Festival</td>
<td>30 seconds</td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>5. myfone Mobile Composition Award</td>
<td>120 seconds</td>
<td>4,400,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>6,400,000</td>
<td></td>
</tr>
</tbody>
</table>
4.4.5 Customer Experiences: Tracking and Improving Customer Service Quality and Satisfaction With a Smart Management Platform

5 Content Improvement of the Product and Service Platform

TWM targeted the smart home market by launching a smart speaker with Google, integrating application services in the group such as home entertainment, broadband, other application services and myfone store experience to create a large smart home ecosystem in Taiwan. The new GeForce NOW cloud gaming platform allows players to play 3A game masterpieces anytime and anywhere, regardless of equipment.

4.4.6 Product Service and Responsibilities: Watching Over Consumer Health and Contributing to an All-Around Sound Development

1 Electromagnetic Field and Customer Health Safety Promotion

TWM base stations have been strictly verified with an NCC section set up. The Company offers the 0800-580010 toll-free measurement service and a “base station electromagnetic wave knowledge service network” to provide information on its effect on human health. TWM continues to work with the NCC and the Taiwan Telecommunications Industry Development Association (TTIDA) to provide a “base station electromagnetic wave knowledge service network” to provide information on its effect on human health.

2 User Usage Promotion and Assistance

1. Safeguarding Internet use for children and youth

To prevent the youth from getting on porn websites or becoming addicted to the Internet, the Porn Guard value-added service was launched in December, 2014 to automatically block websites containing pornography, nudity, erotic content and photos that are not suitable for children and young people to access. The Internet Butler service was launched in December, 2015 to prevent youth Internet addiction. This service shuts mobile Internet off between 00:00 to 06:00. As of the end of 2020, the two services have had 7,276 users.

2. Reduce the digital gap to slow down the impact of the new crown epidemic

In 2020, all industries saw the impact of COVID-19. To prevent the pandemic, users went less with increasing needs for Internet data for contact and learning purposes. High schools and primary schools started the semester later in February. As a result, TWM provided free data for online learning purposes for children between the age of 6 and 12, allowing children to stay safe while learning at home. This lessened the impact of the pandemic on learning even though classes were suspended.

In addition, the demand for remote work and teaching at home has also increased. In addition to the option of purchasing discounted products online in March 2020 and offering more data with prepaid card storage at the same price, all-you-can-use data plans were open for online applications. The Double High Speed promotion was launched in September 2019, integrating mobile Internet and home broadband services to allow users to work from home and make calls over the Internet with no restriction.
4.5 Environmental Sustainability

Vision:
Minimize the company’s and the value chain’s footprint with latest technologies of IoT and AI artificial intelligence, not only reducing environmental impact but also actively creating a cosmic ecosystem that is more comfortable and beautiful.

Corresponding to material topics:
Climate change mitigation and adaptation, green operations, green applications and circular economy

Corresponding to one key SDG:

Corresponding to three secondary SDGs:

Corresponding to 7 major stakeholders:

Rated “A” again by CDP Leadership as the only telecommunications company in Taiwan

-60%

-7.44%

-14.25%

-9.1 million kWh/year

58,900 kWh

Rated A

Full score of 3 questions

- Energy intensity decreased by 60% compared with 2018

- Obtained 519 renewable energy certificates and 589,000 kWh for self-use renewable energy

- Total waste reduced by 14.25% compared to 2017, with the removal cost totaling at NT$23.45 million

- The absolute reduction of tap water consumption was reduced by 7.44% compared to 2017

- Green Power for Energy raised NT$3 million with a 54.95kW photovoltaics system built to generate NT$7 million for disadvantaged groups in the next 20 years
Environmental Sustainability Goals

2021 Goals:
- Scope 1 & 2 greenhouse gas emissions reduce by 5.54% compared with 2019
- 15% of cloud IDC renewable resource consumption
- Total use of renewable energy reaches 1.5%
- Energy intensity decreased by 61% compared with 2016
- Total waste reduced by 12% compared to 2017

2030 Goals:
- Scope 1 & 2 greenhouse gas emissions reduced by 30% compared with 2019
- Cloud IDC’s renewable energy consumption reached 100%
- Total use of renewable energy reaches 20%
- Energy intensity decreased by 86% compared with 2016
- Total waste reduced by 30% compared to 2017
4.5.1 History Of Environmental Management: Continuing To Focus On Corporate Sustainable Development

CDP rating of Leadership (A)
- Set the percentage of cloud IDC renewable resource consumption
- Continuously promote Green Power for Charity Project of Generating Green Power

CDP rating of Leadership (A-)
- Set the non-business waste target (for self-operated stores and Dunnan Building)
- Add renewable energy applications
- Continue to promote Green Power for Charity

CDP Leadership (A-) rating
- Set environmental management goals for water, electricity and waste reduction
- Launched the Green Energy Initiative of "buy a mobile phone to support green energy"
- Joined the Global e-Sustainability Initiative (GeSI)
- Introduced ISO 14064-1 greenhouse gas inventory and ISO 50001 energy management system

Key Milestones:
- 2000: Founding of the Sustainability Team
- 2002: Implementing measures for energy resource management and green procurement
- 2003: Introduced ISO 14064-1 greenhouse gas inventory and ISO 50001 energy management system
- 2006: Set greenhouse gas management goals
- 2008: Introduced ISO 14064-1 Greenhouse Gas Inventory Standard
- 2009: Set greenhouse gas management goals
- 2010: Expanded the scope of ISO 14064-1 Greenhouse Gas Inventory Standard
- 2011: Passed ISO 14064-1 greenhouse gas inventory and ISO 50001 energy management system for the first time
- 2012: Passed ISO 14064-1 greenhouse gas inventory and ISO 50001 energy management system for the first time
- 2013: Introduced ISO 14001 Environmental Management System and expanded the scope of ISO 50001 Energy Management System
- 2014: Set a greenhouse gas reduction target for 2025 that traces back to 2016
- 2015: Introduced renewable energy applications
- 2016: Launched the Green Energy Initiative of "buy a mobile phone to support green energy"
- 2017: Planned 8 green energy base stations
- 2018: Introduced ISO 14001 Environmental Management System and expanded the scope of ISO 50001 Energy Management System
- 2019: Completed verification of the new version of ISO 14064 and ISO50001
- 2020: Passed Science-based Targets (SBT) for carbon reduction
- 2.78% of GHG absolute reduction
- Installed 168.3kW of capacity for Green Power for Charity
- Completed verification of the 15 Scope 3 GHG emission under ISO 14064-1
- Expanded the scope of the ISO 14001 Environmental Management System
- Reached the goal of 1% of absolute reduction of greenhouse gas
- Launched Green Power for Charity with 3.39 million kWh of generation capacity
- Elected as the Chairman of the GeSI Board
- Purchased and generated 3.39 million kWh of green electricity
- Expanded the scope of the ISO 14001 Environmental Management System

Pass Science-based Targets (SBT) for carbon reduction
- 2021: Introduced the Science-based Targets (SBT) for carbon reduction
- 2022: Enlarged the scope of non-business waste inventory
- 2023: Planned the construction of 25MW photovoltaic system and green power conversion
- 2024: Completed verification of the 15 Scope 3 GHG emission under ISO 14064-1
- 2025: Introduced ISO 14064-1 greenhouse gas inventory and ISO 50001 energy management system
- 2035: Reached the goal of 1% of absolute reduction of greenhouse gas
- 2040: Reached 100% of renewable energy use
- 2050: Reached 100% of renewable energy use
4.5.2 Environmental and Climate Change Management Strategies: Implementing Environmental Management Targets and Performance Review

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 progress.

1. Environmental and Energy Management Objectives and Strategies

Environmental management objectives and 2020/2021 strategies:

<table>
<thead>
<tr>
<th>KPI</th>
<th>2030 Goals</th>
<th>2020 Goals</th>
<th>2021 Strategies and Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of electricity consumption</td>
<td>More than 1% reduction of electricity consumption compared to 2016</td>
<td>Saving 1% of electricity consumption reached</td>
<td>The annual power saving responsibility of each unit is allocated as 1% of the electricity consumption in 2016 with a plan drawn up and performance tracked every 6 months</td>
</tr>
<tr>
<td>Carbon reduction</td>
<td>Reduce 30% of carbon emission compared to 2019</td>
<td>2.73% reduction</td>
<td>1. Increase substitute transmission through solar and green energy</td>
</tr>
<tr>
<td>Water Conservation</td>
<td>Total tap water consumption decreases by 15% compared with 2017</td>
<td>3% reduction</td>
<td>2. Increase substitute transmission through solar and green energy</td>
</tr>
<tr>
<td>Waste Reduction</td>
<td>30% reduction of total (landfilled) business waste compared with 2017</td>
<td>9% reduction</td>
<td>2. Business waste recycling</td>
</tr>
<tr>
<td>Use of renewable energy source</td>
<td>20% of total renewable energy consumption</td>
<td>0.09% of utilization rate</td>
<td>3. Optimizing routing of cables</td>
</tr>
</tbody>
</table>

2. Environmental and Energy Policy

TWM abides by the core concept of “Think Sustainable, Act Responsible” by introducing the ISO14001 environmental management system in 2015, formulating four environmental sustainability policies, promising to establish systems and formulating specific plans or actions to achieve the goal of a smart lowcarbon society. In the meantime, we take into consideration the risks and opportunities that may arise from daily operations, existing or new products and services at all stages of the life cycle, and lead our own operation bases, suppliers, logistics distributors, contractors and partners (including joint ventures), etc. to continue to reduce the negative impact on the environment.
3. ISO Verification Results and Plans

**Scope:**
Incorporating 100% of the income from telecommunications and cable TV to cover the environmental certification of Taipei New Horizon headquarters, IDC cloud-based machine room, Taipei Jul Kuang 480 Building, Taipei Dunnan Tower, main computer room in Kaohsiung Hsin Ya and Kaohsiung Po Ai Building, Taichung Peiping and MOMO cable TV Building.

**2020 Results:**
1. The target of energy-saving action plan was 4.65 million kWh (Note 1), and the actual amount saved reached 5.84 million kWh.
2. The target of water-saving was 3,274 cubic meters (Note 1), and the actual amount saved was 24,375 cubic meters.
3. Waste reduction (domestic waste): The goal for waste reduction was 0.3% for directly-operated stores, and the actual amount reduced was 51,615 kilos. The goal for waste reduction for Shiuefu building was 0.48%, but the amount was increased by 864 kilos. The company will continue to make efforts.
4. Renewable energy application:
   - The total procured installation capacity is 8.5MW for green power conversion. A total of 4MW green power was transferred by December 2020.
   - Constructed a 2MW solar power plant in Fangshan, with the tender awarded in February 2021.

**Future plan:**
- In addition to action plans such as continuing to save electricity, water, reduce the total amount of unrecyclable (landfilled), domestic waste, and construct a solar power plant in Fangshan, Pingtung, adopt new renewable energy sources (including: wind and solar).

**Categories of scope and inventory:**
- Photoelectric building, cloud-based machine room, two directly-operated stores.

**Achievements in 2020:**
- All locations are up to standard or have made progress.

**ISO50001**

**Future plan:**
- According to routine target management, the energy baseline will be reviewed when it cannot truly reflect energy performance.

**Categories of scope and inventory:**
- Office buildings, computer rooms, base stations and directly-operated stores of 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.

**2020 Achievements:**
- The main emission sources of Scope 1 and 2 was electricity (accounting for 97%). All 15 items in Scope 3 were inventoried. For details, please reference Section 3.5.3.1.

**Future plan:**
- Continue to monitor the trend of greenhouse gas emissions.

---

**Note 1:** Please refer to 3.5.2.1 Environmental Management Objectives.

---

**Energy Baseline**

<table>
<thead>
<tr>
<th>Category</th>
<th>IDC room</th>
<th>Guangdian Service Center</th>
<th>Directly-operated store</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Office</td>
<td>Computer room A + B Store</td>
</tr>
<tr>
<td>Energy Baseline</td>
<td></td>
<td>1.76</td>
<td>14.86</td>
</tr>
<tr>
<td>PUE/EUINote1</td>
<td></td>
<td>1.73</td>
<td>11.26</td>
</tr>
<tr>
<td>Energy performance</td>
<td></td>
<td>-1.7%</td>
<td>-24.2%</td>
</tr>
</tbody>
</table>

Note 1: EU (Electricity Consumption): office and store / PUE (Efficiency of Energy Consumption): machine room.
Note 2: Store A closed in June 2017.
Note 3: Since 2019, the energy efficiency values of all machine rooms in the Guangdian Service Center will be combined.

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**ISO 14001**

**Certificate No.: IAS-EMS-19-002**

This is to certify that the management system of Taiwan Mobile Co., Ltd. operated at the following sites: 11F, 12F, 13F., No.88, Yanchang Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.) (This certificate is a multi-site certificate, other branch areas are printed on subsequent pages).

Has been assessed and found to be in accordance with the requirements of the ISO 14001:2015 standard.

This certificate is valid for the following scope:
- The operation of telecom, internet, media, entertainment related services and office activities.

**Issue Date:** 22 APR 2019
**Validity:** 21 APR 2022

David Liu, Managing Director
4.5.3 Carbon Emission Management: Achieving Excellent Energy-Saving and Carbon-Reduction Results

1 GHG Management Targets and Strategies

Greenhouse gas reduction goals

Short-term
Scope 1 & 2 carbon emissions are reduced by 2.73% compared with 2019 in 2020.
Scope 3 carbon emissions were reduced by 1.36% compared with 2019 in 2020.

Long-term
Scope 1 & 2 carbon emissions are reduced by 30% compared with 2019.
Scope 3 emissions are reduced by 15% compared with 2019.

2020 Performance
2.02% increase\textsuperscript{Note1}
6.58% increase\textsuperscript{Note1}

2021 Plan
5.45% reduction
2.73% reduction

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

Note 1: The increase in GHG emissions is due to 5G infrastructure and the growth of the Internet Data Center. The Company strives to promote energy conservation and carbon reduction, with a view to reducing the impact of operations on the environment.

