

# **Chunghwa Telecom Anti-Corruption, Anti-Bribery, and Anti-Money Laundering Policy**

1. Approved on March 13, 2019
2. Amendment to Articles I, II, III, V, VI on September 22, 2021 in Letter Ren-San-Zi No.1100001713
3. Amendments approved on May 10, 2024 at the 11th meeting of the 10th Board of Directors
4. Amendments approved on August 8, 2025 at the 1th meeting of the 11th Board of Directors

## **I. Purpose and Scope**

Chunghwa Telecom endorses and voluntarily adheres to the guiding principles of the United Nations Convention against Corruption (UNCAC), and agrees to comply with anti-corruption regulations of the jurisdictions in which it operates. For those reasons, this policy has been established to construct standards for corporate governance, social responsibility, and risk management mechanisms. Chunghwa Telecom hereby formally declare its zero-tolerance principle towards bribery and provide guidance to relevant stakeholders to assist in the prevention of bribery and corruption.

The international community attaches increasing importance to anti-money laundering, in order to prevent the risk of money laundering, tax evasion and sanction violations, protect Chunghwa Telecom from the losses caused by the relevant money laundering crimes, and prevent the harm that may be caused to the people's livelihood of the society, Chunghwa Telecom has formulated anti-money laundering policies to demonstrate our determination to prevent money laundering crimes, adhere to the core values of sustainable business, and fulfill the responsibilities of citizens of the international community

This policy applies to the organizational scope of Chunghwa Telecom, its subsidiaries, foundations receiving direct or indirect donations exceeding fifty percent, and other entities under substantial control. It also pertains to personnel including directors, managers, employees, appointees, and de facto controllers of Chunghwa Telecom, as well as the directors, supervisors, managers, employees, and appointees of its subsidiaries.

## **II. Policy Statement**

To fulfill the purpose of anti-corruption, anti-bribery, and anti-money laundering, Chunghwa Telecom, and the relevant stakeholders should abide by "Code of Ethics," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct."

### **(I)Anti-corruption and Anti-bribery**

1. Chunghwa Telecom does not engage in or accept any activities that are not in compliance with this policy or the relevant laws on anti-corruption and anti-bribery.
2. Chunghwa Telecom and its directors, managers, employees, appointees, and de facto

controllers shall not directly or indirectly offer or accept any unreasonable gifts, hospitality, or other improper benefits in order to obtain business relationships or influence commercial transactions.

3. Chunghwa Telecom and its directors, managers, employees, appointees, and de facto controllers shall not directly or indirectly offer, promise, request, or accept any form of improper benefit. This includes kickbacks, commissions, facilitation payments, or any other means to provide or receive improper benefits from customers, agents, contractors, suppliers, public officials, or any other stakeholders, in order to establish business relationships, influence commercial transactions, or expedite or secure actions by administrative authorities.
4. Chunghwa Telecom and its directors, managers, employees, appointees, and de facto controllers, are required to adhere to the Political Donations Act, as well as internal operating procedures, when making direct or indirect donations to political parties or individuals engaged in political activities. These donations must not be made with the intention of seeking commercial benefits or transaction advantages.
5. Chunghwa Telecom and its directors, managers, employees, appointees, and de facto controllers, are required to ensure that all charitable donations or sponsorships comply with relevant laws and internal operating procedures, and shall not be used as a means of disguised bribery.

## **(II) Anti-money laundering**

Chunghwa Telecom strictly abides by anti-money laundering laws and regulations, prohibits and combats money laundering, tax evasion, sanctions violations and other criminal activities. We adopt the principle of zero tolerance for money laundering crimes, and strengthen the anti-money laundering mechanism. Chunghwa Telecom cooperate with the requirements of financial institutions and provide relevant documents needed to confirm identity. We improve employees' concepts and vigilance in preventing money laundering and fraud.

## **III. Definitions**

The stakeholder herein refers to any director, supervisor, manager, employee, agent, supplier, consultant, or judicial person or natural person with a de facto control.

The term "improper benefits" in this policy refers to any inappropriate payment or actions in a business context for the following purposes, including but not limited to any form of money, gifts, presents, commissions, positions, services, favors, rebates, facilitation payments, hospitality, entertainment, employment, internships, educational opportunities, and other

valuable items:

1. To influence or prevent acts of public authority or any other actions, such as signing contracts, imposing taxes or fines, or canceling existing contracts or contractual obligations;
2. To obtain authorizations, permits, or other forms of authorization from government entities or officials that were previously unattainable;
3. To obtain confidential information regarding business opportunities, bids, or competitor activities;
4. To obtain or terminate contractual relationships;
5. To promise to provide or obtain any other illegal benefits.

