

Corporate Governance

Board of Directors' attendance

The Board of Directors convened seven meetings in 2023

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
Chairman	Fu Chi Investment Co., Ltd. Representative: Daniel M. Tsai	7	0	100%	None
Director	Fu Chi Investment Co., Ltd. Representative: Richard M. Tsai	4	2	57%	None
Director	Fu Chi Investment Co., Ltd. Representative: Chris Tsai	7	0	100%	On December 1, 2023, Mr. Frank Lin succeeded Mr. Chris Tsai as the representative of Fu Chi Investment Co., Ltd.
Director	Fu Chi Investment Co., Ltd. Representative: Frank Lin	0	0	-	
Director	TCC Investment Co., Ltd. Representative: Jamie Lin	3	0	100%	On June 13, 2023, the Company elected a new board of directors, and Mr. Lin became the representative of TCCI Investment and Development Co., Ltd., which replaced TCC Investments Co., Ltd.
Director	TCCI Investment and Development Co., Ltd. Representative: Jamie Lin	4	0	100%	
Independent Director	Hsueh-Jen Sung	7	0	100%	None
Independent Director	Char-Dir Chung	7	0	100%	None
Independent Director	Hsi-Peng Lu	7	0	100%	None
Independent Director	Tong Hai Tan	7	0	100%	None
Independent Director	Drina Yue	7	0	100%	None

1. Any objections or issues raised by independent directors against resolutions passed by the Board of Directors:

(1) Pursuant to Article 14-3 of the Securities and Exchange Act:

Not applicable. The Company has already established an audit committee.

(2) Other items not covered in the preceding table: None

2. Any recusals due to conflicts of interest:

Date	Name of directors	Proposal	Reasons for recusal	Participation in deliberation
2023.01.11	Daniel M. Tsai Richard M. Tsai Jamie Lin	2022 performance evaluation and proposed year-end bonuses for chairman, managers and audit supervisor by the Remuneration and Nomination Committee	Daniel M. Tsai and Jamie Lin: Personal interest Richard M. Tsai: Interested party	All three were excluded from the deliberations
2023.02.24	Jamie Lin	2023 balanced scorecard for president	Personal interest	Mr. Lin was excluded from the deliberations
	Daniel M. Tsai Richard M. Tsai Chris Tsai *	Acquisition or disposal of right-of-use assets	Richard M. Tsai: Personal interest Daniel M. Tsai and Chris Tsai: Interested party	All three were excluded from the deliberations
2023.05.03	Daniel M. Tsai Richard M. Tsai Chris Tsai *	Acquisition or disposal of right-of-use assets	Richard M. Tsai: Personal interest Daniel M. Tsai and Chris Tsai: Interested party	All three were excluded from the deliberations
	Daniel M. Tsai Richard M. Tsai Chris Tsai * Jamie Lin	Transfer of "MyBook E-Bookstore Business" to momo.com Inc.	Daniel M. Tsai and Jamie Lin: Personal interest Richard M. Tsai and Chris Tsai: Interested party	All four were excluded from the deliberations
	Daniel M. Tsai Richard M. Tsai Hsueh-Jen Sung Char-Dir Chung Hsi-Peng Lu Tong Hai Tan Chris Tsai * Jamie Lin	Removal of non-competition restrictions for the newly elected 10th Board of Directors	Personal interest	All eight were excluded from the deliberations
2023.06.13	Char-Dir Chung Hsi-Peng Lu	Signing of an industry-academia collaboration contract with National Taiwan University and an academic feedback fund contract with National Taiwan University of Science and Technology	Personal interest	Both were excluded from the deliberations
2023.08.04	Jamie Lin	Issuance of shareholders' letter of commitment for the NT\$2.558 billion credit approval case for Taipei New Horizon Co., Ltd.	Personal interest	Mr. Lin was excluded from the deliberations
	Jamie Lin	Appointment of a manager to oversee a disciplinary case	Personal interest	Mr. Lin was excluded from the deliberations
	Daniel M. Tsai Chris Tsai *	Acquisition of a right-of-use asset from Taipei Fubon Commercial Bank Co., Ltd.	Daniel M. Tsai and Chris Tsai: Interested party	Both were excluded from the deliberations
	Daniel M. Tsai Richard M. Tsai Jamie Lin	Distribution of 2022 bonuses and adjustment of 2023 remuneration for the Company's chairman, managers and audit supervisor	Daniel M. Tsai and Jamie Lin: Personal interest Richard M. Tsai: Interested party	All three were excluded from the deliberations
2023.11.14	Jamie Lin	Removal of non-competition restrictions for managers	Personal interest	Mr. Lin was excluded from the deliberations
	Daniel M. Tsai Richard M. Tsai Chris Tsai *	Acquisition or disposal of right-of-use assets	Richard M. Tsai: Personal interest Daniel M. Tsai and Chris Tsai: Interested party	All three were excluded from the deliberations

* Fu Chi Investment Co., Ltd. appointed Frank Lin as its representative, taking over Chris Tsai's duties on December 1, 2023.

3. Information regarding the implementation of the evaluation of the BoD and functional committees

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation measures	
Once a year	Jan. 2023 to Dec. 2023	Performance evaluation of the board as a whole, individual directors and functional committees	<ol style="list-style-type: none"> 1. Evaluation of the performance of the Board of Directors <ol style="list-style-type: none"> (1) Participation in the operations of the company (2) Improvement in the quality of decision-making (3) Composition and structure of the board (4) Election and continuing education of directors (5) Internal controls (6) Participation in corporate social responsibility 2. Self-evaluation by individual directors <ol style="list-style-type: none"> (1) Alignment with the goals and missions of the company (2) Awareness of the duties of a director (3) Participation in the operations of the company (4) Management of internal relationships and communication (5) Professionalism and continuing education of directors (6) Internal controls 3. Self-evaluation by Functional Committees: <ol style="list-style-type: none"> (1) Participation in the operations of the company (2) Awareness of the duties of the functional committees (3) Improvement in the quality of decision-making (4) Election and composition of the functional committees (5) Internal controls 	
Every three years	March 2020 to Feb. 2021	Commissioning of an independent evaluator to conduct an overall assessment of the board's performance	Commissioned the Taiwan Corporate Governance Association to conduct the evaluation	Evaluation of the performance of the board, including its composition, guidance, delegation, supervision, communication, internal controls and risk management, self-discipline and other matters, e.g. board meetings and support systems