Since 2012, the introduction of ISO14064-1 GHG examination ensures data quality pass third-party verification every year. The main emission source is electricity (97%), the remaining sources include company vehicles, generators, refrigerants, fire extinguishers, septic tanks, etc.
4.5.3 Carbon Emission Management: Achieving Excellent Energy-Saving and Carbon-Reduction Results

Greenhouse gas emission inventory (Scope 1 and 2)

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope1 (Direct Emissions): (ton-CO2e)</td>
<td>4,940.26</td>
<td>6,327.10</td>
<td>5,558.37</td>
</tr>
<tr>
<td>Scope2 (Indirect Emissions): (ton-CO2e)-Location Based</td>
<td>229,672.62</td>
<td>229,792.43</td>
<td>235,146.95</td>
</tr>
<tr>
<td>Scope2 (Indirect Emissions): (ton-CO2e)-Market Based</td>
<td>228,973.51</td>
<td>229,611.74</td>
<td>235,146.95</td>
</tr>
<tr>
<td>Total Carbon Emissions (Scope1+2): (ton-CO2e)-Location Based</td>
<td>234,612.88</td>
<td>236,119.53</td>
<td>240,705.32</td>
</tr>
<tr>
<td>Total Carbon Emissions (Scope1+2): (ton-CO2e)-Market Based</td>
<td>231,913.77</td>
<td>235,938.84</td>
<td>240,705.32</td>
</tr>
<tr>
<td>Emission intensity: total carbon emissions geographically/combined revenue (ton-CO2e/NTD million)</td>
<td>3.07</td>
<td>3.21</td>
<td>3.55</td>
</tr>
</tbody>
</table>

Note: Follow the 2019 Electricity Factor announced by the Energy Bureau of the Ministry of Economic Affairs to calculate Scope 2 carbon emissions for 2020.

From 2018, according to the GHG Protocol Scope 2 Guidance, the certificate of renewable energy purchase for category 2 should be calculated according to “Location Base” and “Market Base.”

Consolidated Sales Revenue in 2020 excluding sales revenue from momo.

Analysis of Renewable Energy

Renewable energy sources and non-renewable energy sources:

![Bar chart showing energy consumption 2018, 2019, 2020]

- Non-renewable energy source (kWh): 430,905,464.87 in 2018, 431,130,258.97 in 2019, 461,978,292.09 in 2020
- Non-renewable energy source (NT$): 5,880,000 in 2018, 5,880,000 in 2019, 5,983,305 in 2020
- Renewable energy source (NT$): 5,880,000 in 2018, 5,880,000 in 2019, 5,983,305 in 2020
- Total cost of energy consumption (NT$): 1,100,000,000 in 2018, 1,143,492,928 in 2020

Ratio of renewable energy source to total energy consumption:

- 2020: 1.179%
- 2019: 0.123%
- 2018: 0.127%

Please refer to Appendix P.128 for detailed Analysis of Non-renewable Energy.
### GHG inventory (scope 3)

#### 4.5.3 Carbon Emission Management: Achieving Excellent Energy-Saving and Carbon-Reduction Results

<table>
<thead>
<tr>
<th>Type of inventory</th>
<th>Carbon emissions in 2018(tCO₂e)</th>
<th>Carbon emissions in 2019(tCO₂e)</th>
<th>Carbon emissions in 2020(tCO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.1 Purchased goods and services</td>
<td>191,116.68</td>
<td>222,787.98</td>
<td>199,002.56</td>
</tr>
<tr>
<td>No.2 Capital goods</td>
<td>133,609.15</td>
<td>82,222.53</td>
<td>141,886.84</td>
</tr>
<tr>
<td>No.3 Fuel- and energy-related activities</td>
<td>56,533.65</td>
<td>60,852.50</td>
<td>50,872.86</td>
</tr>
<tr>
<td>No.4 Upstream transportation and distribution</td>
<td>2,413.90</td>
<td>1,149.34</td>
<td>1,143.99</td>
</tr>
<tr>
<td>No.5 Waste generated in operations</td>
<td>744.20</td>
<td>701.22</td>
<td>847.61</td>
</tr>
<tr>
<td>No.6 Business travel</td>
<td>417.77</td>
<td>330.40</td>
<td>161.33</td>
</tr>
<tr>
<td>No.7 Employee commuting</td>
<td>2,845.61</td>
<td>2,576.68</td>
<td>2,398.60</td>
</tr>
<tr>
<td>No.8 Upstream leased assets</td>
<td>3,549.68</td>
<td>3,334.74</td>
<td>2,849.03</td>
</tr>
<tr>
<td>No.9 Downstream transportation and distribution</td>
<td>893.05</td>
<td>786.45</td>
<td>611.38</td>
</tr>
<tr>
<td>No.10 Processing of sold products</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>No.11 Use of sold products</td>
<td>12,393.28</td>
<td>12,283.54</td>
<td>16,841.77</td>
</tr>
<tr>
<td>No.12 End-of-life treatment of sold products</td>
<td>740.82</td>
<td>2,547.66</td>
<td>973.80</td>
</tr>
<tr>
<td>No.13 Downstream leased assets</td>
<td>2,962.58</td>
<td>2,701.90</td>
<td>1,883.37</td>
</tr>
<tr>
<td>No.14 Franchises</td>
<td>6,728.59</td>
<td>6,804.77</td>
<td>5,863.93</td>
</tr>
<tr>
<td>No.15 Investments</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>414,948.95</strong></td>
<td><strong>399,079.71</strong></td>
<td><strong>425,337.05</strong></td>
</tr>
</tbody>
</table>

**Note 1:** TWM does not process and remanufacture intermediate products, so No. 10 is not applicable.

**Note 2:** It has been included in the Scope 1 and 2 GHG emissions, so NO.15 is not applicable.

**Note 3:** The increase in carbon emissions is due to the 5G infrastructure. The Company strives to promote energy conservation and carbon reduction, with a view to reducing the impact of operations on the environment.
4.5.3 Carbon Emission Management: Achieving Excellent Energy-Saving and Carbon-Reduction Results

2. Efficiency of Energy Saving in Office
1. The 6th and 7th floor of Taipei Guangdian Building had the lamps replaced to save 39,758 kWh of electricity.
2. Taipei Dunnan Tower: Equipped with 8.6kW solar energy and 9kW green power generation facilities of wind power for public area electricity use.
3. Taipei New Horizon Building: A large area of transparent glass enhances natural lighting and reduces the need for artificial lighting.

3. Energy Saving Effects of Computer Room
Equipment replacement was completed for systems under TNF Media, saving a total of 165,600 kWh of electricity.
1. Replacement of 60KVA UPS in the head end of the system.
2. Lamp replacement.

4. Energy Saving Effects in the Stores & Seventh-generation Stores
Through daily repairs and maintenance work, the energy survey of equipment database and implementation of energy-saving plan were established. In 2020, the lighting replacement and replacement of air-conditioning frequency conversion in stores accumulated a total saving of 213,938 kWh of electricity.
1. Inverter air conditioning replaced constant air-conditioning
2. Lighting replacement
3. Adjustment to the time of turning on signboard light.
4. Indoor temperature maintained at 26 degrees Celsius
5. Install shades or heat insulation paper at selected stores.

5. Energy-saving Effects of Cloud Facilities
The average total energy consumption increased from 2,723KW from 2019 to 3,248KW in 2020. The PUE of computer rooms was reduced through the existing energy-saving design of the computer room with use of cold and hot aisle isolation, natural air cooling, high-efficiency air-conditioning and power equipment, LED lights installed in all computer rooms and supplemented with ISO50001 system for energy consumption management and control.

The high-efficiency UPS mainframe of Zhonghe Computer Room was officially launched in July, saving 15% of power compared with the original mainframe.
The inverter air conditioner at the National Taipei University of Technology’s computer room was replaced in December, saving 30% of electricity. The power-saving benefits will reveal in 2021.
The information facilities saved a total of 372,156 kWh of electricity throughout the year.

7. Telecom Machine Room & Energy Saving Effect of Base Station
The base stations and the computer rooms saved a total of 5.081 million kWh of electricity.
The information facilities saved a total of 372,156 kWh of electricity throughout the year.

8. Industry-academia Research of Climate Change
Continue to commission Taipei University of Technology to improve carbon emissions management and carbon performance tracking.

Renewable energy is generated for self use and green power for purchase, with a total of 589,000 kWh of green power.

Carbon reduction performance
<table>
<thead>
<tr>
<th>Topic</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom equipment</td>
<td>Big data analysis of customer use behavior to adjust telecommunications equipment load</td>
</tr>
<tr>
<td>Diversified energy-saving for base stations</td>
<td>Big data analysis mainly uses energy-consuming equipment and imports various smart energy-saving solutions</td>
</tr>
<tr>
<td>Air-conditioning efficiency improved for telecom rooms</td>
<td>Replaced old equipment, set up cold aisles, balance water and air volume</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set up 5G carbon emissions scenario quantification</td>
<td>Draw up possible future Scope 3 emissions based on different scenarios</td>
</tr>
<tr>
<td>ISO14064-1 Indirect GHG inventory Verification</td>
<td>Strengthening indirect greenhouse gas emissions management</td>
</tr>
<tr>
<td>SBT target performance review</td>
<td>Tracking and reviewing greenhouse gas emissions in 2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generating electricity for self-use</td>
<td>Constructed 316.8kW renewable energy for base stations, Taichung and Pingtung computer rooms</td>
</tr>
<tr>
<td>Green power for purchase</td>
<td>Provided 4MW of green power to the Company’s Neihu and cloud computer rooms</td>
</tr>
</tbody>
</table>

Taipei New Horizon and Dunnan Building received green building certification in 2015.
4.5.4 Green Services: Developing Green Products and Services Based on Digital Technologies

**myMusic**
Online music reduces the carbon emissions of traditional packaging and logistics, and the streaming model reduces carbon emissions by 27,330 metric tons compared with CDs.

**myVideo**
Online audio and video reduces the production of physical discs and paper for printing. The annual online audio and video model reduced carbon emissions by 295,602 metric tons compared with CDs.

**myBook**
Online e-books reduce paper copies. Digital publishing reduces carbon emissions by about 781 metric tons compared with traditional paper copies.

**myAir**
More than 25,000 air quality monitoring devices have been set up. Accurate and portable air quality detector with cloud database to provide users with air quality services, allowing them to avoid exposure to environments in which air quality is harmful.

**myfone Online insurance application from myfone**
Reduced carbon emissions by 331.2 metric tons. Innovative cross-field integration with Fubon Property & Casualty Corporation. Insurance can be activated online for purchased goods with a signature. The number of online insurance applications reached 23,000, saving 46,000 sheets of paper.

**Internet Data Center**
Compared with the average PUE 2.0 electricity efficiency of the general computer room, 2,217.5 metric tons of carbon emissions can be saved. In 2020, the Internet Data Center consumed an annual average of 3,248kW. Measures such as separation of cooling and heating channels, natural cooling, etc., as well as using high-efficiency air conditioning equipment, LED lighting control systems, were adopted to lower the annual average PUE to 1.73.

**Smart Street Lights**
Smart street lights with real-time switch, dimming and status reports were installed to reduce labor costs, facilitate energy-saving and carbon-reduction goals, responding to the sustainable development of the planet. 42,351 smart street lights were installed (Taoyuan City/Kaohsiung City) to save a total of 15,111.2 metric tons of carbon emissions.

**Innovative Billing Service**
50 metric tons of carbon emissions reduced. Continue to divide customers into groups to adjust 68% of the paper bills to stamped envelopes, reducing the consumption of about 7.76 million sheets of A4 paper each year.

**TAmedia**
0.074 metric tons of carbon emissions reduced. The monthly developer invoicing system automatically sends automatic notifications without the need to manually go through the system to retrieve the statement, saving power consumption of the office by reducing employee working hours and reducing carbon emissions. 768 hours are saved each year.

**Online music**
Online music reduces the carbon emissions of traditional packaging and logistics, and the streaming model reduces carbon emissions by 27,330 metric tons compared with CDs.

**Online audio and video**
Online audio and video reduces the production of physical discs and paper for printing. The annual online audio and video model reduced carbon emissions by 295,602 metric tons compared with CDs.

**myOnline e-books**
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**TAmedia**
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4.5.5 Green Energy Initiatives: Extending Green Energy Applications to Social Welfare for the Disadvantaged

The green energy initiative integration project was proposed in 2015, with the TWM Green Energy for Sustainable Future as the theme to promote energy saving, carbon reduction, constructing green base stations, and launching green energy initiatives for customers and suppliers. Between 2017 and 2020, the Company launched the Green Energy for Charity project for 4 consecutive years with suppliers and consumers. The project built solar photovoltaic devices on the roofs of charity organizations, creating a stable income for the charity organizations for 20 years.

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raised target</td>
<td>5.55 million</td>
<td>5.84 million</td>
<td>3.89 million</td>
<td>300 million</td>
</tr>
<tr>
<td>Solar energy systems</td>
<td>99.95kW</td>
<td>168.3kW</td>
<td>71kW</td>
<td>54.95kW</td>
</tr>
<tr>
<td>Degree of electricity</td>
<td>2.22 million degrees</td>
<td>2.86 million degrees</td>
<td>1.46 million degrees</td>
<td>120 million degrees</td>
</tr>
<tr>
<td>Revenue for 20 years</td>
<td>6.97 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amplified love</td>
<td>2.71 times</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note1: The data for 2017-2019 is modified due to the revision of the statistical basis of Revenue for 20 years.

Note2: The data for 2017-2019 is modified due to the revision of the statistical basis of Amplified Love.

Green Power for Charity Project for Generating Green Power

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Views the Group’s fan page and official website promotion</td>
<td>0.72 million</td>
<td>0.95 million</td>
</tr>
<tr>
<td>Column</td>
<td>0.004 million</td>
<td>0.1 million</td>
</tr>
<tr>
<td>Small tags with Green Power for Charity</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

1. The Environmental management committee review all the environment KPIs twice a year.
2. Green energy construction

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>28 kW</td>
<td>52 kW</td>
<td>51.3 kW</td>
<td>44.3 kW</td>
<td>5.2 kW</td>
<td></td>
</tr>
<tr>
<td>Planning to construct</td>
<td>2 MW</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The actual number of the construction capacity is modified to reveal the actual data from 2017 to 2019.

3. Green Parent-Child Day

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person</td>
<td>734</td>
<td>276</td>
<td>156</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Due to the COVID-19 pandemic, the Green Parent-Child Day did not work.

