

Directions for the Promotion of the Suppliers' Corporate Social Responsibility Implementation of Chunghwa Telecom

Article 1. Purpose of Establishment and Scope of Application

To promote the suppliers' implementation of corporate social responsibility (CSR), Chunghwa Telecom and its subordinated organizations (hereinafter referred to as the Company) established these Directions according to the Company's Regulations Governing Suppliers' Social Responsibility (Regulations).

These Directions apply to the subsidiaries and joint venture companies and other conglomerates and organizations that are bodies or juridical persons under substantial control.

Article 2. Criteria for Conduct

It is hoped that all of the Company's suppliers (Suppliers) can comply with the Regulations. The Company also adheres to an encouraging attitude and takes relevant coaching measures to assist the Suppliers in implementing the Regulations.

Article 3. Self-Management of the Suppliers

The Suppliers should agree to abide by the Regulations when both parties enter into a contract.

Article 4. Audit and Improvement

The Company shall have knowledge of the Suppliers' implementation of CSR by means of the provision of training, questionnaires, on-site visits or engaging a third party in independent verification. The Company shall also exhort the Suppliers that do not comply with the Regulations to set up an appropriate plan for sustainable improvement.

Article 5. Implementation Measures

The manners the Company uses to promote the Suppliers' implementation of CSR include:

- (1) Supplier communication conferences: The Company shall regularly hold Supplier communication conferences for awareness of CSR policies, the results of which may also be a reference for the Suppliers' management action plan.
- (2) Training: After discussion with the Suppliers, the Company may provide training to them if necessary to assist the Suppliers in building up their CSR management skills.
- (3) Questionnaire: The Suppliers entering into a contract with an amount above a certain figure shall complete the questionnaire for the current status of the Suppliers' CSR before both parties sign the contract.
- (4) On-site visit: The Company shall conduct on-site visits or engage a third party in independent verification on an important Supplier to confirm its current execution status of CSR.

Article 6. Division of Power and Duty

The Secretariat of the Company's Corporate Social Responsibility Committee (CSRC) is in charge of the planning and execution of the Supplier communication conferences, training and on-site visits provided in the preceding paragraph, the supply division is in charge of the compilation of the Supplier information and connection with the Suppliers, all workgroups of the Company's CSRC, and relevant business units assigning staff to assist. The questionnaire is

to be planned and executed by the supply division and internet department.

Article 7. Rewards

The Company should publicly praise the Suppliers that have good CSR performance.

When proceeding with the selection of procurements, the Supplier's CSR execution is taken as an item for selection so that a good Supplier can obtain priority over others to bargain and bid and be rewarded with substantial incentives.

Article 8. Disposal of significant violation

A significant case where a violation of the Regulations causes damage and losses to corporate image, goodwill or finance should be reported to the head office by the subsidiaries after disposal, and the Company may impose sanction to ban such Supplier according to the Procurement Management Directions.

Article 9. Implementation and Amendment

This Directions take effect after approved by the CEO, and so is any amendment thereof.