4. Other BoD objectives:

- (1) Training programs for directors: Aside from encouraging directors to attend outside seminars, the Company holds annual in-house sessions to facilitate interactions between lecturers and directors. The total number of training hours was 83.5 in 2023, which included programs such as "Fair treatment of customers – Sustainable development of digital finance and consumer protection," "Generative AI – industrial revolution, opportunities and challenges," and "Entering Web3: Onchain is the New Online."
- (2) Information transparency: Committed to upholding operational transparency and protecting shareholders' interests, the Company regularly discloses resolutions by the Board of Directors in a timely and consistent manner. In addition, the Company holds institutional investor conferences on a quarterly basis and has set up Chinese/English sections for Investor Relations and Corporate Social Responsibility on its official website.
- (3) Liability insurance: The Company provides its directors and managers with annual liability insurance to cover risks as they carry out their duties, reviews the insurance coverage on an annual basis, and reports to the board to make sure the amount and scope are sufficient to the need.
- (4) The Chairman of the Board of Directors is not a member of the Company's management team to ensure a system of checks and balances.
- (5) The Audit Committee, the Remuneration and Nomination Committee and the ESG Steering Committee assist the Board of Directors in carrying out supervisory tasks. The chairperson of each committee reports on their committee's operations to the board on a regular basis.
- (6) The Company passed the Rules and Procedures on Evaluating the Performance of the Board and Functional Committees to enhance efficiency, under which the Remuneration and Nomination Committee conducts an analysis and submits a report on proposed improvements to the board after an annual performance evaluation. Board members completed an evaluation assessment in the first quarter of 2024.
- (7) To strengthen corporate governance and enhance the board's functions, the Board of Directors passed a proposal that independent directors should comprise at least 40% of the board, and that the Remuneration and Nomination Committee should be in charge of identifying and nominating competent candidates.

Audit Committee attendance

The Audit Committee is responsible for reviewing the following:

- Financial reports
- Internal control systems and related policies, procedures and assessment of their effectiveness
- Compliance with Article 36-1 of the Securities and Exchange Act
- Material asset or derivatives transactions
- Material monetary loans, endorsements or guarantees
- Offering, issuance or private placement of equity-type securities
- Fairness and rationality of the Company's M&A plans and transactions
- Any matter that has a bearing on the personal interest of a management executive or director
- Fraud investigation reports
- Interacting and communicating with management and listening to business strategy development reports
- Hiring or dismissal of an attesting CPA, or the compensation given thereto
- Performance, qualification and independence of CPAs
- Appointment or discharge of financial, accounting or internal auditing officers

1. The Audit Committee convened seven times in 2023

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
Independent Director	Hsueh-Jen Sung	7	0	100%	Appointed committee chairman
Independent Director	Char-Dir Chung	7	0	100%	None
Independent Director	Hsi-Peng Lu	7	0	100%	None
Independent Director	Tong Hai Tan	7	0	100%	None
Independent Director	Drina Yue	7	0	100%	None

2. Any objections or issues raised by the Audit Committee against resolutions passed by the Board of Directors

(1) Pursuant to Article 14-5 of the Securities and Exchange Act:

Date	Audit Committee	Proposals and reports	Audit Committee's major suggestions	Audit Committee's opinion	Company's response
2023.01.10	19th meeting of the fifth Audit Committee	2023 capital expenditure plan and donations to related parties 2022 internal control statement	None	Approved as proposed	Approved as proposed
2023.02.23	20th meeting of the fifth Audit Committee	Negotiations on matters such as the stock swap ratio for the acquisition of Taiwan Star Telecom Co., Ltd. Participation in the NT\$3.1bn new share issue of 100%-owned TWM Venture Co., Ltd. 2022 business report and financial statements Appointment of CPA Issuance of unsecured ordinary corporate bonds Acquisition or disposal of right-of-use assets	None	Approved as proposed	Approved as proposed
2023.05.02	21st meeting of the fifth Audit Committee	1Q23 financial statements 2022 earnings distribution and cash return from capital surplus Acquisition or disposal of right-of-use of assets Removal of non-competition restrictions for the newly elected 10th Board of Directors	None	Approved as proposed	Approved as proposed
2023.06.13	1st meeting of the sixth Audit Committee	Signing of "director's litigation compensation agreements" with members of the 10th Board of Directors Signing of an industry-academia collaboration contract with National Taiwan University and an academic feedback fund contract with National Taiwan University of Science and Technology	None	Approved as proposed	Approved as proposed

Date	Audit Committee	Proposals and reports	Audit Committee's major suggestions	Audit Committee's opinion	Company's response
2023.08.04	2nd meeting of the sixth Audit Committee	2Q23 financial statements	None	Approved as proposed	Approved as proposed
		Adjustment of the merger proposal and stock swap ratio in response to Taiwan Star Telecom Co., Ltd.'s unexercised employee rights and planned stock cancellation			
		Additional capital expenditure plan for 2023			
		Acquisition of right-of-use asset from Taipei Fubon Commercial Bank Co., Ltd.			
2023.09.15	3rd meeting of the sixth Audit Committee	Disposal of 100% shares of Taiwan Kuro Times Co., Ltd. by subsidiary TFN Media Co., Ltd. to KKCompany Technologies Inc.	None	Approved as proposed	Approved as proposed
		Participation in KKCompany Technologies Inc.'s pre-IPO fundraising			
2023.11.14	4th meeting of the sixth Audit Committee	3Q23 financial statements	None	Approved as proposed	Approved as proposed
		Acquisition or disposal of right-of-use assets			
		Internal audit plan for 2024			

(2) In addition to the items listed above, any resolution passed by over two-thirds of the Board of Directors, but not approved by the Audit Committee: None.