Media benefits | 4 million | 5.16 million | 5.55 million | 4.68 million | 7.93 million | 275 million
4.5.5 Green Energy Initiatives: Extending Green Energy Applications to Social Welfare for the Disadvantaged

- NT$5.70 million raised (actual amount raised at NT$5.55 million)
- 99.8kWp of installation capacity
- 862 people and 13 suppliers responded
- Approximately 2.32 million kWh of green electricity generated in 20 years
- Proceeds reached about NT$15.04 million in 2020, with the benefits enlarged 2.71 times

Power generation shown on electric meter in 2018:
1. 355,000 kWh of power generated between March 2018 and February 2021
2. Revenue reached NT$1.87 million

- NT$8.95 million raised (actual amount raised at NT$9.09 million)
- 168.3 kWp of installation capacity
- 3,371 people and 26 suppliers responded
- Approximately 3.45 million kWh of green electricity generated in 20 years
- Proceeds reached about NT$24.88 million in 2020, with the benefits enlarged 2.78 times

Power generation shown on electric meter between December 2018 and March 2019:
1. 376,000 kWh of power generated between March 2018 and February 2021
2. Revenue totaling at NT$2.15 million

- NT$3.92 million raised (actual amount raised at NT$3.89 million)
- 71.065kWp of installation capacity
- 2,649 people and 20 suppliers responded
- Approximately 1.45 million kWh of green electricity generated in 20 years
- Proceeds from electricity sales reached about NT$9 million in 2020, with the benefits enlarged 2.32 times

Power generation shown on electric meter in 2021:
1. 242,000 kWh of power generated between March 2020 and February 2021
2. Revenue totaling at NT$2.37 million
4.5.6 Creating a Zero-Waste Circular Society Based on Circular Economy

Waste optical cables are turned into bind for building materials, with an annual value of NTS22.3 billion. 3 million metric tons of carbon emissions reduced. The equivalent of the annual carbon absorption of nearly 8,000 Daan Forest Parks.
1. Circular Economy Forum
- Waste optical cables are turned into binds for building materials, with an annual value of NT$22.3 billion
- 3 million metric tons of carbon emissions reduced
- The equivalent of the annual carbon absorption of nearly 8,000 Daan Forest Parks

Starting from waste optical cables in the telecommunications industry, the 2nd Circular Economy Forum invited representatives from the industry and government, as well as publishing results of the experiment for the first time.

Dismantling and reuse: dismantling reusable materials to make furniture.
Reuse without dismantling: It is estimated that nearly 28% of the amount of binds for construction materials can be directly replaced, with an annual value of NT$22.3 billion.

2. Objective and Performance of In-Store Recycling for Unwanted Phones and Batteries
- 2,034 old phones recycled
- Revenue of NT$14.27 million from reselling old phones

In order to improve the competitiveness of recycled phones and increase the engagement rate, new partners added in 2020 include ITOCHU Taiwan Corporation and Ifengpai from Hong Kong to effectively recycle the resources.

3. Objective and Performance of Exchanging Old Devices for New Ones
- 45,960 kilos of paper made into paper bricks for recycling
- The Company sends the shredded documents to the processing plant each quarter
- After crushing, paper bricks were made with water-jet compression, which are subsequently made into recycled paper products

A total of 3,048 faulty cards were generated in 2019. A supplier was entrusted to take care of equipment maintenance and faulty product processing, which can reduce TWM’s waste generation by 10%, equivalent to 30,000 kilograms of waste materials.

4. Paper Recycling
- 45,960 kilos of paper made into paper bricks for recycling
1. The Company sends the shredded documents to the processing plant each quarter
2. After crushing, paper bricks were made with water-jet compression, which are subsequently made into recycled paper products

5. Extend The Service Life of SMR
The Company extended the service life of the power supply system (SMR) from 10 years to 15 years with good maintenance. In 2020, a total of 1,290 SMRs were retained, reducing approximately 13 metric tons of scrapped materials.

6. Reduce Spare Parts Procurement
A total of 3,048 faulty cards were generated in 2019. A supplier was entrusted to take care of equipment maintenance and faulty product processing, which can reduce TWM’s waste generation by 10%, equivalent to 30,000 kilograms of waste materials.

Note 1: E-waste disposal focuses on selling replacement products to professional recyclers for reuse, reducing waste from the source, spare parts procurement and preventing waste
### 4.5.7 Green Operations: Waste Reduction and Energy/Resource Management

#### 1 Statistics of Waste Recycled, Incinerated and Landfilled

<table>
<thead>
<tr>
<th>Types of waste disposal</th>
<th>Recycled</th>
<th>Incinerated</th>
<th>Landfill</th>
<th>Total amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Waste-Optical Cable</td>
<td>325,838</td>
<td>386,367</td>
<td>10,273</td>
<td>722,478</td>
</tr>
<tr>
<td>Industrial Waste-Copper Cable</td>
<td>131,504</td>
<td>29,853</td>
<td>0.794</td>
<td>162,151</td>
</tr>
<tr>
<td>Industrial Waste-Lead acid battery</td>
<td>132,063</td>
<td>157,230</td>
<td>4.181</td>
<td>293,474</td>
</tr>
<tr>
<td>Industrial Waste-telcom equipment</td>
<td>307,747</td>
<td>13,273</td>
<td>0.353</td>
<td>321,373</td>
</tr>
<tr>
<td>General waste-domestic waste</td>
<td>127,436</td>
<td>313,794</td>
<td>8.343</td>
<td>449,573</td>
</tr>
<tr>
<td>Total</td>
<td>1,024,588</td>
<td>900,517</td>
<td>23.944</td>
<td>1,949,049</td>
</tr>
</tbody>
</table>

Note: The recyclable ratios of optical cables, copper cables, lead-acid batteries and telecommunications equipment are 45.1%, 81.1%, 45% and 95.76% respectively.

According to the EPA database (https://reurl.cc/XXvp9M), the proportion of incinerated power generation and landfill in urban waste in 2020 was 97.41% and 2.59% respectively, after excluding recyclable waste and waste that requires special treatment (statistics as of November 2020). All waste has been processed by qualified clearance organizations.

#### Achievement and Objective of Electronic Waste Reduction

1. To improve and implement waste reduction measures, the Company has adopted the strategy based on total waste output (including industrial waste and domestic waste) to redefine the waste reduction target for waste that cannot be recycled (landfilled).
2. In 2020, the waste output totaled at 1,949.047 metric tons with the total amount of waste that cannot be recycled (landfilled) at 23.944 metric tons, showing a decrease of 14.25% from the baseline year of 2017.
3. Setting a more ambitious reduction target. In 2030, the target for the total amount of waste that cannot be recycled (landfilled) will increase from 15% to 30%.

#### Office/Domestic Waste Management and Video System Promotion

**Office waste management**

1. Maximize sorting for office waste and recycling
2. Promote electronic documents and double-sided printing to reduce waste of photocopying paper and waste paper.

For detailed statistics on electronic wastes, see Appendix P.XXX

**Promotion of Video Conference System**

At present, the Company has 15 large, 13 small and 385 basic video conference equipment, with a total number of 413 sets used 79,089 times in 2020.

#### Store Waste Statistics, Management and Reduction

The main source of store waste is domestic garbage. The Company regularly promotes the concept of waste reduction and classification to the store staff. From November 2018, the waste from directly-operated stores is included in the statistics, measured and estimated based on types of stores (categorized as large, medium and small depending on the number of employees). For 2019, store waste is estimated to be 97.41% and 2.59% respectively, after excluding recyclable waste and waste that requires special treatment (statistics as of November 2020). All waste has been processed by qualified clearance organizations.
4.5.7 Green Operations: Waste Reduction and Energy/Resource Management

2. Achievement and Objectives of E-bill Services

Paperless bill reached: 81%
Paper reduction: 178 million sheets
Reducing carbon emissions by 647 tons.

Note: The fuel reduction target for 2021 is estimated to be 27%. It is expected that energy efficiency will be improved even more with the upgraded vehicle management platform.

3. Paperless Stores

The paperless policy reduced 2.82 million sheets of paper used for application
1. 12.87 million sheets of paper saved
2. Users are allowed to renew their contracts and process phone insurance at franchise with no paper.
3. The page where ID copies are glued is eliminated to reduce unnecessary waste of resources.
4. Optimizing the software and facilities in the stores to increase the ratio of paperless application


Outsourced logistics saved a total of 813.43 tons of carbon emissions in the past year:
1. Service provider is required to turn off the engine if the wait exceeds 60 seconds, saving about 259.57 tons of carbon emissions.
2. Adjust the vehicle deployment while maintaining operation, saving about 344.76 tons of carbon emissions.
3. Logistics operations are carried out on Monday, saving about 115.1 tons of carbon emissions.
4. The motorcycle fleet was cancelled and merged into the logistics fleet for distribution, saving about 94 tons of carbon emissions.

5. Green Transportation - Engineering Vehicle Oil Management System

Reduced fuel and carbon emissions by lowering idle speed through the vehicle monitoring system. Fuel consumption saved 22,439 liters of fuel and 51 metric tons of carbon emissions compared with last year, exceeding the reduction target by 33.2% compared with the baseline year of 2016.
Note: The fuel reduction target for 2021 is estimated to be 27%. It is expected that energy efficiency will be improved even more with the upgraded vehicle management platform.

6. Water Stewardship

Water saving measures for the office: Information regarding water consumption in the office is sent to management to promote water saving
Water saving measures for directly-operated stores: monthly report inquiry and review, notifying of any abnormality
Computer room base station (including TNF Media/cloud/information computer room): 1. Cooling tower temperature control and installation of frequency converter 2. Adjust the waste water recovery ratio of the evaporative cooler 3. Place recycled bottles in the tank to reduce the amount of water used for flushing

Please refer to Appendix P.129.
4.6 / Social Inclusion

Vision:
Breaking down obstacles caused by long-standing value systems, including poverty, inequality, unequal resource distribution and so on with innovative technology models and applications.

Corresponding to material topics:
Giving back to the society, digital inclusion and social innovation, social emergency responses

Corresponding to one key SDG:

Corresponding to three secondary SDGs:

Corresponding to 5 major stakeholders:

Key Results and Performance

- NT$125 million raised through Taiwan Mobile Telecom Channel
- NT$940 million raised by TWN for sponsorship and charity donation

- myfone Mobile Composition Award supports OTT audiovisual talents
  - A total of 421,434 entries in the last 14 years and over NT$68.62 million of awards and grants
- 97.78% of population coverage for mobile broadband Internet in rural areas
- The number of people benefiting from the discount for disadvantaged groups (students/the elderly) grew by 145% compared to 2017

- Digital Wings: Provides free Internet for 10,000 disadvantaged students, benefitting a total of over 5,700 students
- Micro-films for Charity: Helped charitable organizations raise nearly NT$26 million more of fund with 26 micro-films
- Mobile Application Services: A total of 7 mobile application services have benefited over 6 million people
- iSharing Volunteer Platform: Generated over 42,000 downloads

- Promoted technology education to benefit 65,000 people
- Coding fun
- Digital Learning centers
- Digital Wings

- Searching for elderly with dementia with technology with a total of NT$50 million in charity value
- In 2020, TWN adopted IOT technologies to create the myAngel high-tech care system with myAngel watch, App and M+
Social Inclusion Goals

2021 Goals:
• The sponsorships and donations for public interest and social care since 2003 amount to NT$1.016 billion
• Since 2007, TWM has contributed to education equality through digital technologies, reaching a total of 2.584 million people
• Since 2018, TWM has reached a total of 140,000 people through its own channels to boost sustainability and education
• The number of disadvantaged people (students/the elderly/physically challenged/migrant workers) who benefit from the discounted plan grew 1.94 times compared with 2017
• Over 10% of 5G coverage for remote and rural areas

2030 Goals:
• The sponsorships and donations for public interest and social care since 2003 amount to NT$1.5 billion
• Since 2007, TWM has contributed to education equality through digital technologies, reaching a total of 7.85 million people
• Since 2018, TWM has reached a total of 500,000 people through its own channels to boost sustainability and education
• The number of disadvantaged people (students/the elderly/physically challenged/migrant workers) who benefit from the discounted plan grew 2.15 times compared with 2017
• Over 95% of 5G coverage for remote and rural areas
4.6.1 TWM Concept Map of Social Inclusion

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 to "embrace love through technology."
Taiwan Mobile Foundation founded the myfone Mobile Composition Award in 2007 with the goal of fostering digital creations. Text compositions and original ring tones are solicited to encourage the public to unleash their creativity in everyday life. With the evolution in technology and the shift in mobile compositions, the Mobile Composition Award started soliciting text compositions, original songs, original stickers and micro-film submissions. “Fearless” was chosen as the theme for the 2020 edition, encouraging creators to purge their thoughts, hold on to their original intention, and face the future with no fear. A total of 41,933 works were submitted, breaking the record during the pandemic. This shows the boundless creativity and the fact that creators were willing to show their care to the society through different medium.

In addition to offering award money, the Mobile Composition Award is dedicated to cultivating creators by integrating Group resources to provide exposure on commercial platforms for winning works, joining forces with the Foundation's i-Infinity project to match winning teams to film projects that promote public welfare, as well as offering audiovisual talents the opportunity to make it on stage with Dare to Dream. In the future, we will continue to provide a digital creation platform that is friendly to creators, as well as exploring more opportunities for the winners to boost the soft power of domestic cultural and creation industries.

First Prize Winner in Text Composition-Current Event is 78 years old. The 78-year-old creator of "The Government has urgent power problems and the people are worried about getting COVID" said: I might be the oldest among all the winners. Usually talents are replaced generation from generation, but I refuse to go gently into the night. I am grateful to the Mobile Composition Awards that give me the opportunity to do so.

Best Actor Award in Micro-film, Run and Stop
My brother said as long as you are pregnant enough, people will see it some day. I am grateful to the judges who spotted this.
4.6.2 Supporting Cultural and Creative Industries: Giving Audio-Visual Specialists the Opportunity to Unleash Their Creativity and Make Their Dreams Come True

2. Dare to Dream

TWM’s 4th “Dare to Dream” supported Sean Li, the first person to win both the first prize in the 12th micro-film project and the 7th ring tone competition of myfone Mobile Composition Award, in making his dream come true. The process took nearly two years with Wang Shaudi, the winner of the Golden Bell Awards, as a mentor and producer. The musical short features Darren Chiu and Janice Yan as protagonists to create the first original musical short in Mandarin, “The Bookstore After 10pm.” The film went live on September 7, 2020, receiving over a million views on myVideo and Youtube within 9 days and excellent feedback. Many of the fantasy elements in the film have a distinctive look of the 5G era, crossing the border between reality and virtual reality with AR/VR to enter into the infinite imagination. This film is for everyone who has a dream to encourage them to Open Possible.

Clover Wu’s comment on YouTube:
I cried my eyes out within 20 minutes (this is not an exaggeration. It took a long time to dry my face). I was really looking forward to the collaboration between Sean Li and Wang Shaudi. The scenes are stunning with fantasy special effects. The interior of the bookstore and the view on the beach are beautiful enough to be featured on a postcard. My comment might sound very exaggerated, but I am truly touched and I want to share my joy with everyone!

7695jsc’s comment on Youtube:
This is awesome! Even though it is a short, the story is very touching! The music and dance also help make it what it is. I hope I’ll be able to see something this great again!
4.6.3 Promoting Technological Integration: Diminishing the Digital Gap Between Urban and Rural Areas

1. Digital Wings

Fly High With Digital Wings started out as an innovation proposal from our employees. The team reviewed internal service resources, as well as finding out what NPOs, local governments and schools needed to formulate a comprehensive program. The program has been extended to provide mobile Internet access and myBook Live English for free, partnering with 4 publishers with over 400 multi-lingual multimedia online learning resources. The program was launched in 2019, with the application is open to over 10,000 disadvantaged secondary school students and above each year, helping them fly high with digital wings with digital learning opportunities. The feedback from the participating students and public welfare image were monetized to produce the true value of NT$22.526 million in positive benefit (Note).

