

Operating Guidelines in Assessing and Managing Participation in Sustainable Development-Related Associations (Initiatives) of Chunghwa Telecom Co., Ltd.

Approved on June 22, 2023

Article 1. (Purpose of Stipulation)

Chunghwa Telecom Co., Ltd. (hereinafter referred to as the Company) operates with integrity, actively promotes stakeholder engagement, promotes ESG sustainable developments and fulfills its corporate social responsibilities. In order to effectively collaborate with relevant sustainable development associations (initiatives), actively respond to international trends of sustainable development, and move towards sustainable co-prosperity together, the Company has stipulated the Operating Guidelines to enhance related assessment and manage tracking.

Article 2. (Applicable Units)

All institutions of the Company (hereinafter referred to as Participating Units) should assess the participation of domestic and international sustainable development-related associations (initiatives) based on their operating responsibilities and business needs.

Article 3. (Assessment Principles)

The purpose and goals of the sustainable development-related associations (initiatives) in which the Company participates must be in line with international or domestic sustainable development objectives, including but not limited to the United Nations Sustainable Development Goals (SDGs), the 2015 Paris Agreement, and Taiwan's Net-Zero Emissions in 2050.

Participating Units may formulate principles of assessment for participating in sustainable development-related associations (initiatives) (hereinafter referred to as the Assessment Principles) based on the needs of

their operating responsibilities, operational procedures, and assigned duties. The content of the Assessment Principles should include, but not be limited to, the following matters:

I. Background

- (I) Origin: The relevance, significance, or alignment (sustainable development goals) of the sustainable development-related associations (initiatives) with the operating responsibilities.
- (II) Objective: The necessity of participating in the sustainable development-related associations (initiatives) for business development, the role played, and the expected outcomes.

II. Benefit analysis

- (I) Investment cost: Capital Costs and Labor Costs, etc.
- (II) Benefits gained: Obtain strategic partnerships, amplify influence in policy-making, and stay in sync with sustainable development trends; all the above contribute to the Company's operational performance and stakeholder engagement, as well as implement ESG principles for sustainable environment, society, and governance.

Article 4. (Management Implementation)

To effectively manage and enhance the benefits, the Participating Units shall implement the following management actions:

I. Systematic management

To facilitate effective participation, Participating Units shall systematically manage their presence in the operations of the sustainable development-related associations (initiatives).

II. Expression of position

Participating Units must actively disclose the Company's statement of stance related to sustainable development, in order to respond to and

comply with the objectives of the sustainable development-related associations (initiatives).

III. Accountable Management

Participating Units must actively follow the sustainable development position and activities of the sustainable development-related associations (initiatives) they are involved in. If there is any inconsistency between these initiatives and the international sustainable goals or the Company's stance, the Participating Units must promptly report to its supervisors according to the established Assessment Principles. They should engage in assessments of improvement and outcome-oriented negotiations, with the sustainable development-related associations (initiatives), and take appropriate measures accordingly. If the Participating Units intend to withdraw from the associations (initiatives) after assessment, it shall be publicly announced.

The results of participation in public policies related to sustainable development may be included in the ESG performance evaluation of senior managerial officers to implement accountable management

IV. Performance Assessment

Participating Units shall share information about the activities and involvement in sustainable development-related associations (initiatives) in a timely manner and share relevant information with the ESG groups of the Company's Sustainable Development Committee. They should also provide regular reports during the monthly meetings of their respective ESG groups. The tracking items shall include the implementation progress of the initial plans and the validation of the benefits assessments.

Article 5. (Implementation and Amendment)

The Operating Guidelines shall be implemented after receiving approval from the chief executive officer. The same applies to all subsequent amendments.