3. Any recusals due to conflicts of interest:

Date	Name of Independent Director	Proposal	Reasons for recusal	Participation in deliberation
2023.05.02	Hsueh-Jen Sung Char-Dir Chung Hsi-Peng Lu Tong Hai Tan	Removal of non-competition restrictions for the newly elected 10th Board of Directors	Personal interest	All four were excluded from the deliberations
2023.06.13	Char-Dir Chung Hsi-Peng Lu	Signing of an industry-academia collaboration contract with National Taiwan University and an academic feedback fund contract with National Taiwan University of Science and Technology	Personal interest	Both were excluded from the deliberations

4. Communication between independent directors and the Internal Audit Chief Officer and CPAs about major financial/operational matters:

- (1) The Internal Audit Chief Officer and CPAs communicated directly with independent directors when needed.
- (2) In addition to presenting monthly reports to the independent directors, the Internal Audit Chief Officer and CPAs met with the independent directors at the quarterly Audit Committee meetings, bringing communication into full play.
- (3) Regular communication between independent directors and internal audit officers/CPAs:

Date	Internal Audit Officers		CPAs	
	Subject matter	Results	Subject	Results
2023.01.10 19th meeting of the fifth Audit Committee	1. 4Q22 internal audit report 2. 2022 internal control statement	1. Acknowledged 2. Reviewed and submitted to BoD for approval	-	-
2023.02.23 20th meeting of the fifth Audit Committee	-	-	1. 2022 financial statements, key audit matters, explanations of computer audit, and other communication items 2. Introducing IESBA's new regulations 3. Discussed inquiries raised by attendees	Acknowledged

2023.05.02 21st meeting of the fifth Audit Committee	1Q23 internal audit report	Acknowledged	1. 1Q23 financial statements 2. Discussed inquiries raised by attendees	Acknowledged
2023.08.04 2nd meeting of the sixth Audit Committee	1. 2Q23 internal audit report 2. Risk Management Committee's business report	Acknowledged	1. 2Q23 financial statements 2. Discussed inquiries raised by attendees	Acknowledged
2023.11.14 4th meeting of the sixth Audit Committee	1. 3Q23 internal audit report 2. Internal audit plan for 2024	1. Acknowledged 2. Reviewed and submitted to BoD for approval	1. 3Q23 financial statements, key audit matters, explanations of computer audit, and other communication items. 2. Introduction of upcoming or impending standards and regulations that will be applicable in the future. 3. Discussed inquiries raised by attendees	Acknowledged

Corporate governance practices

Item		Current practices
Has the Company established principles based on the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies?		The Company has established said Corporate Governance Best Practice Principles and published them on the Company's official website and market observation post system (MOPS).
Shareholding structure and shareholders' interests	Handling of shareholders' suggestions and disputes	The Corporate Governance Best Practice Principles includes a chapter on upholding shareholders' interests. The spokesperson or Secretarial Division handles all non-legal issues; the Legal Division handles all legal issues.
	Identification of major shareholders and investors with controlling interests	The Secretarial Division submits a monthly report listing the shareholdings of directors, managers and major shareholders (over 10% shareholding) to the authorities.
	Risk control mechanisms and firewalls between the Company and its subsidiaries	The Company's internal control system set up the Rules and Procedures on Conducting Transactions between Group Companies and Related Parties and the Rules and Procedures on Monitoring Subsidiaries as risk control mechanisms.
	Prohibitions on insider trading	The Company has established Rules and Procedures on Handling Internal Material Information, which are given to employees when they start work. The Company also provides guidelines on handling and processing internal material information, as well as corporate ethics, to ensure that employees and directors are familiar with and comply with said regulations.
Board of directors and its responsibilities	Board diversity and execution	Diversity of board members is stipulated in the Company's Rules for Election of Directors and has been fully implemented.
	Establishing a Remuneration and Nomination Committee and an Audit Committee in accordance with the law and voluntarily setting up other functional committees	The Company has established an ESG Steering Committee, Cyber Security and Data Privacy Protection Committee, and Risk Management Committee to enhance various functions.
	Board performance evaluation	<p>The Company passed the Rules and Procedures on Evaluating the Performance of the Board and Functional Committees to enhance efficiency, under which the Remuneration and Nomination Committee conducts an analysis and submits a report on proposed improvements to the board after an annual performance evaluation and uses it as a reference for remuneration and reappointment. The performance evaluation was completed through self-assessments by board members, which covered evaluations of the performance of the board, board members and functional committees. Both the board and committees performed well, with an average rating of 4.97, with 5 being the highest score.</p> <p>The Company appointed the Taiwan Corporate Governance Association (TCGA) to conduct its board evaluation in January 2021. The evaluation, covering the period from March 1, 2020 to February 28, 2021, focused on eight aspects: composition, guidelines, authorization, supervision, communication, internal controls and risks, self-discipline and support systems. The report was issued on May 3, 2021, and presented to the Board of Directors by the Remuneration and Nomination Committee on August 5, 2021. The results of the evaluation and proposed countermeasures were as follows:</p>

Item	Current practice
	<p>A. Comments :</p> <p>(a) The Company values having a diverse board of directors, with members who are selected based not only on the Company's current needs, but also their capabilities in advancing its future development. Independent members take up more than half of the board seats. Aside from attending scheduled meetings, board members take an active role in the Company's various business operations and interact closely with management.</p> <p>(b) To lead the Company's transformation, the board appointed a president with a nontraditional telecommunications industry background. The president's performance is evaluated by the Remuneration and Nomination Committee using the balanced scorecard model, taking into consideration the Company's short, medium and long-term goals.</p> <p>(c) The Company again appointed an independent evaluator to assess the board's performance. It took actions on all recommendations from the previous evaluation and disclosed relevant information in the annual report and on its corporate website. This showed the board's proactive approach to enhancing corporate governance and its effectiveness.</p> <p>(d) To manage potential risks related to the Company's transformation, the chairman acts as the convener and supervisor of the Risk Management Committee. The committee holds a meeting at least every six months and reports its operations to the board at least once a year.</p> <p>B. Suggestions/Implementation:</p> <p>(a) As the Company pursues a new growth curve with a business model that differs from its existing position as a traditional telecommunications company, it was recommended that the board continuously strengthen risk controls, regularly review the effectiveness of the internal control system and make adjustments accordingly. The Company has executed the suggestions.</p> <p>(b) The Company was advised to set up a Nomination Committee. The functions of the Nomination Committee were incorporated into the Remuneration and Nomination Committee in 2018.</p>
<p>Periodic review of CPA's independence</p>	<p>The heads of finance and other divisions of the Company and its subsidiaries conduct annual evaluations of the independence and reappointment of CPAs according to The Bulletin of Norm of Professional Ethics for Certified Public Accountants of the Republic of China and Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and Audit Quality Indicators (AQIs) based on the following criteria and procedures:</p>