Note: KPMG was commissioned to conduct in-depth interviews with the children who applied through the Taiwan Fund for Children and Families. Other projects were also integrated for the results to be quantified and calculated.

Participating student:
I am more confident about answering questions in front of everyone now. I am also more willing to express myself.”

2. Digital Learning Centers

Since 2007, the Taiwan Mobile Foundation has integrated core telecommunications technologies and fixed-line services with the goal of reducing the digital gap. With that in mind, non-profit organizations have been assisted to set up "Digital Learning centers" in remote areas with sponsored network access, software and hardware. Local organizations have also been coached to take advantage of e-learning resources, giving regular classes and making digital learning accessible to local residents. At present, a total of 21 locations continue to operate. We look forward to further collaborating with communities, enabling more disadvantaged groups to benefit from digital education and increasing their access to digital technology.

Participating student:
The English-learning resources in the magazine are down to earth and more practical, and my listening and reading abilities have significantly improved.

3. Rural Broadband Construction

In line with NCC’s policies in popularizing telecommunications services, we have provided Shanmei, Chashan, Shizi Village in All Mountains, Jingying Village, Renai Township, Nantou and Yixing Village, Jianshi Town, Hsinchu County with broadband access. The subsidy and maintenance cost for NCC policies reached NT$1,665,000 in 2020. To construct Mobile Base Station for broadband in rural areas in line with NCC’s Forward-looking Development Program, TWN submitted an application to NCC for construction approval of 6 base stations in rural areas to increase broadband coverage and reduce the digital gap. In 2020, the population coverage reached 97.78%.
4.6.3 Promoting Technological Integration: Diminishing the Digital Gap Between Urban and Rural Areas

Seeing the lack of educational resources and teachers in the rural areas, as well as the gap in information technology between urban and rural areas, TWN has trained corporate volunteers to participate in programming camps since 2017. The course gave each student from the area the chance to try their hands at coding, with outdoor games and group competitions on the program. Corporate volunteers help the students learn through games. TWN has since then invested in teacher training resources for year - a year and a half after the camp, equipping local teachers with the teaching capacity as well as assisting schools nearby. For the second stage, more talents will be cultivated to change education in rural areas with programming.

There is an autistic student in the camp who has refused to join for a while, but one day he showed up at the school gate half an hour early, and I thought he’d be OK. His desire to learn surmounted his fear of the crowd. As long as we keep his passion for learning and level of confidence, he’d be just fine.
Participant from Sanchun Elementary School, Changhua (special needs student):
I am grateful to the teacher who kept helping me with my emotional problems. I am also grateful to the Taiwan Mobile Foundation, Sanchun Elementary School, all volunteers and classmates to allow me to explore new things in summer.

Participant from Sanchun Elementary School, Changhua (special needs student):
Thank you for seeing the beauty in these children. This will nourish them. The children learn to become aware of themselves, participate actively and care about others through these activities. Thank you so very much!
4.6.4 Social Welfare Through Technology: Launching Digital Initiatives Based on Technological Leverage

The effort has been concentrated on 2 major programs focusing on "public welfare micro-film" and "mobile application" since 2012, using technology to break through bottlenecks and exert leverage. This project helps NPO launch new digital and fundraising initiatives, while cultivating talents for the local entertainment business, supporting social enterprises and revitalizing public welfare with technology.

The winners of the myfone Mobile Composition Award were matched with NPOs for creating micro-films. Marketing bonus was given over a 3-month period after the films were uploaded to YouTube. The Taiwan Mobile Foundation donates NT$1 for each view (with the limit of NT$100,000). Two micro-films were launched in 2020 with a total of bonus of NT$151,000. The marketing period also raised over NT$350,000 of fund with a 54.17% increase. Micro-films were created for 2 NPOs in 2020, going live in 2021:

**Invisible Children**
Director: Chun-Yu Liu
Harmony Home Foundation Taiwan
Topic: Rights of Stateless Children

**You Are One in a Million**
Director: Hsiang-Hong Cheng
Taiwan Foundation for Rare Disorders
Topic: Care for children with rare disorders
4.6.4 Social Welfare Through Technology: Launching Digital Initiatives Based on Technological Leverage

The iSharing Volunteer Platform is a charity matching platform (with a website and an app) that was developed in 2014 with the i-Infinity Digital Welfare project. It integrates the needs of charity groups and the general public to find volunteers, raise materials and donations so that everyone can contribute to charity anytime, anywhere. It is possible to match the good intention in an accurate and timely manner. TWM continues to launch large-scale initiatives to call for materials and volunteers with iSharing Volunteer Platform. The target is to bring more participants together, doing whatever they can to bring the society a lot of joy.
4.6.4 Social Welfare Through Technology: Launching Digital Initiatives Based on Technological Leverage

3. 5180 Mobile Donation

5180 Mobile Donation, the first mobile phone small donation platform was launched in December 2015. The platform takes advantage of 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.

![chart]

Note: The accumulative donation amount in 2016 and 2017 (NT$10,000) were incorrectly stated in the 2019 ESG report as 8236.57 and 9160.79 (NT$10,000), which are hereby corrected.

4. Mobile Health

We have partnered with Taitung Christian Hospital since 2007 in providing services for rural areas by sponsoring communications equipment on the mobile medical vehicles, ensuring medical care for disadvantaged groups and reducing the gap between urban and rural areas. 6,089 people benefited from this program in 2020.

5. myAngel Care for Family with Dementia Patients

The project started in 2013, with the first NFC Smart Tracking Wristband in Taiwan launched in 2014. The GPS positioning signal used by mobile phones can be sent by the NFC wristband to the help center, which will in turn contact the family of the missing person. From 2013 to 2017, TVM has contributed to dementia prevention and helping locate missing people with high-tech applications, films, books and so on to benefit 1,309 families with a high risk family members going missing with its core technologies.

In 2020, TVM adopted IoT technologies to create the myAngel high-tech care system with myAngel watch, App and M+. TVM offers proactive services that track the elderly’s movement in real time, and the intuitive design takes a simple push of one button. Volunteers are called to join the M+ Search Group to search and report, revolutionizing care of the elderly and protecting 881 high-risk families. Taiwan Mobile Foundation has donated 100 spots to 7 charity organizations and hospitals across Taiwan, allowing disadvantaged elders to apply for free and use the service with no monthly fee for one year.

Since 2013, the value of public welfare for dementia care has reached nearly NT$50 million.
4.6.5 Enhancing Community Care: Taking Care of Rural Areas and Disadvantaged Groups With our Core Business

1 New Year Banquet Volunteer Service for Senior Citizens

The project started in 2013, with the first NFC Smart Tracking Wristband in Taiwan launched in 2014. The GPS positioning signal used by mobile phones can be sent by the NFC wristband to the help center, which will in turn contact the family of the missing person. From 2013 to 2017, TWM has contributed to dementia prevention and helping locate missing people with high-tech applications, films, books and so on to benefit 1,309 families with a high-risk family members going missing with its core technologies. In 2020, TWM adopted IOT technologies to create the myAngel high-tech care system with myAngel watch, App and M+. TWM offers proactive services that track the elderly’s movement in real time, and the intuitive design takes a simple push of one button. Volunteers are called to join the M+ Search Group to search and report, revolutionizing care of the elderly and protecting 881 high-risk families. Taiwan Mobile Foundation has donated 100 spots to 7 charity organizations and hospitals across Taiwan, allowing disadvantaged elders to apply for free and use the service with no monthly fee for one year. Since 2013, the value of public welfare for dementia care has reached nearly NT$50 million.

Husband and wife Grandpa Lin and Grandma Luo (94 years old)
Grandpa Lin and Grandma Luo, who have participated in more than 10 New Year Banquets. During the live stream, they looked carefully at all the volunteers on the screen and recalling all of their names. It shows how much the friendship meant to them over the past 10 years. Grandma Luo has described it as “unforgettable.”

95-year-old Grandma Chen
During the day, Grandma Chen lives alone in her home in the Fenglin Mountain Area, except for regular visits by designated personnel. She was very happy to see the volunteers and greeted them warmly in her mother tongue, Amis. Attending for the first time, Grandma Chen had tears in her eyes upon receiving all sorts of materials, New Year’s food and the New Year’s greetings from the volunteers from afar.
4.6.5 Enhancing Community Care: Taking Care of Rural Areas and Disadvantaged Groups With our Core Business

2. Multiple Rate Plan

In addition to providing discounts for disadvantaged groups such as students/elders, a prepaid card costing NT$599 over 30 days is now offered migrant workers who work hard to earn a living in Taiwan. The pre-paid card provides 30 days of all-you-can-use data (with the speed decreasing to 5Mbps) once the quota has been reached, as well as free minutes on the same network, domestic and international calls to help them stay in touch with friends and family.

In addition, the parent-child plan launched in 2019 provides free minutes on the same network. There are two options for data depending on the needs of the children with 1.5Gbps and 3.5Gbps (all-you-can-use data with the speed decreasing to 1mbps/3mbps once the quota has been reached). This allows parents to contact their children with smart phones/devices to ensure their safety. As of the end of 2020, 72,999 people have applied.

3. Low-income Households Television Subsidy

In 2020, the cable TV system station provided a total of 5,324 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$ 30.80 million. TWM Broadband has complied with the government's policy of caring for low-income households. For registered low-income households, as long as relevant documents are submitted at the counter, the fee for basic channels will be waived and a discount will be given on the installation fee. This gives them the opportunity to stay updated with new knowledge and the society through TV.

4. Outstanding Store Manager Selection

TWM has participated in the "National-wide Outstanding Store Manager Selection" organized by the TCFA for 7 consecutive years, with store managers partnering with their colleagues to serve the society by contributing to public welfare events such as elderly/children care, care for stray animals, blood and material donations. During the pandemic, the managers donated their masks to help the world.

The store managers also partnered with other stores in the neighborhood to clean the community as a way of giving back to the society. In the future, TWM will continue to work hard and integrate into the society to realize the value of TWM's local participation in daily life.
5. Little Anchor Camp

Three Little Anchor Camps were organized with 39 students from 17 schools. Cable TV continued to give back to the local community by organizing the Little Anchor Camp to strengthen the relationship and interactions. School children participating in activities can learn about the evolution of cable TV and news production among other things. At the end, they get to act as anchors to experience how it feels to be in this role. The program cultivates the verbal expression skills and self-confidence, allowing them to learn and expand their horizons in a more diverse way while creating beautiful memories of summer.

6. Mobile Phone Media Creation and Application

Media creators taught schoolchildren to shoot and edit movies with mobile phones, as well as playing the roles of directors, photographers and so on to experience the work of film crew so that they can develop a preliminary understanding of film and television. The activities taught children new things and the spirit of teamwork, as well as experiencing the fun of film creation. With the popularity of smart phones, the media can transmit information more promptly through the Internet. Cable TV fulfills the responsibility of local media to organize mobile applications, showing the elderly and volunteers in the community to make good use of smart phones and expand their horizons. This way, they can keep up with the trends, learn how to take pictures, make videos, use messaging apps and social media to increase interactions with family and friends, meet more people, and continue to learn.
The Corporate Volunteer Guidelines were put into effect in 2007 to carry on corporate core values and fulfill social responsibilities. The Guidelines offer 2 paid leave for volunteer services per year, transportation allowance, training and so on. Spouses of the employees and contracted personnel are also encouraged to participate, transforming corporate initiatives into employee actions.

**Corporate Volunteer**

- The 13th New Year Banquet Volunteer Services for Senior Citizens
  - Number of Trainees: 121
  - Hours: 1815

- Mooncake volunteer services
  - Number of Trainees: 96
  - Hours: 672

- Coding fun (3 sessions)
  - Number of Trainees: 90
  - Hours: 1312

- Happy and Warm Little Hearts (gift packaging and event services)
  - Number of Trainees: 23
  - Hours: 148

- i-Infinity mobile application (machine learning gaming platform project consultation)
  - Number of Trainees: 8
  - Hours: 18

- The 14th myfone Mobile Composition Award
  - Number of Trainees: 28
  - Hours: 224

- TWM Concert (Sun Moon Lake)
  - Number of Trainees: 27
  - Hours: 216

- Taiwan Mobile Ladies Open court
  - Number of Trainees: 29
  - Hours: 328

- Booth at the IEEE GLOBECOM
  - Number of Trainees: 6
  - Hours: 28

- Jaming Lake National Trail and Cabins
  - Number of Trainees: 50
  - Hours: 400

A total of 478 people volunteered with 5,241 service hours.
4.6.6 Developing Social Emergency Response Capabilities: Building a Reliable Disaster Prevention and Response Mechanism

1. Mobile Base Station

When disasters lead to base stations losing signal, or when special events are held in locations with insufficient capacity or coverage, mobile base stations can provide temporary coverage and capacity to provide mobile communication services. For the moment, TWM has 25 broadband mobile base stations. In 2020, the mobile base stations were used 22 times for events in disaster prevention parks in all administrative districts of Taipei City, the public memorial ceremony and press conference for the Black Hawk crash, the COVID-19 observation and isolation area in Shuangliu Camp, Pingzheng Town, Taoyuan City, the Yiyan County National Defense Mobilization and Disaster Prevention and Rescue Exercise, the Yunlin County National Defense Mobilization and Disaster Prevention and Rescue Exercise, the Chiayi County earthquake disaster prevention drill, the Kaohsiung City earthquake disaster prevention drill, the Taitung County earthquake disaster prevention drills, etc.

2. Disaster Prevention SMS

Besides participating in the drill by sending out disaster prevention alerts on the "921 National Disaster Prevention Day," TWM partnered with different levels of government to run 77 drills with 14,550 alerts sent in 2020. TWM will continue to work with the government’s "Science and Technology Application for Disaster Relief" to expand the application and features of disaster prevention service platform, in order to enhance the push notifications of disaster prevention cell broadcast. We are committed to maximizing user rights and interests as well as the government’s disaster relief capabilities.

3. Disaster prevention and Contingency Rehearsal

Tasked with the responsibility of maintaining national communications, TWN upholds its professionalism and makes safeguarding the public interest as its biggest goal in line with government policies. In addition to the annual routine disaster prevention drill for critical infrastructure in 2020, TWM worked with NCC, the competent authority, to implement a malicious attack prevention drill as the critical infrastructure provider of BGP (Border Gateway Protocol). The drill simulated various scenarios to examine the protection mechanisms, reporting, response and handling procedures prior, during and after the incident. TTWM passed the drill with flying colors by verifying the protective strategies and response capabilities in various scenarios.