The term "anti-corruption" in this policy refers to the misuse of official power by individuals in both the public and private sectors to obtain personal benefits.

The term "anti-bribery" in this policy refers to the act of offering or receiving money, gifts, or other benefits as incentives to engage in behaviors that violate ethical integrity, are illegal, or that breach professional duties during business operations.

The term "money laundering" in this policy refers to the acts defined in Article 2 of the Money Laundering Control Act.

#### **IV. Commitment to Anti-Corruption, Anti-Bribery, and Anti-Money Laundering**

Chunghwa Telecom shall clearly state its commitment to ethical operations, anti-corruption, anti-bribery, and anti-money laundering policies in regulations, external documents, and company website; its governing bodies and management units should also be proactive in enforcing these policies.

Chunghwa Telecom requires directors and all employees to make and declare their commitment to comply with ethical management, anti-corruption, anti-bribery, and anti-money laundering policies, and requires employees to abide by relevant policies as a condition of employment.

#### **V. Governance Structure and Responsibilities**

To manage anti-corruption and anti-bribery efforts, Chunghwa Telecom has adopted the ISO 37001 Anti-bribery Management System, and established an organization dedicated to promoting anti-corruption and anti-bribery. This includes governance bodies such as the Board of Directors, and task-oriented groups like the Management Review Committee, Anti-bribery Promotion Team, Anti-bribery Management Team, and Anti-bribery Compliance Audit Team.

These entities are responsible for planning, implementing, reviewing, and improving the Chunghwa Telecom's anti-corruption and anti-bribery risk management systems, ensuring adequate resources and qualified personnel are in place.

(I) Board of Directors:

1. Approve the organization's anti-corruption and anti-bribery policy;
2. Ensure that the organization's operational strategies are consistent with anti-corruption and anti-bribery policies;
3. Receive and review the content and operational information provided by the management system during the planning period;
4. Allocate and assign sufficient resources for the effective operation of the management system;
5. Oversee the organization's management system and its effectiveness, as operated by top management.

(II) Top Management:

The chairman serves as the highest management level of this management system, and should demonstrate leadership and commitment to the system in the following ways:

1. Approve specifications of the operational procedures for the management system;
2. Ensure that anti-corruption and anti-bribery policies and objectives are established, implemented, maintained, reviewed, and are able to effectively manage the organization's risks of corruption and bribery;
3. Ensure the integration of the management system's requirements into organizational processes;
4. Allocate sufficient and appropriate resources to the management system for effective operation;
5. Ensure adequate internal and external communication on anti-corruption and anti-bribery policies;
6. Within the organization, fully communicate the importance of effective anti-corruption and anti-bribery management, and confirm the requirements of the management system;
7. Ensure that the management system is adequately planned to achieve its objectives;
8. Guide and support personnel to improve the effectiveness of the management system;
9. Promote a culture of anti-corruption and anti-bribery within the organization;
10. Implement continuous improvement initiatives;

11. Support relevant managers in their duties of preventing and detecting corruption and bribery, upholding their leadership;
12. Encourage the use of reporting procedures to report suspicious or genuine instances of corruption and bribery;
13. Ensure that no personnel will face retaliation, discrimination, or punishment for reporting activities that violate or are suspected to violate the organization's anti-corruption and anti-bribery policies, whether such reports are made in good faith or based on a reasonable belief, or for refusing to engage in or accept corruption and bribery, even if it results in the organization losing business;
14. The Authorization Management Review Committee or the members of the management team shall report to the Board of Directors regarding the content and operation of the anti-corruption and anti-bribery management system, as well as any allegations and investigation results of related serious incidents.

(III) Management Review Committee:

1. The Management Review Committee is chaired by the Chairman of the Board, with the President as the Vice Chair. Committee members also include the Senior Executive Vice President of corporate administration at the Head Office, and an appointed Executive Secretary.
2. The Management Review Committee holds two management review meetings per year and may convene ad hoc meetings as needed.
3. The mission of the Management Review Committee is to review the operational procedures and implementation results submitted by the anti-corruption and anti-bribery team, compliance audit team, and management team.

(IV) Management team:

1. The management team consists of the Organization and Talent Development Department, which is responsible for handling relevant administrative affairs.
2. Responsibilities of the management team include:
  - (1) Regularly promote and coordinate business process integrity risk assessment and review the risk assessment results;
  - (2) Plan communication matters, timing, targets, and methods affecting the management system's execution; ensure stakeholder communication is arranged before related activities commence;
  - (3) Assist in integrating anti-corruption and anti-bribery mechanisms into company business strategies, and establish anti-corruption measures to ensure

ethical business practices in accordance with laws and regulations;

- (4) Assist in coordinating the revision, implementation, interpretation, and consultation services of management system-related procedures, as well as the integration and coordination with other related operational procedures;
- (5) Consolidate, collect, and manage the policies, procedures, compliance declarations, and documented information on the implementation of the system;
- (6) Conduct annual training sessions for employees on anti-bribery policies and reporting mechanisms.