Item	Current practices
	<ol style="list-style-type: none"> 1. The CPAs' resumes. 2. The CPAs neither serve as a director/supervisor/ manager nor hold a position with major influence in the Company or its subsidiaries, and have no interests that conflict with the Company's. 3. The CPAs have not served as auditors for the Company for seven consecutive years. 4. The CPAs should provide the Company with a Declaration of Independence on a quarterly basis. 5. The CPAs have not provided non-audit services to the Company which might affect their independence. 6. The CPAs are not involved in any significant lawsuit or litigation and have never been censured by any regulatory body. 7. The CPA firm's involvement, quality control review and innovative plans. 8. Effective interaction with manager and internal audit officer. <p>The results of the 2023 evaluation met the independence criteria and were approved by the Audit Committee on January 29, 2024, and by the board on January 30, 2024.</p>
<p>Has the Company set up a full/part time unit or personnel and appointed a Chief Corporate Governance officer in charge of handling corporate governance-related matters – including, but not limited to providing information for board directors to carry out their duties, preparing board and shareholders' meetings, handling company registration and any changes therein, and recording board and shareholders' meeting minutes?</p>	<p>The VP/CFO who heads the Secretarial Division is also the Chief Corporate Governance officer. He has more than 10 years of experience in the securities industry, including managing listed companies' financial affairs. The division head attended the following training programs in 2023:</p> <ol style="list-style-type: none"> 1. Legal risks and responses to corporate investment and financing – from the perspective of corporate directors' responsibilities (Taiwan Corporate Governance Association, 3hr) 2. The latest practices and case analyses of corporate mergers and acquisitions regulations (Taiwan Corporate Governance Association, 3hr) 3. The explosion of the virtual world: The development of metaverse and cryptocurrency blockchain (Chinese National Association of Industry and Commerce, 3hr) 4. Impact of carbon pricing on business operations (Greater China Financial and Economic Development Association, 3hr) 5. Generative AI – industrial revolution, opportunities and challenges (Independent Directors' Association Taiwan, 3hr) 6. Entering Web3: Onchain is the new Online (Taiwan Corporate Governance Association, 3hr) <p>The division provided the following:</p> <ol style="list-style-type: none"> 1. Assisted directors in assuming their positions, furnished them with information required for business execution and held seminars to facilitate interaction between lecturers and directors. 2. Purchased annual liability insurance for directors. 3. Prepared board of directors' and shareholders' meetings and handled company registration and any changes therein. 4. Reviewed the independence qualifications of independent directors. 5. Handle matters related to changes in directors.

Item		Current practices
Has the Company established communication channels with stakeholders (including, but not limited to shareholders, employees, customers and suppliers) and set up a stakeholders' section on the Company's website to respond to critical corporate social responsibility issues?		Sections on investor relations, procurement and ESG have been set up on the Company's official website and integrated into one comprehensive stakeholders' section. Special personnel have been assigned to handle ESG related issues.
Has the Company outsourced its shareholders' general meetings?		The Company has engaged the Transfer Agency and Registry Department of Fubon Securities Co., Ltd. to manage its annual general meeting.
Information disclosure	Disclosure of information on financial status, operations and corporate governance	Disclosure of financial-related and corporate governance information is posted periodically on the Company's website.
	Other ways of disclosing information	Aside from having a spokesperson, the Company has a dedicated department – the Investor Relations Division – to handle information disclosure. It also has an English website and a team working on gathering and releasing relevant Company information.
	Has the Company published and reported its annual financial statement within two months after the end of a fiscal year, and published and reported its financial statements for the first, second and third quarters, as well as its operating status for each month, before the specified deadline?	In 2023, the Company published and reported its annual financial statement within two months after the end of the fiscal year. It published and reported its first, second and third quarter financial statements before deadline, as well as its monthly operating status ahead of the target date.

Additional information

1. Employee rights

The Company's human resources policies comply with provisions prescribed under the law, such as the Labor Standards Act, in safeguarding employee rights.

2. Employee care

The Company provides different communication channels to facilitate communication within the firm. These include holding regular labor-management meetings to accommodate suggestions for improvement and conducting surveys to gather employee comments about the workplace and management practices.

3. Investor relations

The Company posts financial, operational and material information on its official website and MOPS in a timely manner to keep investors abreast of Company developments and strategies and, thus, maximize shareholders' interests.

4. Supplier relations

The Company holds procurement bids based on the "Procedures Governing Procurement" and suppliers deliver products in accordance with the contract.

5. Stakeholders' rights

To protect the interests of stakeholders, the Company has established various free and open communication channels to promote trust and corporate social responsibility.

6. Training programs for directors in 2023

Training program	Organization	Date	Hours	Participant(s)
Trends in sustainable development and governance*	Taipei Foundation of Finance	2023.02.15	3	Drina Yue
Board of Directors' role in fair treatment of customers and fighting money laundering	Taiwan Insurance Institute	2023.03.13	1.5	Richard M. Tsai
Regional revitalization and circular economy*	Taipei Foundation of Finance	2023.05.08	3	Drina Yue
Generative AI situation room – Flash foresight and identifying new business opportunities	Taipei Fubon Commercial Bank Co., Ltd.	2023.05.29	2	Daniel M. Tsai, Richard M. Tsai
Web3 – Development of crypto finance and the metaverse*	Greater China Financial and Economic Development Association	2023.06.08	3	Char-Dir Chung
AI thinking and digital transformation*	Greater China Financial and Economic Development Association	2023.07.12	3	Tong Hai Tan
Low-carbon transformation strategies for enterprises*	Greater China Financial and Economic Development Association	2023.07.17	3	Tong Hai Tan
How do directors supervise a company to ensure good risk and crisis management?*	Securities and Futures Institute	2023.08.08	3	Char-Dir Chung
Impact of carbon pricing on business operations*	Greater China Financial and Economic Development Association	2023.08.09	3	Hsueh-Jen Sung
Trends in sustainable development and governance*	Taiwan Insurance Institute	2023.08.16	1.5	Daniel M. Tsai

Training program	Organization	Date	Hours	Participant(s)
IFRS17: Disclosure requirements for financial statements, international accounting policy and business strategies*	Taiwan Corporate Governance Association	2023.08.16	3	Daniel M. Tsai
Fubon's anti-money laundering course: 1MDB – the world's biggest financial scandal	Independent Directors' Association Taiwan	2023.09.01	3	Daniel M. Tsai
Fair treatment of customers – Sustainable development of digital finance and consumer protection*	Independent Directors' Association Taiwan	2023.10.03	3	Hsi-Peng Lu, Jamie Lin
Generative AI – industrial revolution, opportunities and challenges*	Independent Directors' Association Taiwan	2023.10.06	3	Daniel M. Tsai, Richard M. Tsai, Hsi-Peng Lu
The application of AI and new technologies to enhance financial security*	Taiwan Academy of Banking and Finance	2023.10.16	1.5	Richard M. Tsai
Entering Web3: Onchain is the new Online*	Taiwan Corporate Governance Association	2023.10.21	3	Daniel M. Tsai, Hsueh-Jen Sung, Char-Dir Chung, Hsi-Peng Lu, Tong Hai Tan, Drina Yue, Jamie Lin
How do directors supervise a company to ensure good risk and crisis management?*	Taiwan Corporate Governance Association	2023.11.08	3	Frank Lin
Practical analysis of criminal responsibility in securities cases	Taiwan Corporate Governance Association	2023.12.19	3	Frank Lin
Latest developments and highlights in ESG for directors and supervisors*	Taiwan Corporate Governance Association	2023.12.19	3	Richard M. Tsai
The latest trends in and case studies of corporate governance and securities and exchange related regulations*	Taiwan Corporate Governance Association	2023.12.19	3	Richard M. Tsai

Note: The training hour requirements listed above have been fulfilled.