4. Disaster Prevention Mobile Communication Platform

TWN built 14 fixed disaster prevention and mobile communications platforms with more than 72 hours of power backup in case of a power outage in 2020 in line with NCC's Communication Infrastructure Construction Plan for Strengthening Disaster Prevention and Relief Operations of the Forward-looking Infrastructure Development Program. In case of power outage, mobile communication services can still be provided, allowing normal operations of disaster relief, offering people a way to ask for help and a certain degree of normalcy.
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” or “the Underlying Subject Matter”) of the Company for the year ended December 31, 2020.

Reporting Criteria of the Underlying Subject Matter

The Company shall prepare the Report in accordance with the Comprehensive opinion of Global Reporting Initiative Standards (“GRI Standards”) issued by Global Sustainability Standards Board (“GSSB”) 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 targets, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly present and provide 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 Statements of Assurance Engagements Standards 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. Also, we have obtained understanding of internal control relevant to underlying subject matter to design an appropriate limited assurance procedure under the circumstances, but not for the purposes of expressing an opinion as to the effectiveness of the internal control over the design or implementation of the Company.

The disclosures of information on greenhouse gas emissions (scope 1, scope 2 and scope 3) in the Report has been verified by other third party verification organization. Thus, we did not provide any assurance on whether the aforementioned disclosure is in compliance with applicable standards.

Quality control and independence

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 include fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In addition, we applied Statements of Auditing Standards No. 40—“Quality Control for Public Accounting Firms” in the Republic of China. Accordingly, we maintained a comprehensive system of quality control including written 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;
- Examine the risk 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 with supporting documents to acquire sufficient and appropriate evidence for limited assurance.

The work described above is 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 for our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than, 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 2020 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, and we shall not be responsible for any further changes on the information or its applicable reporting criteria, nor be responsible for reconciling any assurance work after this limited assurance report being disclosed on the company website.

KPMG

Taipei, Taiwan (Republic of China)
July 12, 2021

Note to reader

The limited assurance report in the English translation of the Chinese version is issued and used in the Republic of China. If there is an conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report, the Chinese version shall prevail.
### Statistics of ESG data

#### Economic dimension

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>GRI Indicators</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated revenue (NT$’000)(^1)</td>
<td>118,732,328</td>
<td>124,420,913</td>
<td>132,860,984</td>
<td>201-1</td>
<td>P.128</td>
</tr>
<tr>
<td>Operating costs (NT$’000)(^2)</td>
<td>84,315,734</td>
<td>91,612,178</td>
<td>101,415,248</td>
<td>201-1</td>
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<tr>
<td>Net income (NT$’000)(^3)</td>
<td>14,485,768</td>
<td>13,291,867</td>
<td>12,393,778</td>
<td>201-1</td>
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<tr>
<td>EPS (NT$)(^4)</td>
<td>5.01</td>
<td>4.51</td>
<td>4.01</td>
<td>201-1</td>
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<tr>
<td>Total assets (NT$’000)(^5)</td>
<td>147,667,028</td>
<td>153,919,959</td>
<td>184,584,602</td>
<td>102-7</td>
<td></td>
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<tr>
<td>Total liabilities (NT$’000)(^5)</td>
<td>79,673,332</td>
<td>79,743,684</td>
<td>112,594,390</td>
<td>102-7</td>
<td></td>
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<tr>
<td>Total equity (NT$’000)(^5)</td>
<td>67,993,696</td>
<td>74,176,275</td>
<td>71,990,212</td>
<td>102-7</td>
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<tr>
<td>Financial Capital (NT$100 million)(^6)</td>
<td>466</td>
<td>449</td>
<td>405.3</td>
<td>Voluntary disclosure</td>
<td>P.12</td>
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<tr>
<td>Manufactured Capital (NT$100 million)(^6)</td>
<td>72.0</td>
<td>61.3</td>
<td>188.8</td>
<td>Voluntary disclosure</td>
<td>P.12</td>
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<tr>
<td>Intellectual Capital (NT$100 million)(^6)</td>
<td>1.34</td>
<td>1.63</td>
<td>2.15</td>
<td>Voluntary disclosure</td>
<td>P.12</td>
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<tr>
<td>No. of 4G subscribers (10,000)</td>
<td>707.10</td>
<td>717.81</td>
<td>726.44</td>
<td>Voluntary disclosure</td>
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<td>Local procurement (%)</td>
<td>95.82</td>
<td>95.77</td>
<td>97.95</td>
<td>204-1</td>
<td>P.82</td>
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<td>Supplier CSR performance assessment (no. of reports)</td>
<td>305</td>
<td>384</td>
<td>346</td>
<td>Voluntary disclosure</td>
<td>P.85</td>
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#### Environmental dimension

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<tr>
<th>Item</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>GRI Indicators</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Consumption (100 million kWh)</td>
<td>4.30</td>
<td>4.31</td>
<td>4.62</td>
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<tr>
<td>GHG emissions (ton-CO2e) Location-based</td>
<td>234,612.88</td>
<td>236,119.53</td>
<td>240,705.32</td>
<td>305-1/305-2</td>
<td>P.86</td>
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<td>GHG emissions (ton-CO2e) Market-based</td>
<td>240,856.44</td>
<td>235,938.84</td>
<td>240,705.32</td>
<td>Voluntary disclosure</td>
<td>P.86</td>
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<td>Scope 3 emissions (ton-CO2e)(^7)</td>
<td>414,948.95</td>
<td>399,079.71</td>
<td>425,337.05</td>
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<td>P.87</td>
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<td>Water consumption (m3)(^8)</td>
<td>321,978</td>
<td>299,237</td>
<td>303,060</td>
<td>Voluntary disclosure</td>
<td>P.94</td>
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<td>Domestic waste recycled (metric ton)(^9)</td>
<td>53.3</td>
<td>149.5</td>
<td>449.43</td>
<td>Voluntary disclosure</td>
<td>P.93</td>
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<td>Office copy/printer paper consumed (no. of sheets)</td>
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<td>7,246,968</td>
<td>7,311,886</td>
<td>Voluntary disclosure</td>
<td>P.93</td>
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<tr>
<td>Waste optical/copper cable processed (metric ton)(^9)</td>
<td>289.68</td>
<td>396.32</td>
<td>396.32</td>
<td>Voluntary disclosure</td>
<td>P.93</td>
</tr>
<tr>
<td>Electronic bills (thousand copies)</td>
<td>150,756</td>
<td>166,311</td>
<td>177,756</td>
<td>302-5</td>
<td>P.94</td>
</tr>
<tr>
<td>Natural Capital (NT$100 million)(^10)</td>
<td>2.21</td>
<td>1.89</td>
<td>1.09</td>
<td>Voluntary disclosure</td>
<td>P.12</td>
</tr>
</tbody>
</table>

#### Social dimension

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>GRI Indicators</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total staff (no. of people)</td>
<td>5,819</td>
<td>5,749</td>
<td>5,777</td>
<td>102-8</td>
<td>P.48</td>
</tr>
<tr>
<td>The average employee training hours (Hours)(^10)</td>
<td>68.4</td>
<td>63.8</td>
<td>64.0</td>
<td>404-1</td>
<td>P.52</td>
</tr>
<tr>
<td>Injury rate (IR)(^10)</td>
<td>0</td>
<td>0.0817</td>
<td>0.0521</td>
<td>403-2</td>
<td>P.59</td>
</tr>
<tr>
<td>Occupational disease rate (ODR)(^10)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>403-2</td>
<td>P.59</td>
</tr>
<tr>
<td>Human Capital (NT$100 million)(^11)</td>
<td>61</td>
<td>62</td>
<td>64</td>
<td>Voluntary disclosure</td>
<td>P.12</td>
</tr>
<tr>
<td>Social Capital (NT$ thousand)(^11)</td>
<td>147,275</td>
<td>167,506</td>
<td>177,952</td>
<td>203-2</td>
<td>P.12</td>
</tr>
<tr>
<td>Customer satisfaction surveys (%)</td>
<td>86</td>
<td>90</td>
<td>89</td>
<td>102-43~102-44</td>
<td>P.78</td>
</tr>
<tr>
<td>Corporate volunteer hours (Hours)</td>
<td>4,294</td>
<td>5,297</td>
<td>5,241</td>
<td>203-2</td>
<td>P.109</td>
</tr>
<tr>
<td>5180 donations (NT$ Ten thousand)</td>
<td>1062</td>
<td>1136</td>
<td>1251</td>
<td>203-2</td>
<td>P.105</td>
</tr>
</tbody>
</table>

Note 1: Source of data: Consolidated financial statements of the Company.
Note 2: Operating costs.
Note 3: Telecommunications construction and maintenance costs.
Note 4: Research and development expenses.
Note 5: Total number of 4G/5G users.
Note 6: Including the total amount of recycled consumer waste, incineration and burial. Please refer to P.X for further information; included in the statistics from directly-operated stores since 2019.
Note 7: Including the total amount of recycled business waste, incineration and burial. Please refer to P.X for further information.
Note 8: Green procurement.
Note 9: The data of average employee training hours only includes staff from TWM, the parent company. For information on the subsidiaries, please refer to P.X.
Note 10: The data on occupational hazard only includes staff from TWM, the parent company. For information on the subsidiaries, please refer to P.X. In line with the disclosure requirements of the revised GRI 403 Occupational Safety and Health, the Lost Days Rate (LDR) and Absence Rate (AR) will no longer be disclosed from 2021.
Note 11: Employee remuneration and benefits.
Note 12: Social investment.
<table>
<thead>
<tr>
<th>Zetta Connected 2030 Theme</th>
<th>SDGs</th>
<th>Dimension of strategies</th>
<th>2030 Goals</th>
<th>Progress Review</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimizing Footprint</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable energy</td>
<td>7</td>
<td>Renewable energy</td>
<td>Annual reduction of total paper consumption for customer service and stores reach 204 million sheets</td>
<td>Deleted.</td>
<td>Goal removed to focus on the total percentage of renewable energy use instead</td>
</tr>
<tr>
<td>Sustainable recycling</td>
<td>12</td>
<td>Total use of renewable energy reaches 20%</td>
<td>Combined</td>
<td>The goals of &quot;paper saved from application forms&quot; &quot;e-bill services&quot; are merged</td>
<td></td>
</tr>
<tr>
<td>Low carbon footprints</td>
<td>13</td>
<td>Total carbon emissions reduce by 30% compared to 2019</td>
<td>Adjustment</td>
<td>The goal was eliminated in 2019 but reinstalled in 2020 due to strategic adjustment</td>
<td></td>
</tr>
<tr>
<td>Smart innovation and application</td>
<td>9</td>
<td>Reaching 85% of 5G population coverage</td>
<td>Retained</td>
<td>2030 target raised</td>
<td></td>
</tr>
<tr>
<td>Smart living</td>
<td>11</td>
<td>Smart customer service reaches 1.5 million users per month</td>
<td>Retained</td>
<td>In line with the decision of the ESG Steering Committee from March 2021, the index coverage and definition for calculations have been adjusted</td>
<td></td>
</tr>
<tr>
<td>Smart home</td>
<td>11</td>
<td>Ship a total of 500,000 smart home devices</td>
<td>New</td>
<td>Included in phone replacement program with the goal adjusted as cumulative value</td>
<td></td>
</tr>
<tr>
<td>Mobile health management</td>
<td>3</td>
<td>Revenue from mobile healthcare products and services reaches NT$300 million</td>
<td>Deleted.</td>
<td>Service no longer available</td>
<td></td>
</tr>
<tr>
<td>Communications infrastructure</td>
<td>9</td>
<td>The number of enterprise users for cloud services reaches 1,450</td>
<td>New</td>
<td>Service no longer available</td>
<td></td>
</tr>
<tr>
<td>Smart living</td>
<td>11</td>
<td>Number of users for IoT services reaches 400,000</td>
<td>New</td>
<td>1. Included in the warehouse carbon emission management 2. 2030 goal raised</td>
<td></td>
</tr>
<tr>
<td>Smart city</td>
<td>11</td>
<td>myfone online shop receives 61.77 million people</td>
<td>New</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category</td>
<td></td>
</tr>
<tr>
<td>Communications infrastructure</td>
<td>9</td>
<td>The coverage rate of wired network service station reaches 98%</td>
<td>Retained</td>
<td>Found in the Realizing Social Potential theme</td>
<td></td>
</tr>
<tr>
<td>Smart home</td>
<td>9</td>
<td>Base station service operation rate reaches 99.9%</td>
<td>Retained</td>
<td>1. The coverage and scope of the target definition has been expanded, so the title of the index has been adjusted. The original index was the number of smart street lamps installed. 2. Found in the Realizing Social Potential theme</td>
<td></td>
</tr>
<tr>
<td>Mobile health management</td>
<td>9</td>
<td>Number of users using air quality services reaches 100,000 people</td>
<td>Adjustment</td>
<td>1. Index description simplified 2. Found in the Realizing Social Potential theme</td>
<td></td>
</tr>
<tr>
<td>Communications infrastructure</td>
<td>9</td>
<td>The number of users for diversified integrated communication services reaches 246,000 people</td>
<td>Adjustment</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category 2. The original index was annual revenue from customers using speech service who introduced &quot;Advanced Integrated Communication Services&quot;</td>
<td></td>
</tr>
<tr>
<td>Smart innovation and application</td>
<td>9</td>
<td>Reaching 41 million people with innovative products and services</td>
<td>Adjustment</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category 2. The original index was revenue from innovative products or services</td>
<td></td>
</tr>
<tr>
<td>Smart city</td>
<td>11</td>
<td>Install 800,000 smart IoT devices per year</td>
<td>Adjustmen</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category 2. The original index was revenue from mobile business services</td>
<td></td>
</tr>
<tr>
<td>Communications infrastructure</td>
<td>9</td>
<td>Advanced telecommunication users reach 99% of total users</td>
<td>Retained</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category 2. The original index was revenue from multimedia products or services</td>
<td></td>
</tr>
<tr>
<td>Smart home</td>
<td>9</td>
<td>The number of users of home security products reaches 100,000</td>
<td>Retained</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category 2. The original index was revenue from media products or services</td>
<td></td>
</tr>
<tr>
<td>Smart city</td>
<td>11</td>
<td>The coverage rate of village image surveillance or river hydrology/flood image surveillance reaches 75% (in a total of 26 townships)</td>
<td>Retained</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category 2. The original index was revenue from mobile business services</td>
<td></td>
</tr>
<tr>
<td>Resilience and adaptation</td>
<td>13</td>
<td>100% of the critical infrastructure are with cross-district backup equipment</td>
<td>Retained</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category 2. The original index was revenue from multimedia products or services</td>
<td></td>
</tr>
<tr>
<td>Low carbon footprints</td>
<td>13</td>
<td>Total tap water consumption decreases by 15% compared to 2017</td>
<td>Retained</td>
<td>1. Included in the warehouse carbon emission management 2. 2030 goal raised</td>
<td></td>
</tr>
<tr>
<td>Mobile health management</td>
<td>9</td>
<td>The number of enterprise users for cloud services reaches 1,450</td>
<td>Retained</td>
<td>Service no longer available</td>
<td></td>
</tr>
<tr>
<td>Communications infrastructure</td>
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<td></td>
</tr>
<tr>
<td>Smart innovation and application</td>
<td>9</td>
<td>Reaching 41 million people with innovative products and services</td>
<td>Retained</td>
<td>1. In line with the resolution of the ESG Steering Committee from March 2021, the index has been placed in the non-revenue category 2. The original index was revenue from innovative products or services</td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
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<td>9</td>
<td>The coverage rate of wired network service station reaches 98%</td>
<td>Retained</td>
<td>Found in the Realizing Social Potential theme</td>
<td></td>
</tr>
</tbody>
</table>
### Zetta Connected 2030 Progress Review