(V) Task force:

1. The task force consists of members from various units within this management system, including the heads of each unit and personnel assigned by unit heads to provide assistance.
2. The task force holds two meetings annually, to assess the risks of corruption and bribery for the upcoming year and to review the implementation throughout the year, respectively; if necessary, ad hoc meetings may also be convened.
3. Responsibilities of the task force include:
  - (1) Review results of risk assessments on a regular basis, and reporting them to top management and the management review committee for further evaluation;
  - (2) Review achievement progress of anti-corruption and anti-bribery goals, and reporting the results to top management and the management review committee for further evaluation;
  - (3) Should there be changes to relevant execution plans or processes, report to the appropriate management level for review accordingly, and take necessary measures to mitigate any adverse effects.
  - (4) Assess and monitor the performance and effectiveness of the management system on a regular basis, and present the results for review by top management and the management review committee.

(VI) Compliance audit team:

1. Members of the compliance audit team are appointed by the Task force and approved by the management review committee.
2. During the audit, auditors should refrain from auditing operational items from their own service department.

3. Responsibilities of the compliance audit team include:

- (1) Responsible for auditing compliance, regularly audit the compliance status of the management system, and submit reports to the top management level and the Board of Directors;
- (2) Oversee the design and operation of the organizational management system;
- (3) Provide advice and guidance to personnel regarding management systems and matters related to corruption and bribery;
- (4) Ensure that the management system complies with the requirements outlined in this document and relevant specifications;
- (5) Report the performance of the management system to top management, the management review committee, and the Board of Directors.

(VII) Responsibilities of the head of the unit responsible for the management system:

Conduct anti-corruption and bribery risk management and control for daily operations, supervise the implementation of related control mechanisms, and ensure that all tasks achieve the objectives of the management system.

## **VI. Assessment Prior to Establishment of Business Relationships**

Prior to establishing a business relation, Chunghwa Telecom, as well as the stakeholders, shall assess the legality and ethical management policy of the agent, supplier, client, or any other trading counterpart and if any of them has a record of unethical conducts, so as to ensure a fair, transparent business operation and not to provide, request, or accept any bribe.

Chunghwa Telecom, and the stakeholders, shall avoid any business transaction with agents, suppliers, clients, or any business counterpart engaging unethical operations, and, upon learning any unethical conduct in the business engagement or business counterpart thereof, promptly cease any business engagement therewith and blacklist it for any further business in line with the ethical corporate management policy of Chunghwa Telecom.

Chunghwa Telecom has implemented the "Procedures for Supplier Corruption and Bribery Risk Assessment and Control" and the "Procedures for Business Partner Corruption and Bribery Risk Assessment and Control", which are designed to evaluate the risks of corruption and bribery associated with relevant business partners and to conduct due diligence investigations. Based on the assessment results, corresponding risk response measures shall then be implemented.

## **VII. Regulatory Mechanisms for Political Contributions, Donations, and Gifts**

The Company must not make political contributions.

When providing charitable donations or sponsorships, the Company must follow the review procedures stipulated in the Company's Board of Directors and management department authority division table and the "Anti-Corruption and Anti-Bribery Management Procedures," and strictly adhere to the following principles:

1. Charitable donations or sponsorships must comply with the laws and regulations of the location where operations are conducted.
2. Decisions regarding charitable donations or sponsorships must be documented in writing.
3. Recipients of charitable donations must be charitable organizations and must not be disguised bribery.
4. Any benefits received in return for sponsorship must meet requirements of clarity and reasonableness and must not be commercial partners of the Company or persons related to company personnel.
5. After charitable donations or sponsorships, valid receipts must be obtained.

The Company has established the "Anti-Corruption and Anti-Bribery Management Procedures," which specifically regulate the precautions that personnel of the Company must observe when receiving or giving gifts, the nature of gifts that may be accepted, and the related application and review mechanisms for receiving and giving gifts. Annual training and promotion regarding these regulations are conducted.

### **VIII.Regular Risk Assessment and Notification Mechanism**

Chunghwa Telecom has implemented the "Procedures for Employee Corruption and Bribery Risk Assessment and Control" and the "Procedures for Operational Process Corruption and Bribery Risk Assessment", which evaluate corruption and bribery risks related to various operational processes and job specifications. Based on the results of these assessments, Chunghwa Telecom shall review the appropriateness of related control measures, and when necessary, revise existing or introduce additional policies.