* Denotes courses that fall within the scope of risk management.

7. Corporate governance related training programs and succession plan for management in 2023

At the end of every year, the Company develops a training plan for the following year in accordance with enterprise development strategies, surveys of training needs and interviews with each group's senior executives. Training courses for senior executives are closely aligned with corporate strategies and global business trends. In 2023, the Company arranged training courses covering topics such as "Global economic trends and crucial issues," "Digital transformation and channel development," "Trends and business opportunities in the exploration of low-orbit satellites," sustainable development and corporate governance.

The Company has developed a succession plan for senior executives that is in line with corporate core values and future strategies. It evaluates the capability and performance of each executive on a regular basis and provides customized training programs, job assignments or job rotation accordingly. The progress of the succession plan is reviewed by the Remuneration and Nomination Committee.

In line with its strategic expansion into new business domains, the Company on May 8, 2023, appointed Eric Lin as vice president to take charge of the development of its e-commerce brand business. Following the acquisition of Taiwan Star, TWM appointed three senior executives, assigning distinct responsibilities for regulatory compliance, technical operations and information-centric businesses.

Training program	Organization	Date	Hours	Participant(s)
The Task Force on Climate-related Financial Disclosures (TCFD) workshop	In-house training	2023.02.08 ~ 2023.04.10	8	Iris Liu, Jay Hong
S&P global corporate sustainability assessment (CSA)	S&P Global	2023.03.16	1	Iris Liu
Global economic trends and crucial issues	In-house training	2023.03.17	2	Eddie Chan, C.H. Wu, Tony Lin, George Chang, Jay Hong, Steve Chou, Joan Hung, Shirley Chu, Kate Chen, Ming-Tung Wu, Luke Han, David Lin, Vincent Wu
Circular electronics partnership (CEP)	Global Enabling Sustainability Initiative (GeSI)	2023.04.13	1.5	Iris Liu
Legal risks and responses to corporate investment and financing – from the viewpoint of corporate directors' responsibilities	Taiwan Corporate Governance Association	2023.04.14	3	George Chang
Code of ethics	In-house training	2023.05.12 ~ 2023.12.21	0.3	C.H. Jih, Joan Hung, Eric Lin, Peter Pan, Shing Chu
The Taskforce on Nature-related Financial Disclosures (TNFD) workshop and analysis of results	In-house training	2023.05.30 ~ 2023.07.28	3.5	Iris Liu
Digital transformation and channel development	In-house training	2023.06.07	2.83	Jamie Lin, C.H. Wu, Luke Han, Joan Hung, Iris Liu, Vincent Wu, Eric Lin, George Chang, Jay Hong, Shirley Chu, Tom Koh, Ming-Tung Wu, Tony Lin, Steve Chou, Kate Chen
Corporate mergers and acquisitions regulations and practices	Taiwan Corporate Governance Association	2023.06.16	3	George Chang
Generative AI and responsible innovation	Chinese National Association of Industry and Commerce	2023.7.18	3	George Chang
The impact of carbon pricing on corporate operations	Greater China Financial and Economic Development Association	2023.08.09	3	George Chang
International sustainable accounting standards	In-house training	2023.09.20	3	Iris Liu, Shirley Chu
Fair treatment of customers – Sustainable development of digital finance and consumer protection	Independent Director Association Taiwan	2023.10.3	3	Jamie Lin