<table>
<thead>
<tr>
<th>SDGs</th>
<th>2030 Goals</th>
<th>Progress Review</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zetta Connected 2030 Theme</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Realizing Social Potential</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accessibility to remote healthcare</td>
<td>The number of beneficiaries of telehealth products or services reaches 70,000</td>
<td>Deleted</td>
<td>Service no longer available</td>
</tr>
<tr>
<td>Knowledge and skills education for sustainable development</td>
<td>Through internal employee education and training, the number of employees who come across sustainability-related information increases by 1% from that of 2017.</td>
<td>Deleted</td>
<td>Goal deleted to focus on Employee Training goals under the theme of Responsible Business</td>
</tr>
<tr>
<td>Giving back to society</td>
<td>The sponsorships and donations for public interest and social care since 2003 amount to NT$1.5 billion</td>
<td>Combined</td>
<td>Combined the goals of “TWM fundraising channels” and “public welfare donations”</td>
</tr>
<tr>
<td>Equal opportunity</td>
<td>Since 2007, TWM has contributed to education equality through digital technologies, reaching a total of 7.85 million people</td>
<td>Combined</td>
<td>Combined</td>
</tr>
<tr>
<td>Promote sports</td>
<td>Since 2021, TWM has organized a total of 2500 events to support sports events, promote sports to the general public and enhance health</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Enhance arts and culture</td>
<td>Since 2007, TWM has supported a variety of cultural activities, fostering creative talent, improved cultural access and implemented cultural equality to bring positive energy and well being to the society with a total of NT$305 million</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Service affordability</td>
<td>The number of benefited members in disadvantaged groups <strong>Note 3</strong> increases by 2.15 times compared with 2017</td>
<td>Adjustment</td>
<td>1. Migrant workers and the physically-challenged included 2. 2030 goal raised</td>
</tr>
<tr>
<td>Knowledge and skills education for sustainable development</td>
<td>Over 95% of 5G coverage for remote and rural areas</td>
<td>Adjustment</td>
<td>Index description adjusted (from 4G to 5G)</td>
</tr>
<tr>
<td>Knowledge and skills education for sustainable development</td>
<td>Over 95% of the population living in remote areas receives emergency warning service within 5 seconds after a disaster happens through 5G</td>
<td>Adjustment</td>
<td>Index description adjusted (from 4G to 5G)</td>
</tr>
<tr>
<td>Knowledge and skills education for sustainable development</td>
<td>Reaching a total of 500,000 people through TWM channels with the concept and education of sustainability</td>
<td>Adjustment</td>
<td>Index description adjusted (from 4G to 5G)</td>
</tr>
<tr>
<td>Reinforce resistance to disasters</td>
<td>The coverage rate of the positioning services for victim location tracking in disaster areas reaches 99.83% of the communications population</td>
<td>Retained</td>
<td></td>
</tr>
<tr>
<td><strong>Responsible Business</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human rights and justice</td>
<td>Conduct information security management surveys through third-party assessment units, and continue to maintain top 5% of the same industry in this project</td>
<td>Deleted</td>
<td>Goal deleted to focus on the zero personal data leak one</td>
</tr>
<tr>
<td>Transparency and honesty</td>
<td>Zero tolerance of any violation of ethical corporate management best practice principles</td>
<td>Deleted</td>
<td>Goal deleted to focus on the new ones of 100% of signing rate for employees signing the Declaration of Integrity and suppliers signing the Declaration of Integrity in Business Conduct</td>
</tr>
<tr>
<td>Employee cultivation</td>
<td>10,000 people trained on topics regarding diversity and inclusion</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Workplace safety and health</td>
<td>Overall satisfaction rate of the health promotion activities reaches 90%</td>
<td>Now</td>
<td></td>
</tr>
<tr>
<td>Human rights and justice</td>
<td>90% data leak caused by hacking</td>
<td>Now</td>
<td></td>
</tr>
<tr>
<td>Transparency and honesty</td>
<td>100% of the employees signing the Declaration of Integrity</td>
<td>Now</td>
<td></td>
</tr>
<tr>
<td>Employee cultivation</td>
<td>100% of the suppliers sign the “Declaration of Integrity in Business Conduct”</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Workplace safety and health</td>
<td>Plan multiple learning channels based on organizational development needs, reaching 50 hours of training per capita</td>
<td>Adjustment</td>
<td>The original 2030 goal was 55 hours. It was adjusted due to the resolution from the ESG Steering Committee made in March 2021</td>
</tr>
<tr>
<td>Human rights and justice</td>
<td>77% of employees are satisfied with the friendly work environment</td>
<td>Adjustment</td>
<td>The original 2030 goal was 83%. It was adjusted due to the resolution from the ESG Steering Committee made in March 2021</td>
</tr>
<tr>
<td>Transparency and honesty</td>
<td>Conduct human rights management surveys through international sustainability assessment entities, and continue to maintain over 95 points in this field in the industry</td>
<td>Adjusted</td>
<td>The index was adjusted as score in line with the resolution made by the ESG Steering Committee made in March 2021</td>
</tr>
<tr>
<td>Workplace safety and health</td>
<td>Elect the minimum of one female director</td>
<td>Adjustment</td>
<td>The original index was the percentage of ranking in the global telecommunications industry</td>
</tr>
<tr>
<td>Human rights and justice</td>
<td>95% of pregnant employees receive prenatal education</td>
<td>Retained</td>
<td></td>
</tr>
<tr>
<td>Transparency and honesty</td>
<td>Corporate governance assessment scores remain in the top 5%</td>
<td>Retained</td>
<td></td>
</tr>
<tr>
<td><strong>Creating Stakeholder synergy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhancing sustainable development</td>
<td>Since 2015, the TWM Green Energy Initiative has reached a total of 3.8 million people.</td>
<td>Combined</td>
<td>Combined the goals of Minimizing Footprint, Green Energy Initiative, Realizing Social Potential and External CSR Actions</td>
</tr>
<tr>
<td>Sustainable supply chain management</td>
<td>Supply chain carbon emissions reduced by 20% compared to 2020</td>
<td>Retained</td>
<td></td>
</tr>
</tbody>
</table>

**Note 1:** Excluding the total amount of business and domestic waste that can be recycled and reused  
**Note 2:** When the total power consumption reaches 10MW in 2030, the average PUE will reach 1.5  
**Note 3:** Advanced telecommunications users are defined as 5G users  
**Note 4:** The definition of disadvantaged groups includes students/the elderly/disabled/migrant workers
**Material Topics and Boundaries**

<table>
<thead>
<tr>
<th>Major aspect of sustainability</th>
<th>Key Brand Values</th>
<th>Material Topics</th>
<th>Materiality to TWM</th>
<th>GRI Standards Indicators</th>
<th>TWM’s involvement with the impacts</th>
<th>Score of the impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Business</td>
<td>Ethical Operation</td>
<td>Corporate governance and operating performance</td>
<td>Operating performance reflects on how TWM performs in achieving the greatest benefits for all stakeholders</td>
<td>201-1 201-4</td>
<td>Economic performance: Direct economic value generated and distributed by the organization, financial subsidies from the government</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td>Safety</td>
<td>Risk management</td>
<td>Understanding the level of risks and their impacts, establishing responses to individual risks, and seizing opportunities for business growth while maintaining adequate risk levels</td>
<td>102-15 201-2</td>
<td>Regular disclosure: Key impacts, risks and opportunities; Economic performance: Financial implications and other risks and opportunities due to climate change</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td>Supply Quality</td>
<td>Ethical operation</td>
<td>Ethical conduct and anti-corruption management for employees to maintain the Company’s reputation</td>
<td>205-1–205-3</td>
<td>Anti-corruption: Communication training of evaluated operating locations, policies and procedures, confirmed incidents and actions taken</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legality / legal compliance</td>
<td>Emphasis on equal opportunities and respecting employees' basic human rights are the foundations to organizational growth</td>
<td>412-1–412-3</td>
<td>Human rights assessment: Operating activities, human rights policies or procedures subject to assessment, employee training, important investment agreements and contracts</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Respect and protection of human rights</td>
<td>Legal compliance for business operations, products, and services to maintain Company reputation</td>
<td>307-1</td>
<td>Environmental Compliance</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legal compliance</td>
<td></td>
<td>417-2–417-3</td>
<td>Marketing and labeling: Incidents of non-compliance concerning product and service information and labeling</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legal compliance</td>
<td></td>
<td>415-1</td>
<td>Public policy: political contributions</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legal compliance</td>
<td></td>
<td>419-1</td>
<td>Social and economic legal compliance</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Information security and privacy protection</td>
<td>Implement personal information management to enhance customer loyalty and satisfaction</td>
<td>418-1</td>
<td>Customer Privacy</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication mechanism</td>
<td>TWM provides diverse grievance channels and listens to voices from various channels and aspects to enhance our governance and to seize market trends</td>
<td>103-2</td>
<td>Management principle: Complaint Mechanism of Practical Labor Problems</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication mechanism</td>
<td></td>
<td>103-2</td>
<td>Management principle: Environmental Grievance Mechanisms</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication mechanism</td>
<td></td>
<td>103-2</td>
<td>Management principle: Human rights grievance mechanisms</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication mechanism</td>
<td></td>
<td>103-2</td>
<td>Management principle: Social impact complaint mechanisms</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supply chain management</td>
<td>Effective supply chain CSR management can help to enhance CSR management and promote the sustainable development of our value chain</td>
<td>308-1–308-2</td>
<td>Supplier Environmental Assessment: Adopt environmental standards to screen new suppliers, manage negative impact of the supply chain on the environment and take action</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supply chain management</td>
<td></td>
<td>204-1</td>
<td>Procurement practice: Proportion of spending on local suppliers</td>
<td>•</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supply chain management</td>
<td></td>
<td>414-1–414-2</td>
<td>Supplier social assessment: Screen new suppliers through social criteria, manage negative impact of the supply chain on society and take action</td>
<td>•</td>
</tr>
<tr>
<td>Major aspect of sustainability</td>
<td>Key Brand Values</td>
<td>Material Topics</td>
<td>Materiality to TWM</td>
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<tr>
<td>--------------------------------</td>
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</tr>
<tr>
<td>Minimizing Footprint</td>
<td>Environmental Sustainability</td>
<td>Climate change mitigation and adaptation</td>
<td>Actively establish carbon reduction strategies and mitigate the impacts to the environment.</td>
<td>305-1-305-7</td>
<td>Emissions: Scope 1-3 greenhouse gas and other major air pollution emissions, emission intensity, emission reduction</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td>Green operations</td>
<td>Environmental management system can reduce internal operational and external environmental costs.</td>
<td>302-1-302-5</td>
<td>Energy: Energy consumption inside/outside the organization, energy intensity, reduction of energy consumption, reduction of energy demand for products and services</td>
<td>305-3-305-5</td>
<td>Emissions: Scope 3 greenhouse gas and other major air pollution emissions, emission reduction</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td>Green application &amp; circular economy</td>
<td>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.</td>
<td>203-1-203-2</td>
<td>Indirect economic shock: the development and impact on infrastructure investment and support services, significant indirect economic impact</td>
<td>102-43-102-44</td>
<td>General disclosure: the policy communicated to customers and the topics of concern raised by customers</td>
<td>TWM has contributed to the impacts &amp; TWM is directly linked to the impacts through its business relationships</td>
</tr>
<tr>
<td>Innovative technological applications</td>
<td>Can improve internal processing, reduce environmental impacts, and lead to new market opportunities.</td>
<td>203-1-203-2</td>
<td>Indirect economic shock: the development and impact on infrastructure investment and support services, significant indirect economic impact</td>
<td>417-1-417-2</td>
<td>Marketing and labeling: product and service information and labeling requirements, incidents of non-compliance with relevant laws and regulations</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td>Network quality and coverage</td>
<td>Our excellent services are founded on our stable and solid network infrastructure.</td>
<td>417-1-417-2</td>
<td>TWM has contributed to the impacts &amp; TWM is directly linked to the impacts through its business relationships</td>
<td>102-102-102</td>
<td>General disclosure: the policy communicated to customers and the topics of concern raised by customers</td>
<td>TWM has contributed to the impacts &amp; TWM is directly linked to the impacts through its business relationships</td>
</tr>
<tr>
<td>Customer experiences</td>
<td>Be responsible to our clients by providing detailed information on our products and services.</td>
<td>203-1-203-2</td>
<td>Indirect economic shock: the development and impact on infrastructure investment and support services, significant indirect economic impact</td>
<td>417-1-417-2</td>
<td>Marketing and labeling: product and service information and labeling requirements, incidents of non-compliance with relevant laws and regulations</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td>Service impact management</td>
<td>Be held liable for products and the contents on our service platform to minimize the social impacts from our products and services.</td>
<td>203-1-203-2</td>
<td>Indirect economic shock: the development and impact on infrastructure investment and support services, significant indirect economic impact</td>
<td>417-1-417-2</td>
<td>Marketing and labeling: product and service information and labeling requirements, incidents of non-compliance with relevant laws and regulations</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td>Electromagnetic field safety</td>
<td>Enhance network coverage while conveying accurate knowledge regarding electromagnetic fields to achieve peaceful coexistence with communities.</td>
<td>416-1-416-2</td>
<td>Customer Health and Safety: Evaluate the impact of electromagnetic field on health and safety, and incidents that violate relevant laws and regulations</td>
<td>417-1-417-3</td>
<td>Marketing and labeling: product and service information and labeling requirements, incidents of non-compliance with relevant laws and regulations</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td>Transparent &amp; fair marketing</td>
<td>Brand value management, marketing, information disclosure, and explanations/communications for product and service fees all pose considerable influences on our brand image.</td>
<td>417-1-417-3</td>
<td>TWM has contributed to the impacts &amp; TWM is directly linked to the impacts through its business relationships</td>
<td>401-401-401</td>
<td>General disclosure: the policy communicated to customers and the topics of concern raised by customers</td>
<td>TWM has contributed to the impacts &amp; TWM is directly linked to the impacts through its business relationships</td>
</tr>
<tr>
<td>Employees’ physical and mental health</td>
<td>The physical and mental well-being of our employees is an intangible asset to TWM. Creating a healthy work environment will enhance productivity.</td>
<td>403-1-403-4</td>
<td>Occupational Safety and Health</td>
<td>202-1-202-2</td>
<td>Market presence</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td>Talent cultivation &amp; retention</td>
<td>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.</td>
<td>401-1-401-3</td>
<td>Employee-employer relationship</td>
<td>402-1-402-1</td>
<td>Employee-employer relationship</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>404-1-404-3</td>
<td>Training and Education</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>405-1</td>
<td>Employee diversity and equal opportunities: employees diversely, equal pay for women and men</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>406-1</td>
<td>Non-discrimination</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>407-1</td>
<td>Freedom of association and collective bargaining</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>408-1</td>
<td>Child labor</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>409-1</td>
<td>Forced or compulsory labor</td>
<td>TWM has caused the impacts</td>
</tr>
<tr>
<td>Responsible Business</td>
<td>Happy Workplace</td>
<td>Giving back to the society</td>
<td>TWM seeks community service and giving back to the community as part of our responsibilities. The aim is to bring positive influence on the society through promoting local and cultural development, caring for disadvantaged groups, and social participation.</td>
<td>203-1-203-2</td>
<td>Indirect economic impact: development and impact of products and services, significant indirect economic impact</td>
<td>TWM has contributed to the impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Digital inclusion &amp; social innovation</td>
<td>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.</td>
<td>203-1-203-2</td>
<td>Indirect economic impact: development and impact of products and services, significant indirect economic impact</td>
<td>TWM has contributed to the impacts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social emergency responses</td>
<td>We are empathetic in the face of disasters, and actively provide career resources or funds to fill the community with warmth.</td>
<td>203-1-203-2</td>
<td>Indirect economic impact: development and impact of products and services, significant indirect economic impact</td>
<td>TWM has contributed to the impacts</td>
</tr>
</tbody>
</table>
Transformation risk

