

## Spend Analysis of the Supply Chain

With the continuous development of business, our annual purchase amount has also continued to increase, reaching NTD 60.71 billion in 2018, and 2019 is expected to maintain the same amount. Among them, domestic procurement accounted for 90.08% in 2018, and more than 4,000 companies cooperated with each other, which is beneficial for economic development and employment stability. In order to fully perform its duties of management and management, the vast majority of purchases carry out spend analysis. In addition to ensuring the quality of products and services and reducing costs, ESG factors are also included in the selection of suppliers.

### Analysis of supply chain spending in the past 3 years

	2016		2017		2018	
	Percentage	Number of suppliers	Percentage	Number of suppliers	Percentage	Number of suppliers
Material	68.9%	1,762	72.08%	2,442	72.53%	2,206
Labor	14.2%	2,484	11.38%	2,161	10.94%	2,105
Engineering	16.9%	2,096	16.54%	1,721	16.53%	1,589
Total	100%	6,342	100%	6,324	100%	5,893

### Procurements subjected to expenditure analyses as a percentage of total procurements in the past 3 years

	2016	2017	2018
Procurements Subjected to Expenditure Analyses as a Percentage of Total Procurements	97.92%	98.32%	98.54%

Calculation Method: (Total procurement - value of small procurements under NT\$ 100,000)/value of total procurements

### Procurement by region

	2016	2017	2018
Domestic Procurement	91.02%	91.67%	90.08%
Overseas Procurement	8.99%	8.33%	9.92%

**Domestic top 10 procurement categories as percentages of total procurements**

Rank	2016		2017		2018	
	Category	Percentage	Category	Percentage	Category	Percentage
1	Products for resale	28.67%	Products for resale	24.71%	Products for resale	25.17%
2	Mobile phone systems	9.25%	Mobile phone systems	12.99%	Mobile phone systems	19.43%
3	Channels engineering	4.65%	Channels engineering	3.91%	Channels engineering	3.80%
4	Digital Content	3.29%	Other labor service	3.60%	Products for sale	3.40%
5	Electrical and air conditioning equipment engineering	2.61%	Full-band filled single-mode optical cable	3.44%	Other labor service	2.88%
6	Other transmission equipment	2.61%	Electrical and air conditioning equipment engineering	2.80%	Electric wire & cable deployment	2.68%
7	Products for sale	2.33%	Electric wire & cable deployment	2.41%	Mobile communication equipment maintenance	2.30%
8	User equipment engineering	2.12%	Products for sale	2.40%	Electrical and air conditioning equipment engineering	2.21%
9	Electric wire & cable deployment	2.04%	User equipment engineering	2.05%	User equipment engineering	2.19%
10	Mobile communication equipment maintenance	1.93%	Mobile communication equipment maintenance	2.01%	Mobile Communications Engineering	1.91%
Total		59.50%		60.32%		65.96%