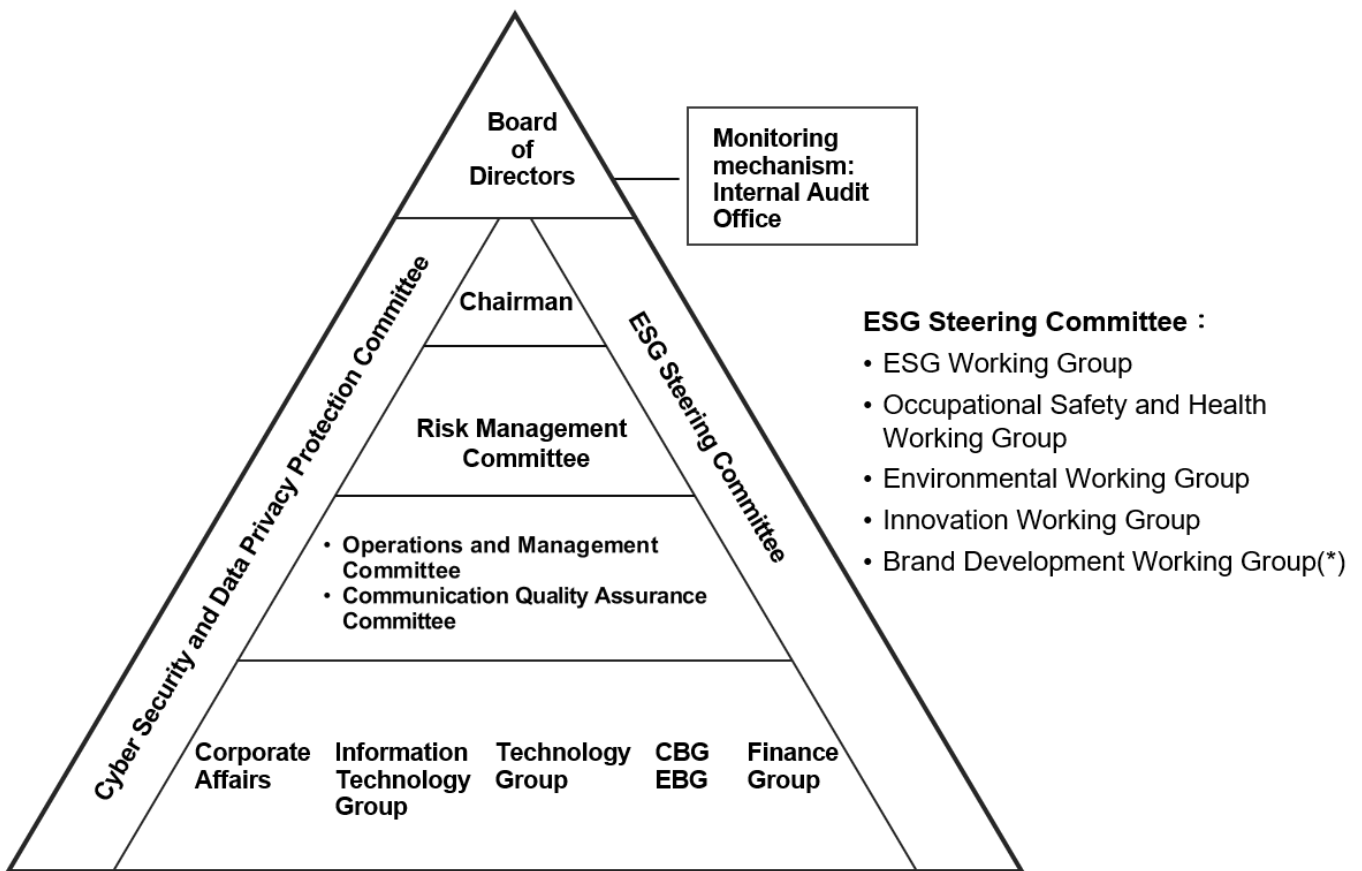
Training program	Organization	Date	Hours	Participant(s)
Generative AI – industrial revolution, opportunities and challenges	Independent Director Association Taiwan	2023.10.06	3	George Chang
Trends and business opportunities in the exploration of low-orbit satellites	In-house training	2023.10.20	2	Eddie Chan, C.H. Wu, George Chang, Jay Hong, Joan Hung, Shirley Chu, Ming-Tung Wu, Naomi Lee, David Lin, Vincent Wu
Entering Web3: Onchain is the new Online	Taiwan Corporate Governance Association	2023.10.21	3	Jamie Lin, Tom Koh, Eddie Chan, C.H. Wu, Rock Tsai, Tony Lin, George Chang, Naomi Lee
Ethical corporate management best practice principles	In-house training	2023.12.04 ~ 2023.12.25	0.13	Peter Pan, Shing Chu

8. Risk management

Risk management policies

- (1) Promote a risk management-based business model
- (2) Establish a risk management mechanism that can effectively cite, evaluate, supervise and control risks
- (3) Create a company-wide risk management structure that can limit risks to an acceptable or controllable level
- (4) Introduce best risk management practices and continue to seek improvements

Risk management structure



* Added as a working group based on a proposal by the ESG Steering Committee to the Board of Directors on Nov. 10, 2022.

The Company's risk management structure is made up of three levels of control mechanism, and a monitoring mechanism:

	Responsible unit	Function
Ground	Corporate Affairs, Information Technology Group, Technology Group, Consumer Business Group, Enterprise Business Group, Home Business Group, Finance Group	Risk factors are analyzed and assigned to responsible units to monitor and ensure timely and effective detection. Each unit shall ensure, on a daily basis, that risks are kept under acceptable levels. Should there be any changes in condition or other factors, the responsible unit shall report these to the Company for an appropriate course of action.
Middle	Risk Management Committee*	Integrate the Company's risk management framework and internal control mechanism. Execute risk management strategies and conduct a review of the efficiency of the overall risk management mechanism. Exercise control over the four following committees:
	1) Operations and Management Committee	Conduct periodic reviews of each business group's operating targets and performance to meet the Company's guidance and budget.
	2) Communication Quality Assurance Committee	Ensure and manage network communication quality.
	ESG Steering Committee	Establish a functional committee governance system, strengthen management functions, and commit to the implementation of corporate social responsibility and sustainable management.
	1) ESG Working Group	Integrate operations and core resources to promote the Company's ESG policies to move toward sustainable development.
	2) Occupational Safety and Health Working Group	Supervise and minimize potential risks to workers' health and safety.
	3) Environmental Working Group	Develop and manage the Company's policies and objectives for environmental and energy management.
	4) Innovation Working Group	Integrate the Company's innovation strategies and establish a management mechanism.
	5) Brand Development Working Group	Implement the brand spirit of "Open Possible" and build a seamless brand experience from the inside out through employee conduct, products and services, internal and external working environments, and marketing communications.
	Cyber Security and Data Privacy Protection Committee	Demonstrate the Company's commitment to these principles by investigating reported breaches of information privacy principles and policies, and, if necessary, take appropriate corrective measures.
Top	Board of Directors	Responsible for assessing material risks, designating actions to control these risks and keeping track of their execution.

	Responsible unit	Function
Monitoring mechanism	Internal Audit Office	Regularly monitor and assess potential and varying levels of risks that the Company might face and use this information as a reference for drafting an annual audit plan. Report any discrepancy to the concerned unit chief and ensure that remediation efforts are completed.

* The Board of Directors exercises control over the ESG Steering Committee and the Cyber Security and Data Privacy Protection Committee. In addition, the Chairman exercises control over the Risk Management Committee. If any major event or incident happens, the responsible unit shall report it to the Operations and Management Committee and corresponding Committee or Working Group to undertake any necessary measures.