<table>
<thead>
<tr>
<th>Type of risk</th>
<th>Aspect of risk</th>
<th>Risks</th>
<th>Description of financial impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulations and policies</td>
<td>Increased demand and regulations related to sustainability</td>
<td>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 renewable energy and subscription of green power certificates.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in cost of GHG emissions</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>Increase in cost and expenses of transformation to low-carbon technology</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technology upgrades or innovations that do not support low-carbon transformation</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Market</td>
<td>Changes in customer behavior</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>Customer preferences transfer</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Physical risks</td>
<td>Increase in frequency and severity of typhoons/hurricanes</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in frequency and severity of rainstorms</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Long-term risks</td>
<td>Changes in rainfall patterns and the drastic changes in weather patterns</td>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

The impact of major climate risk factors on strategy, operations, and financial planning

<table>
<thead>
<tr>
<th>Analysis procedure for climate risk matrix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compilation</td>
</tr>
<tr>
<td>Identification</td>
</tr>
<tr>
<td>Evaluation</td>
</tr>
<tr>
<td>Ranking</td>
</tr>
</tbody>
</table>

Referring to TCFD’s risk list and recommended risk sources and benchmark companies in the same industry to compile 22 climate risks.

Review the 22 climate risks in the value chain to examine whether the risks will have an impact on each node of the value chain before selecting 12 climate risks.

Evaluation: All business units in the Company were invited to re-examine the 12 climate risks and prioritize them in terms of potential impact, potential vulnerability and likelihood.

The final values of the three dimensions mentioned above are comprehensively calculated to determine the risk value, with the first 20% of the risk value considered as high risk, and the last 20% as low risk, forming the TWM climate risk matrix.

The analysis of the climate risk matrix involves the compilation, identification, evaluation, and ranking of risks. The process includes analyzing the climate risks in the value chain, prioritizing them in terms of potential impact, and determining a final risk value. The risks are categorized into physical risks, transformation risks, and long-term risks, each with specific aspects and descriptions of their financial impact.
### Methods of Stakeholder Communications

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Importance to TWM</th>
<th>Communication Strategy</th>
<th>Communication frequency / 2020 performance</th>
<th>Response to the issues of concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Talent is the key to maintaining an organization's sustainable competitiveness. We aim to create a safe and stable working environment for our employees.</td>
<td>Labor Relations Meeting</td>
<td>At least once per quarter, 4 meetings were convened in 2019</td>
<td>Multidimensional Evaluation Talent development and retention Communication mechanism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Special offers from the Welfare Committee’s authorized stores</td>
<td>Once per month, 12 times in 2019.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Welfare Committee events</td>
<td>At least once or twice a year. A total of 4 were organized in 2019, including parent-child day, year-end party, sports day, speech contest, etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management-level communications meeting and pre-meeting employee survey research mechanism</td>
<td>Once per season, 4 meetings were convened in 2019.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communications meeting among business groups and department internal communication mechanism</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee feedback survey</td>
<td>Once every 2 years. The survey was outsourced in 2018 with internal tracking in 2019.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Multi-faceted feedback mechanism, career development survey, performance evaluation interview and feedback on career development</td>
<td>Once per year, one session was organized in 2019.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training and personal development plan</td>
<td>Formulated each year with the process tracked quarterly</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appointment with James (exchange between the President and high-potential employees)</td>
<td>Once per quarter starting in the fourth quarter of 2019, one session was organized in 2019.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>President's mailbox, grievance mailbox</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal/external website, internal community communication software, email</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td>Supplier</td>
<td>Suppliers are an important part of enterprise sustainability. Only through the support of the value chain can we achieve high sustainability.</td>
<td>Green energy initiative</td>
<td>Once to twice a year with one session organized in 2019.</td>
<td>Sustainable partners Communication mechanism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication mechanism with vendors</td>
<td>Instant</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Email</td>
<td>Instant</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Complaint hotline</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Survey/Conference (norms promotion)</td>
<td>Once to twice per year. Two sessions were organized in 2019, including a supplier networking meeting and a circular economy forum.</td>
<td></td>
</tr>
<tr>
<td>Competent authority</td>
<td>Responsible for improving the practices and systems of the telecommunications industry in Taiwan</td>
<td>Meetings, Visita</td>
<td>As needed</td>
<td>Legal Compliance GRI tables</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Official document</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td>Communities/NGO</td>
<td>We have adopted the expression “The larger the business, the more influence to the society”</td>
<td>Toll-free electromagnetic wave detection line: 0800-580010</td>
<td>As needed</td>
<td>Stakeholder Engagement Electromagnetic field safety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social welfare activities</td>
<td>We engage in social welfare activities by focusing on the five main areas of “supporting cultural and creative arts”, “promoting the integration of science and technology”, “social emergency response”, “social welfare through technology” and “community care.” More than 20 public welfare projects and activities were organized in 2019</td>
<td>Social Engagement Social welfare through technology Social emergency response Community care.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Foundation website, store information</td>
<td>24 hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Questionnaire/Forum</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discount telecom charges for specific groups</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>Customer feedback is the impetus for our growth. We are committed to providing “five hearts” class customer service and to create the best customer experiences for our customers.</td>
<td>Customer service hotline and email box</td>
<td>24 hours</td>
<td>Network reliability and customer experiences</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marketing activity</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer satisfaction survey</td>
<td>At least 9 times per year: 9 surveys were organized in 2019.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Open information/text messages</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Official website/customer service App</td>
<td>24 hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Questionnaire/Forum/Official document</td>
<td>As needed</td>
<td></td>
</tr>
<tr>
<td>Shareholders / Investors</td>
<td>We are committed to maximizing the profitability of our shareholders through business performance</td>
<td>Organization of and participation in important international/domestic investor, general shareholders’ meeting, institutional investors’ conference, and analyst investor meeting, etc.</td>
<td>224 sessions were organized in 2019.</td>
<td>Operational Strategies and Performance Ethical Operation and Legal Compliance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investor section</td>
<td>24 hours</td>
<td></td>
</tr>
<tr>
<td>Media</td>
<td>The media is the most direct and effective medium for conveying the Company's brand image</td>
<td>Press release</td>
<td>4-7 stories a week with 230 published in 2019</td>
<td>Stakeholder Engagement Excellent brand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Press conference</td>
<td>18-20 per year, 21 sessions were held in 2019</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Forum/vissit</td>
<td>17-20 per year, 18 sessions were held in 2019</td>
<td></td>
</tr>
<tr>
<td>Rating agencies</td>
<td>Rating agencies represent the standards against which our performance is evaluated</td>
<td>Major Domestic Sustainability Awards - Third prize</td>
<td>3-5 times a year. 5 awards were won in 2019, including the CSR Award from Global Views Monthly; Corporate Governance Assessment, Corporate Citizenship Award from the Commonwealth Magazine, Sports Administration, Ministry of Education Sports</td>
<td>Key Performance and Awards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>International sustainability assessment/review response</td>
<td>At least twice per year with 3 responses in 2019, including DJSI, CDP, SBT, etc.</td>
<td></td>
</tr>
</tbody>
</table>
The resolutions of the Board of Directors with regard to ESG in 2020 and the first quarter of 2021:

<table>
<thead>
<tr>
<th>Date</th>
<th>No.</th>
<th>Agenda</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/21</td>
<td>8-17</td>
<td>Report of the revision to the Environmental and Energy Policy and Renewable Energy Targets</td>
<td>Informed</td>
</tr>
<tr>
<td>4/30</td>
<td>8-20</td>
<td>Winning the SAM 2020 Sustainable Yearbook Global Telecommunication Services Group Sustainable Leader Silver Award and being rated as the highest level A for CDP Climate Change for 2019 2019 Results for Zetta Connected 2030 Proposal for amendment to the &quot;Code of Practice for Corporate Governance&quot;</td>
<td>Informed</td>
</tr>
<tr>
<td>08/04</td>
<td>9-2</td>
<td>ESG Report</td>
<td>Passed</td>
</tr>
<tr>
<td>11/06</td>
<td>9-4</td>
<td>ESG Report Execution of ethical operation in 2020 and revision to Ethical Corporate Management Best Practice Principles Proposal for amendment to the &quot;Code of Practice for Corporate Governance&quot;</td>
<td>Passed</td>
</tr>
<tr>
<td>2021/01/28</td>
<td>9-5</td>
<td>Sustainability report</td>
<td>Informed</td>
</tr>
</tbody>
</table>

**Employee structure**

<table>
<thead>
<tr>
<th>Category</th>
<th>Age</th>
<th>Number of employees</th>
<th>Ratio</th>
<th>TWM Broadband</th>
<th>Taiwan Kuro Times</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Senior Managers (Vice President or above)</td>
<td>&lt; 30 years old</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>31-50 years old</td>
<td>2</td>
<td>1</td>
<td>15</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>&gt; 51 years old</td>
<td>11</td>
<td>6</td>
<td>9</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12</td>
<td>8</td>
<td>85</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Employees</td>
<td>&lt; 30 years old</td>
<td>470</td>
<td>544</td>
<td>20.01</td>
<td>30</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>31-50 years old</td>
<td>1,874</td>
<td>1,814</td>
<td>72.77</td>
<td>266</td>
<td>209</td>
</tr>
<tr>
<td></td>
<td>&gt; 51 years old</td>
<td>263</td>
<td>103</td>
<td>7.22</td>
<td>78</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2,607</td>
<td>2,461</td>
<td>100</td>
<td>374</td>
<td>255</td>
</tr>
<tr>
<td>Total Number of Employees</td>
<td></td>
<td>5,088</td>
<td>635</td>
<td>54</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Employment status</td>
<td>Full-time</td>
<td>2,606</td>
<td>2,453</td>
<td>99.43</td>
<td>379</td>
<td>256</td>
</tr>
<tr>
<td></td>
<td>Part-time</td>
<td>14</td>
<td>15</td>
<td>0.57</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Average Seniority</td>
<td></td>
<td>9.6</td>
<td>13.5</td>
<td>3.5</td>
<td>1.85</td>
<td></td>
</tr>
<tr>
<td>Educational background</td>
<td>Ph.D.</td>
<td>0.24</td>
<td>0.16</td>
<td>1.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MA</td>
<td>16.41</td>
<td>11.02</td>
<td>25.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>University</td>
<td>61.75</td>
<td>43.62</td>
<td>66.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>College</td>
<td>15.66</td>
<td>25.04</td>
<td>5.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senior High School and below</td>
<td>5.94</td>
<td>20.16</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: All employees are based in Taiwan.
Analysis of new/resigned employees

<table>
<thead>
<tr>
<th>Category</th>
<th>TWM+Taiwan Fixed Network+TWN Digital Service+Taiwan Teleservices &amp; Technologies+Taihsin Property Insurance Agent</th>
<th>TWM Broadband</th>
<th>Taiwan Kuro Times</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New</td>
<td>Resigned</td>
<td>Number of employees</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 30 years old</td>
<td>132</td>
<td>128</td>
<td>2.59%</td>
</tr>
<tr>
<td>31-50 years old</td>
<td>71</td>
<td>41</td>
<td>1.40%</td>
</tr>
<tr>
<td>&gt; 51 years old</td>
<td>0</td>
<td>1</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total</td>
<td>203</td>
<td>170</td>
<td>3.99%</td>
</tr>
</tbody>
</table>

Note: All employees are based in Taiwan (excluding employee from affiliated companies). * Denominator is the total number of employees.

Analysis of salary ratio

<table>
<thead>
<tr>
<th>Category</th>
<th>TWM</th>
<th>Taiwan Fixed Network</th>
<th>Taiwan Teleservices &amp; Technologies</th>
<th>TWN Digital Service</th>
<th>Taihsin Property Insurance Agent</th>
<th>TWM Broadband</th>
<th>Taiwan Kuro Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic salary ratio based on the ratio of the gender (female being 1)</td>
<td>Assistant manager or above</td>
<td>0.98</td>
<td>1.01</td>
<td>0.95</td>
<td>-</td>
<td>-</td>
<td>0.95</td>
</tr>
<tr>
<td>Assistant manager or below</td>
<td>1.15</td>
<td>0.98</td>
<td>0.97</td>
<td>1.09</td>
<td>1.09</td>
<td>1.05</td>
<td>1.22</td>
</tr>
<tr>
<td>Average annual salary (including performance incentives) in 2020 based on the ratio of the gender (female being 1)</td>
<td>Assistant manager or above</td>
<td>0.97</td>
<td>1.01</td>
<td>0.94</td>
<td>-</td>
<td>-</td>
<td>0.93</td>
</tr>
<tr>
<td>Assistant manager or below</td>
<td>1.15</td>
<td>0.96</td>
<td>1.01</td>
<td>1.08</td>
<td>1.10</td>
<td>1.07</td>
<td>1.24</td>
</tr>
<tr>
<td>Ratio of TWM's standard starting salary to Taiwan's minimum wage in 2020</td>
<td>1.38~1.58</td>
<td>1.30~1.39</td>
<td>1.05</td>
<td>1.18</td>
<td>1.38</td>
<td>1.26~1.38</td>
<td>1.07</td>
</tr>
</tbody>
</table>

In 2020, the ratio of the highest individual annual income to the average individual income of other employees was 24.44:1

In 2020, the median ratio of percentage increase of the highest individual annual income to the percentage increase of other employees' individual income was 1.76:1

Note 1: Comparison is based on salaries of employees.
Note 2: Salaries of non-employee workers are higher than the minimum wage.