Measures implemented by Chunghwa Telecom shall be reasonable and proportionate, and must be customized to the nature of identified risks.

All updates to this policy shall be communicated internally and made available on Chunghwa Telecom's website to ensure stakeholders are informed.

### **IX. Record**

All financial activities of Chunghwa Telecom, including the verification of gifts and

entertainment expenses, accounting postings, and entries, must be expressed in a sufficiently detailed and credible manner, properly recorded in account books for inspection. No information should be misrepresented, omitted, or altered in any way. Payments to any third party should be made in connection with the goods or services provided by that third party, and for documented business reasons.

## **X. Compliance Audit and Supervision**

Chunghwa Telecom's annual compliance audit plan is based on results of risk assessment, among which are corruption and bribery risks, outlining the subject, scope, and frequency of the audits. Both internal and external audits check adherence to control systems and procedures, by continuously monitoring business activities through records to ensure accuracy and appropriateness, verifying initial accounting documents, and ensuring expenses are justified. The plan also confirms compliance with applicable laws and internal regulations of Chunghwa Telecom, including the principles and requirements of this policy, to enhance overall awareness and detect potential improper conduct.

Results of the management system operation audit shall be compiled into a compliance audit report by the compliance audit team, reviewed by the department's highest supervisor and the management review committee (including the highest management level) based on signing authority, and the relevant content should be regularly reported to the Board of Directors.

## **XI. Training and performance appraisal**

Chunghwa Telecom shall regularly organize training and awareness programs for employees and relevant stakeholders to emphasize the importance of complying with this Anti-Corruption, Anti-Bribery, and Anti-Money Laundering Policy. These initiatives aim to strengthen understanding of the Company's commitment to ethical business conduct, communicate its policies and firm stance on integrity, and ensure that all parties are aware of the behavioral expectations outlined in the Code of Conduct, as well as the potential risks and consequences associated with any violations of these principles.

Chunghwa Telecom shall integrate the ethical corporate management policy with the performance appraisal of employees and human resource policy thereof while establishing a specific, effective reward and punishment system.

To reinforce the importance of adherence to this policy, Chunghwa Telecom has implemented the "Procedures for Employee Corruption and Bribery Risk Assessment and Control", outlining the principles and standards for compliance with laws related to anti-corruption and anti-bribery. Regular education and training sessions are conducted for

employees to promote integrity and self-discipline. Furthermore, Chunghwa Telecom's anti-corruption and anti-bribery policies are publicly announced on the official website to ensure that all relevant stakeholders are fully informed about its commitment to ethical business practices, anti-corruption, and anti-bribery policies, as well as the potential consequences and risks associated with violations of the provisions herein.

## **XII. Notification and Management of Breach of the Policy**

The Company has established the "Guidelines for Handling Violations of the Code of Conduct of Chunghwa Telecom Company" and the "Chunghwa Telecom Principles for Investigating and Handling Violations of the Code of Conduct," which clearly define the Company's whistleblowing channels and the related investigation and handling procedures.

Employees and stakeholders of Chunghwa Telecom who become aware of any activities or actions that may violate the "Code of Ethics," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," or any related regulations must promptly report the matter to the Organization and Talent Development Department. Reports may also be submitted via the whistleblowing email or hotline provided on the Chunghwa Telecom website.

Any individual that informs, in good faith, matters evidently in contradiction to ethics or potentially in violation of laws and regulations governing securities, Money Laundering Control Act, the provisions herein, or any misconduct with regard to Chunghwa Telecom and stakeholders shall not be subject to any retribution or threat in any form; the contents of such reports shall be treated with strict confidentiality. Any individual subject to retribution, threat, or harassment is to report such to the immediate supervisor thereof or the Organization and Talent Development Department of Chunghwa Telecom.

Any breach of the provisions herein is subject to severe punishment, including a proper discipline action, or to the extent of a termination of labor contract as well as civil liabilities for damage compensation, administrative penalties, or criminal prosecutions.

These whistleblowing channels and investigation procedures are published on the Company's official website for all stakeholders to access. Furthermore, annual internal and external training is provided to promote awareness among all employees and business partners.

## **XIII. Laws and Regulations**

Chunghwa Telecom shall comply with all applicable laws and regulations, including but not limited to the Company Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, Ethical Corporate Management Best Practice Principles

for TWSE/TPEX Listed Companies, Act to Implement United Nations Convention against Corruption, Anti-Corruption Act, Securities and Exchange Act, Criminal Code, Political Donations Act, and other relevant laws and regulations governing business activities.

**XIV. The provisions herein shall be reviewed annually by the Management Review Committee for appropriateness, any amendments thereto shall come into force upon promulgation after the approval of the Board of Directors.**