Risk management scope

	Important risk factors	Responsible unit	Examining committee	Decision-making and supervision
1	Operating risks	Technology Group / IT Group	Operations and Management Committee	The highest decision-making body: Board of Directors
2	Market risks A. Competition B. New products C. Channel management D. Inventory management	CBG, EBG and HBG		
3	Credit and collection risks	Business Operations Management Division and Billing Management Division		
4	Government policies and regulatory compliance	Regulatory and Carrier Relations Division		
5	M&A and investments	President's Office		
6	Volatility of interest rates, exchange rates and financial risks	Finance Division		
7	Financing and endorsements / guarantees provided to others, derivatives transactions and working capital management	Finance Division		
8	Financial report disclosure and tax risk management	Accounting Division		
9	Litigious and non-litigious matters	Legal Office		
10	Changes in shareholding of directors and major shareholders	Secretarial Division		
11	Board meeting facilitation	Secretarial Division		
12	Employee behavior, code of ethics and conduct	Human Resources Division		
13	Corporate social responsibility risks and other emerging risks	Sustainability and Brand Development Division	ESG Steering Committee – ESG Working Group	

	Important risk factors	Responsible unit	Examining committee	Decision-making and supervision
14	Employee safety	Occupational Safety and Health Office and Administration Division	Occupational Safety and Health Working Group	
15	Risks related to privacy and information security	ICT and Personal Information Security Management Division	Cyber Security and Data Privacy Protection Committee	
16	Technology and maintenance risks	President's Office – Communication Quality Assurance Department	Communication Quality Assurance Committee	
17	Environmental and energy risks	Network Engineering Division	Environmental Working Group	
18	Innovation risk	CBG, EBG, HBG, Technology Group, IT Group, Sustainability and Brand Development Division	Innovation Working Group	

9. Implementation of customer policy

With customer service as a core value, the Company provides online customer services on its official website. To gain customers' trust, the Company established the 080 Home Agent to continue providing customer services during the COVID- 19 pandemic.

10. Liability insurance for board directors

The Company purchases annual liability insurance for its directors and reports the insurance coverage, amount and scope to the Board of Directors on a regular basis.

11. Employee certifications relating to information transparency

Certification	Number of Employees		
	Internal Audit Office	Corporate Affairs	Finance Group
Certified Public Accountant (CPA)			11
US Certified Public Accountant (US CPA)			3
Certified Internal Auditor (CIA)	3		2
Certified Information Systems Auditor (CISA)	2		
Chartered Financial Analyst (CFA)			2
Corporate governance basic skills			5
Stock affairs specialist (Securities and Futures Institute)			3
Bond specialist (Securities and Futures Institute)			1
ISO20000 / ISO22301 / ISO27001 / ISO27701 / ISO29100 / ISO9001 / BS10012 / BS25999/BS7799 Lead Auditor	11	7	11

Any internal evaluation or third-party assessment reports on corporate governance. If yes, specify results, major flaws or recommendations for improvements:

The Company participated in the "Corporate Governance Evaluation" conducted by the Taiwan Stock Exchange and Taipei Exchange, ranking among the top 5% listed companies for nine consecutive years.

Remuneration and Nomination Committee operations

The Remuneration and Nomination Committee, composed entirely of independent directors, is bound by the Remuneration and Nomination Committee Charter. The committee is responsible for the following:

- (1) Establishing a policy, system, standard and structure for directors' and managers' compensation and reviewing them periodically.
- (2) Deciding the compensation of directors and managers and carrying out periodic evaluations.
- (3) Selecting, assessing and nominating candidates for directorships.

Qualifications and independence criteria of members of the Remuneration and Nomination Committee

Title	Name	Professional qualifications and experience	Independence criteria	No. of public companies in which he or she also serves as a member of the Remuneration and Nomination Committee
Independent Director	Char-Dir Chung	Please refer to pages 26-30, "Qualifications and independence criteria of directors"		0
Independent Director	Hsueh-Jen Sung			0
Independent Director	Hsi-Peng Lu			2
Independent Director	Tong Hai Tan			0
Independent Director	Drina Yue			0

Remuneration and Nomination Committee attendance

- (1) The Remuneration and Nomination Committee consists of five members.
- (2) Tenure of the Fifth Remuneration and Nomination Committee: June 18, 2023 to June 17, 2026. The committee convened five times in 2023:

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
Independent Director	Char-Dir Chung	5	0	100%	None
Independent Director	Hsueh-Jen Sung	5	0	100%	None
Independent Director	Hsi-Peng Lu	5	0	100%	None
Independent Director	Tong Hai Tan	5	0	100%	None
Independent Director	Drina Yue	5	0	100%	None

- Any suggestions by the Remuneration and Nomination Committee that were not accepted or revised by the Board of Directors: None
- Any written objections or issues raised by a member of the Remuneration and Nomination Committee against resolutions passed by the committee: None

Meetings of Remuneration and Nomination Committee

Date	R&N Committee meeting	Agenda	R&N Committee's opinion	Company response
2023.01.11	11th meeting of the fourth R&N Committee	Results of a 2022 performance evaluation of managers/head of internal audit, and year-end bonus distribution	Approved as proposed	Approved by the BoD
		Corporate Development Office Compensation Plan structure proposal	Approved as proposed	Approved by the BoD
		2022 year-end bonus of the Chairman	Approved as proposed	Approved by the BoD
2023.02.24	12th meeting of the fourth R&N Committee	Report on the results of a 2022 performance evaluation of the BoD and functional committees	Approved as proposed	Approved by the BoD
		2022 remuneration distribution plan for BoD	Approved as proposed	Approved by the BoD
		2023 balanced scorecard goal setting for the President	Approved as proposed	Approved by the BoD

Date	R&N Committee Meeting	Agenda	R&N Committee's Opinion	Company Response
2023.05.03	13th meeting of the fourth R&N Committee	Severance pay proposal for manager	Approved as proposed	Approved by the BoD
		Appointment of a manager	Approved as proposed	Approved by the BoD
		Recommendation of a candidate for director of the 10th BoD	Approved as proposed	Approved by the BoD
2023.06.13	1st meeting of the fifth R&N Committee	Recommendation of a convener for the 5th Remuneration and Nomination Committee	Approved as proposed	Approved by the BoD
		Disciplinary action against managerial personnel	Approved as proposed	Approved by the BoD
2023.08.04	2nd meeting of the fifth R&N Committee	2022 employee profit sharing and mid-year bonus distribution plan and 2023 salary adjustment proposal for managers/head of internal audit	Approved as proposed	Approved by the BoD
		2022 annual compensation and 2023 salary adjustment proposal for the Chairman	Approved as proposed	Approved by the BoD

Meetings of ESG Steering Committee

1. The company's ESG steering Committee has six members.
2. Tenure of the second ESG steering Committee: June 13, 2023 to June 12, 2026. The Committee met twice in 2023.

