

Code of Corporate Social Responsibility for Suppliers of Chunghwa Telecom Co., Ltd.

1. Background

Every domestic and international business location of Chunghwa Telecom supports and encourages fulfillment of high standards of corporate social responsibilities. “Code of Corporate Social Responsibility for Suppliers of Chunghwa Telecom Co., Ltd.” is intended to inform our suppliers of expectations regarding standard corporate social responsibilities for ethics, labor, environmental, and health safety. We hope that the Code demonstrates our promise and responsibility to manage our suppliers and help establish the objectives of positive ethical standards, respect for labor rights, and environmental sustainability with suppliers.

2. Objective

The objective of the Code is to encourage suppliers to achieve the standards of corporate social responsibilities that they are obliged to. At the same time, we hope that our suppliers can also widely promote the Code when managing their own suppliers.

3. Applicable Scope

Applicable scope of the Code includes suppliers of all products and services to Chunghwa Telecom Group, subsidiaries, and joint ventures anywhere in the world, as well as supply chain contractors with direct or indirect contact with suppliers.

4. Contents

Contents of the Code include the following aspects of sustainable development:

- Corporate standards
- Ethical standards
- Labor standards
- Environmental standards
- Safety and hygienic standards

5. Implementation Strategy

- When implementing the Code, Chunghwa Telecom will focus on cooperation with suppliers, and provision of required educational training whenever necessary to enhance recognition and capability from relevant personnel.
- Suppliers of Chunghwa Telecom shall request that their contractors, including their own employees, employees who are deployed to work at business locations of Chunghwa Telecom, independent contractors, etc, to jointly observe regulations from the Code.
- Chunghwa Telecom will use questionnaires, supervision, or independent verification methods to assess the enforcement results of the Code from suppliers. Chunghwa Telecom will also strive for continuous improvements to ensure that suppliers who do not fulfill relevant principles can procedurally execute improvement plans under mutually agreeable timetables.
- Chunghwa Telecom will consider the industrial characteristics, geographical environments, business conditions, and employee structures of suppliers and devise appropriate continuous improvement plans together with suppliers.
- Chunghwa Telecom maintains an encouraging approach for suppliers and contractors who demonstrate willingness to improve on activities that do not fulfill standards, in order to jointly fulfill these principles.

6. Regulations of the Code

(1) Corporate Standards

- Code of Ethics of Chunghwa Telecom Co., Ltd.

Code of Ethics is the foundational principles for all commercial activities conducted by Chunghwa Telecom, the contents of which have clearly defined out promise to manage our suppliers. Chunghwa Telecom expects suppliers to adopt our standard action principles, or independently establish similar principles, and that contents of such principles are made publicly available.

Please see the official website of Chunghwa Telecom for relevant information: (http://www.cht.com.tw/Files/Download/Code_Of_Ethics950328Chinese.pdf).

- Ethical Corporate Management Best Practice Principles for Chunghwa Telecom Co., Ltd.

This is also the foundational principles for all commercial activities conducted by Chunghwa Telecom. The primary objectives of these principles are

to establish corporate cultures and stable developments of business ethics to promote accountable, transparent, and responsible business principles. Chunghwa Telecom expects suppliers to adopt our Ethical Corporate Management Best Practice Principles, or independently establish similar principles, and that contents of such principles are made publicly available.

Please see the official website of Chunghwa Telecom for relevant information: (http://www.cht.com.tw/Files/Download/EthicalBestPracticePrinciples_CH1000208.pdf).

(2) Ethical Standards

Suppliers of Chunghwa Telecom shall obey legislations to abide by relevant legal requirements promulgated by all levels of governments. When internal corporate action principles are in conflict with legal requirements, suppliers shall adopt the highest standards compatible with national legislations. When action principles are not in conflict with legal requirements, suppliers shall adopt the standards that maximize employee protection.

(3) Labor Standards

- Normal Terms of Employment

All terminations and layoffs of employees of suppliers of Chunghwa Telecom shall abide by relevant legislations or regulations of local governments. Suppliers of Chunghwa Telecom cannot forcefully employ or suppress employees, nor employ unwilling slave labor, and also cannot partially rescind employment contracts. Prior to employment, employees of suppliers of Chunghwa Telecom shall be informed of wages and other terms of employment, and shall be provided wage details during payment periods. Withholding of wages is not a valid method of disciplining employees. In overseas regions, wage payments shall be compatible with or higher than regulations from legislations of local governments.

- Elimination of Child Labor and Ban on Overtime Work

Suppliers of Chunghwa Telecom cannot illegally employ child labor, and have to absolutely prohibit child labors from working between 8:00 PM and 6:00 AM, or engaging in heavy or dangerous work, in order to fulfill stipulations from Convention No. 138 of the International Labour Organization and the Convention on the Rights of the Child of the United Nations.

Standard working times of suppliers of Chunghwa Telecom shall be

compatible with legislations of local nations and standards devised for their corresponding industries. Terms more favorable to employees shall be adopted. Employees cannot be forced to work overtime on a regular basis. Overtime work for employees shall be voluntary, with commensurate overtime wages.

- Non-Discrimination and Ban on Inhumane Treatment

Suppliers of Chunghwa Telecom shall enforce equal treatment policies for all employees, and are prohibited from exercising differential treatment over employment, wages, training, promotion, retention, or retirement issues based on ethnicity, social status, nationality, religious belief, age, disability, gender, marital status, sexual orientation, affiliation with labor organizations, or affiliation with political parties. Also, suppliers of Chunghwa Telecom shall prohibit bodily harm, physical punishment, threats to engage in physical, sexual, or other harassments, verbal abuse, other forms of extortion, etc.

- Respect for Freedom of Assembly and Collective Bargaining Rights for Employees

Suppliers of Chunghwa Telecom shall respect freedom of assembly and collective bargaining rights. According to the Labor Union Act of Taiwan, employees have the right to organization and union participation. Chunghwa Telecom not only observes stipulations set out by the Labor Union Act, it also respects relevant unionized activities.

(4) Environmental Standards

- Suppliers of Chunghwa Telecom shall abide by relevant environmental legislations and regulatory principles of local governments (including but not limited to waste renewal and disposal, carbon emissions, noise, etc) during business operation and provision of products and services, as well as actively adopt concrete actions to avoid any tangible pollution, while also formulate and implement improvement plans and policies capable of improving environmental performance.
- Chunghwa Telecom will award positive recognition for suppliers with established environmental management systems and competent track records in relevant planning, operations, controls, and recordings.

(5) Safety and Hygienic Standards

- Suppliers of Chunghwa Telecom shall abide by relevant domestic and

international regulations regarding labor safety and hygiene in their local nations, as well as provide all employees with safe and hygienic working environments to ensure that their business activities will not result in direct or indirect danger against employees or other people.

- Suppliers shall provide employees with relevant educational training, directions, and supervision, and adopt all necessary preventative measures to prevent occurrences of accidents or incidents.
- Suppliers shall notify Chunghwa Telecom immediately when accidents or incidents over labor safety occur due to conducting contractual obligations with Chunghwa Telecom.
- Suppliers of Chunghwa Telecom shall provide employees with appropriate and sufficient amenity services with policies in place to improve safety and hygienic performance, while also demonstrate promises for continuous improvements, and fulfill relevant strategies with concrete action.