Identification and Control Banding of Occupational Hazards

How to identify and decrease hazard

Occupational diseases and occupational injuries shall be handled in accordance with the relevant measures of the Occupational Safety and Health Administration, Ministry of Labor. All departments conduct inspections and inspections of the machinery, equipment, and appliances according to the frequency of use. If there is a risk for immediate danger, they should coordinate with the on-site supervisor or report to the superior to suspend work.

Control banding

Incidents are divided into five categories, including major disasters, disabling injuries, non-disabling injuries, traffic accidents and industrial safety accidents according to the degree and type of injury. If the aforementioned disasters occur, employees should immediately report to their supervisor and the labor safety and health office on the day. If the accident is a major disaster, it should be reported to the labor safety and health office immediately and the necessary first aid and rescue should proceed.

Formulate Contracting Procedures

Formulate contract operation procedures, implement personnel management, machinery and operational safety, safety management of various dangerous operations, emergency contact handling of disasters and other relevant regulations for manufacturers of contracted projects, equipment installation, maintenance, etc., to ensure safety and hygiene for suppliers.
### Work-related injuries

<table>
<thead>
<tr>
<th>Employees</th>
<th>TWM</th>
<th>Taiwan Fixed Network</th>
<th>Taiwan Teleservices &amp; Technologies</th>
<th>TWN Digital Service</th>
<th>Tainhsin Property Insurance Agent</th>
<th>Taiwan Kuro Times</th>
<th>Tainhsin Property Insurance Agent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Number of deaths resulting from occupational hazards</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of deaths resulting from occupational hazards</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of severe occupational injuries</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rate of severe occupational injuries</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of recorded occupational injuries</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rate of recorded occupational injuries</td>
<td>0.0460</td>
<td>0.0601</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Main Categories of Occupational Injury</td>
<td>Bruise</td>
<td>Tripping</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Working Hours</td>
<td>4,343,400</td>
<td>4,343,400</td>
<td>291,704</td>
<td>328,776</td>
<td>149,488</td>
<td>52,504</td>
<td>397,456</td>
</tr>
<tr>
<td>Non-employee</td>
<td>1,079,640</td>
<td>1,004,827</td>
<td>12,448</td>
<td>20,592</td>
<td>0</td>
<td>0</td>
<td>296,578</td>
</tr>
</tbody>
</table>

Note 1: Ratio for calculation is set at 200,000 working hours

### Five major aspects of Guidelines on CSR for Suppliers

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.
3. **Threshold for major tenders:** TWM has officially listed the quantitative ESG score as the supplier's major bidding threshold since 2019. The Company hopes to enhance management measures of suppliers through procurement, as well as encouraging suppliers to be proactive through the requirements of sustainable performance evaluation in response to TWM's sustainable actions. Both new and existing suppliers must reach a certain sustainable performance threshold before they can participate in TWM's major bids.
4. **Supplier maintenance:** Suppliers need to fill out the CSR self-assessment form for review to help TWM identify the risks of individual vendors and the overall supply chain sustainability, keep abreast the current status of supply chain sustainability management, and further propose differentiated improvement plans to track the improvement results of partner vendors every year. TWM started conducting a carbon inventory review in 2019 to further understand carbon emissions of the supply chain, which is used for reference when formulating the supply chain carbon reduction system.
5. **Selection of new suppliers:** New vendors are required to pass corporate governance review, sign Declaration of Integrity Operation, pass credit financial review and on-site audit, and fill in Self-Evaluation form in 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 Declaration Letter for Environmental and Occupational Health and Safety Policy for Contractors when undertaking orders.

### 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 critical suppliers and general suppliers for differentiated management to ensure the appropriateness and effectiveness of the management resources.
Non-renewable Energy Analytics

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct energy consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gasoline</td>
<td>Litre</td>
<td>721,163.79</td>
<td>670,741.55</td>
<td>799,110.18</td>
</tr>
<tr>
<td>Diesel oil</td>
<td>Litre</td>
<td>59,487.49</td>
<td>65,890.72</td>
<td>46,629.76</td>
</tr>
<tr>
<td>Indirect energy consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>Degree</td>
<td>430,905,484.87</td>
<td>431,328,587</td>
<td>461,978,292.09</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Amount of Energy Consumption 1</th>
<th>Million joules*</th>
<th>1,577,003,797.54</th>
<th>1,576,402,195.06</th>
<th>1,690,937,772.65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of energy consumption expenses 2</td>
<td>Million joules / NT$</td>
<td>1,444,815,250.00</td>
<td>1,443,589,396.00</td>
<td>1,544,403,991</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Energy intensity</th>
<th>Million joules / Consolidated Revenue</th>
<th>Million joules / NT$ million</th>
<th>MWh/Pb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power consumption / information flow per unit</td>
<td>13,282.05</td>
<td>21,454.95</td>
<td>24,967.34</td>
</tr>
<tr>
<td></td>
<td>190</td>
<td>153</td>
<td>131</td>
</tr>
</tbody>
</table>


Analysis of Renewable Energy

<table>
<thead>
<tr>
<th>Renewable energy sources and non-renewable energy sources:</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-renewable energy source (kWh)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewable energy source (kWh)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Cost of energy consumption: | 1,190,677,483 | 1,173,086,310 | 1,231,492,928 |

<table>
<thead>
<tr>
<th>Cost of non-renewable energy source (NT$)</th>
<th>5,880,000</th>
<th>598,335</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Energy Certificates</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratio of renewable energy source to total energy consumption:</th>
<th>1.179%</th>
<th>0.123%</th>
<th>0.127%</th>
</tr>
</thead>
</table>

Engineering Vehicle Oil Management System

<table>
<thead>
<tr>
<th>Annual total</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated total oil consumption (L)</td>
<td>503,427</td>
<td>443,016</td>
<td>412,810</td>
<td>387,639</td>
<td>377,570</td>
</tr>
<tr>
<td>Oil reduction target (%)</td>
<td>12.0%</td>
<td>Baseline year</td>
<td>18.0%</td>
<td>23.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Actual total oil consumption (L)</td>
<td>503,427</td>
<td>434,908</td>
<td>398,622</td>
<td>358,559</td>
<td>336,120</td>
</tr>
<tr>
<td>Actual achievement rate (%)</td>
<td>13.6%</td>
<td>Baseline year</td>
<td>20.8%</td>
<td>28.8%</td>
<td>33.2%</td>
</tr>
<tr>
<td>Fuel costs reduction (annual)</td>
<td>-</td>
<td>1,726,688</td>
<td>1,008,749</td>
<td>1,073,688</td>
<td>486,977</td>
</tr>
<tr>
<td>Carbon emissions reduction (ton)</td>
<td>-</td>
<td>155</td>
<td>82</td>
<td>91</td>
<td>51</td>
</tr>
</tbody>
</table>

Water Resources Management

<table>
<thead>
<tr>
<th>Annual water consumption (m3)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>87,743</td>
<td>84,569</td>
<td>84,440</td>
</tr>
<tr>
<td>Direct stores</td>
<td>53,985</td>
<td>48,702</td>
<td>48,615</td>
</tr>
<tr>
<td>Computer room base station (including Taiwan media/cloud/information computer room)</td>
<td>180,250</td>
<td>165,966</td>
<td>170,005</td>
</tr>
<tr>
<td>Total</td>
<td>321,978</td>
<td>299,237</td>
<td>303,060</td>
</tr>
<tr>
<td>Rainwater recovery</td>
<td>102.3</td>
<td>150.6</td>
<td>89.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water saving measures</th>
<th>Information regarding water consumption in the office is sent to management to promote water saving</th>
<th>Monthly report inquiry and review for water consumption, notifying of any abnormality</th>
<th>Cooling tower temperature control and installation of frequency converter Adjust the wastewater recovery ratio of the evaporative water chiller Recycled PET bottles are placed in the toilet to lower the amount of water used for flushing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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 | 2.1.2.2 Remuneration 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. | 2.1.2.2 Remuneration to Senior Management | |  
102-38 | Annual total compensation ratio | 2.2.1.2 Remuneration and Benefits | |  
102-39 | Percentage increase in annual total compensation ratio | 2.2.1.2 Remuneration and Benefits | |  
6. Stakeholder engagement  
102-40 | List of stakeholder groups | 1.8 Stakeholder Communication: Adequately Respond to Stakeholders’ Needs Appendix: “Methods of Stakeholder Communications” | |  
102-41 | Collective bargaining agreements | - | |  
102-42 | Identifying and selecting stakeholders | 1.8 Stakeholder Communication: Adequately Respond to Stakeholders’ Needs Appendix: “Methods of Stakeholder Communications” | |  
102-43 | Approach to stakeholder engagement | 1.8 Stakeholder Communication: Adequately Respond to Stakeholders’ Needs Appendix: “Methods of Stakeholder Communications” 2.4.7.3 Customer Satisfaction | |  
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. | 1.8 Stakeholder Communication: Adequately Respond to Stakeholders’ Needs Appendix: “Methods of Stakeholder Communications” 2.4.7.3 Customer Satisfaction | |  
6. Reporting practice  
102-45 | 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 report | - | No significant change |  
102-46 | a. Defining report content and topic boundaries b. An explanation of how the organization has implemented the Reporting Principles for defining report content. | 1.7 Identification of Material Topics | |  
102-47 | List of material topics | 1.7 Identification of Material Topics | |  
102-48 | Restatements of information | N/A | |  
102-49 | Changes in reporting | No significant change | |
**GRI 103: Management Approach**

**GRI 206: Anti-competitive Behavior**

**GRI 305: Emission**

**GRI 204: Procurement Practices**

**GRI 103: Management Approach**

**GRI 205: Anti-corruption**

**GRI 302: Energy**

**GRI 103: Management Approach**

**GRI 306: Effluents and Waste**

**Appendix - Material Topics and Boundaries**

---

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
</tr>
<tr>
<td>204-1</td>
<td>Proportion of spending on local suppliers</td>
</tr>
<tr>
<td>206-1</td>
<td>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>indicators</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
</tr>
<tr>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
</tr>
<tr>
<td>305-3</td>
<td>Other indirect (Scope 3) GHG emissions</td>
</tr>
<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
</tr>
<tr>
<td>305-5</td>
<td>Reduction of GHG emissions</td>
</tr>
<tr>
<td>305-6</td>
<td>Emissions of ozone-depleting substances (ODS)</td>
</tr>
<tr>
<td>305-7</td>
<td>Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</td>
</tr>
</tbody>
</table>

---

**Non-disclosures**

**Assurance**

*Appendix - Material Topics and Boundaries*
Future Experience

Stakeholder Synergy

Social Potential

Excellent brand

Minimizing Footprint

Social inclusion

Happy workplace

Elevating

Ethical operation

Responsible Business

Brand values

Realizing

Operational Performance

Sustainable Strategies

Create Value

GRI 103: Management Approach

GRI 404: Training and Education

GRI 405: Diversity and Equal Opportunity

GRI 406: Non-Discrimination
<table>
<thead>
<tr>
<th>Indicators</th>
<th>Description</th>
<th>Chapter</th>
<th>Reasons for Non-disclosures</th>
<th>SGS External Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>2.1.4 Communication Mechanism: Smooth Communication Channels for Protecting the Rights and Interests of Stakeholders</td>
<td>2.1.6 Communication Mechanism: Creating Stakeholder Synergy - Sustainable Partners</td>
<td>2.2.2 United Employee Communication and Diversity Inclusive Culture</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>2.1 CSR Operational Mechanism</td>
<td>2.2 Creating Stakeholder Synergy - Sustainable Partners</td>
<td>2.2.2 United Employee Communication and Diversity Inclusive Culture</td>
</tr>
<tr>
<td>407-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
<td>2.3.4 Supply Chain Selection and Evaluation: Strict Assessment of Supply Chain Management to Support Industry-Wide Investment in Sustainability</td>
<td>2.2.2 United Employee Communication and Diversity Inclusive Culture</td>
<td></td>
</tr>
<tr>
<td>GRI 408: Child Labor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 103: Management Approach</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 409: Forced or Compulsory Labor</td>
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<td>103-1</td>
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<td>103-3</td>
<td>Evaluation of the management approach</td>
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<td>409-1</td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
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<td>GRI 412: Human Rights Assessment</td>
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<td>412-1</td>
<td>Operations that have been subject to human rights reviews or impact assessments</td>
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<td>412-2</td>
<td>Employee training on human rights policies or procedures</td>
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<td>412-3</td>
<td>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
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<td>GRI 414: Supplier Social Assessment</td>
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<td>414-1</td>
<td>New suppliers that were screened using social criteria</td>
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<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
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<td>GRI 415: Public Policy 2016</td>
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Participation of Taiwan Mobile in Various Associations and Societies

Asia Business Council
Bridge Mobile Pte Ltd
Chief Executives Organization
Global Enabling Sustainability Initiative (GeSI)
GSM Association (GSMA)
Taiwan Telecommunications Industry Development Association
Business Council for Sustainable Development of Taiwan
Taiwan Smart Energy Industry Association
ITS Taiwan
Taiwan Telematics Industry Association
Taiwan Corporate Governance Association
Cable Broadband Institute in Taiwan
Taiwan Association of Information and Communication Standards
Taiwan Telematics Industry Association
Taiwan Network Information Center (TWNIC)
Cloud Computing & IoT Association in Taiwan
Taiwan Communications Society
Cross-Strait CEO Summit
M&A and Private Equity Council
Digital Transformation Association
Chinese International Economic Cooperation Association
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)
Taiwan Chain Stores and Franchise Association
Taiwan Contact Center Development Association

The Institute of Internal Auditors - Chinese Taiwan
Chinese Non-store Retailer Association
Taipei Computer Association
Taiwan Electrical and Electronic Manufacturer's Association
Taiwan Multimedia Production Association
Taiwan Stock Affairs Association
Computer Audit Association
Taiwan Network and E-Commerce Industry Development Association
Taiwan Digital Publishing Forum (TDPF)
Taipei Electrical Appliance Association
Taiwan Telecommunication Engineering Industry Association
Satellite Television Broadcasting Association R.O.C.
Taiwan Digital Media and Marketing Association
Taiwan OTT Association
Taiwan YMJ
Taiwan Telecommunication Engineering Industry Association
The Insurance Agency Association of the Republic of China
AmCham Taipei
Chinese Professional Management Association
GS1 Taiwan
New Media Entertainment Association
Computer Society of the Republic of China