Qualifications and attendance are as follows:

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
Convener	Daniel M. Tsai	2		100%	None
Member	Char-Dir Chung	1	1	50%	None
Member	Hsueh-Jen Sung	2		100%	None
Member	Hsi-Peng Lu	2		100%	None
Member	Tong Hai Tan	2		100%	None
Member	Drina Yue	2		100%	None

Environmental, social and corporate governance (ESG)

Item	Current practices
<p>Corporate governance</p> <p>1. Setting up a unit to carry out environmental, social and corporate governance (ESG) policy or system</p>	<p>1. The Sustainability Development Department was established under the Sustainability and Brand Development Division with dedicated personnel and an independent budget. It serves as the executive secretary of the ESG Steering Committee and the ESG Working Group, integrates related cross-department businesses, and plans and implements sustainability strategies and projects.</p> <p>The Corporate Social Responsibility Committee was set up in 2014 and renamed the ESG Steering Committee in 2021 with the BoD's approval. In 2022, the ESG Steering Committee was elevated to director-level status and the Chairman was appointed as convener, with five independent directors as members. The committee convenes at least twice a year to conduct a comprehensive review of the ESG Working Group, Environmental Working Group, Brand Development Working Group, Innovation Working Group and Occupational Safety and Health Working Group, as well as all decisions involving ESG. Key agendas undergo rigorous tiered reviews and meticulous checks to ensure policies are carried out from top to bottom, while execution plans are formulated and reported bottom-up.</p> <p>A total of two ESG Steering Committee meetings and four ESG working group meetings were held in 2023, and 17 proposals were passed. Important proposals forwarded to the BoD included the TCFD report and Net Zero and renewable energy strategies.</p>
<p>2. Applying the materiality principle to identify material ESG topics, and setting corresponding policies or strategies</p>	<p>2. The ESG materiality boundaries were defined based on the nature of TWM's operations. In 2023, 24 topics concerning sustainability were selected by applying the materiality principle after researching international trends, referring to world-class corporates, holding stakeholder forums, and analyzing questionnaires from TWM's official website. Specifically, the Company prioritized topics that were more vital to its operations, concerned stakeholders more, and in which the Company had a higher impact on society and the environment. The material topics were confirmed by the ESG Working Group.</p>

Item	Current practices
<p>Environmental sustainability</p> <p>1. Establishing an environmental management system in line with the nature of the Company's business operations</p>	<p>1. The Environmental Management Committee was formed in 2016, and renamed the Environmental Working Group in 2022, with the CTO serving as the chairperson, and the Sustainability and Brand Development & PR VP as the vice chairperson. It was tasked with developing environmental policies and objectives, as well as integrating the administration of ISO 14001 environmental management, ISO 14064-1 greenhouse gas inventories, ISO 50001 energy management, renewable energy, biodiversity conservation and smart energy conservation. The committee meets semi-annually to assess the Company's progress in reducing electricity and water consumption, as well as waste and carbon emissions, to meet its goal to lower GHG emissions and promote renewable energy, and to report back to the ESG Working Group, the ESG Steering Committee and the Board of Directors.</p> <p>The Company conducts ISO 14001, ISO 14064, and ISO 50001 verifications every year, and obtains corresponding certificates. The scope of the inspection is as follows:</p> <ul style="list-style-type: none"> (1) ISO 14001: Telecommunications and cable TV operations, covering Taipei New Horizon headquarters, Cloud IDC, Taipei 480 Ruiguang Building, Taipei Dunnan Building, Kaohsiung Hsin Ya's main computer room, Kaohsiung Po Ai Building, Taichung Peiping Building and momo Cable TV Building. (2) ISO 14064: Office buildings, computer rooms, base stations and directly operated stores of Taiwan Mobile (including Taiwan Mobile Foundation), Taiwan Digital Service, Taiwan Teleservices & Technologies, Taiwan Fixed Network, TFN Media and its broadcasting channels, Win TV Broadcasting, Taiwan Kuro Times Co., Ltd, Taipei New Horizon Co., Ltd. and Tai Hsin Insurance Agent. (3) ISO 50001: Taipei Guangdian Building, Cloud IDC and two directly operated stores.

Item	Current practices
<p>2. Promoting advanced and efficient use of renewable resources to reduce their impact on the environment</p>	<p>2. In March 2022, TWM officially joined RE100. The Company has set renewable energy targets of 11% by 2025, 35% by 2030 and 60% by 2035, and plans to invest billions of NT dollars in green energy and low-carbon initiatives by 2042. Actions taken in 2023 were as follows:</p> <p>(4) Promoted smart carbon reduction stores: Launched next-generation stores in 2023, introduced electronic price tags, saved on labor costs, reduced paper printing, and cut carbon emissions by approximately 2,923 kilograms; simultaneously implemented store temperature control, lighting replacement, adjusted the lighting time of sign lights and promoted 86% paperless billing.</p> <p>(5) Formulated a Declaration on Biodiversity Conservation and Zero Deforestation. TWM has set high standards to underline its commitment: In the event of residual impact, it would make maximum compensation based on the principle of Net-Zero losses and join key value chains in protecting the environment.</p> <p>(6) Improved energy efficiency: TWM uses big data to analyze customer usage behavior, allowing for dynamic adjustments to telecommunications equipment loading. The Company has also implemented various smart energy-saving construction methods, optimized air-condition usage and intelligently manage water cooler operations to enhance power efficiency. Using digital cloud tools, TWM also offers one-stop ESG solutions from carbon inventory to reduction that can help a single enterprise cut its emissions by up to 280 metric tons. These include its TWCC Taiwan AI cloud platform commercial service with Taiwan Web Service Corp, which can save up to 48% on energy; Smart IT housekeeping service for cloud machine rooms to help enterprises remotely manage machine rooms, save energy and reduce carbon emissions.</p> <p>(7) Extended product life cycle: To promote a circular economy, TWM offers mobile phone and tablet recycling and accepts donations to extend the lifespan of 3C devices. The Company has since 2015 accepted 100,000 trade-ins of used devices for new ones, including 40,000 phones in 2023 alone, up 273% from the previous year, extending the life cycle of smartphones and creating NT\$740 million in economic benefits. From 2022 to 2023, working with seven non-profit organizations, the Company collected 463 second-hand devices, which it refurbished and donated to children in remote areas to narrow the digital gap.</p>

Item	Current practices
<p>3. Evaluating climate change risks and opportunities for the Company and taking action</p>	<p>3. On October 6, 2023, the Company published its first Task Force on Climate-Related Financial Disclosures report using the Intergovernmental Panel on Climate Change's (IPCC) sixth assessment report (AR6) to calculate the short, medium and long-term financial impact and perform a cost analysis under the scenario of limiting global warming to 1.5°C.</p> <p>Governance The Environmental Working Group oversees identifying and managing climate change risks and opportunities, reporting climate and environmental risk issues to the Risk Management Committee on a regular basis in accordance with the Company's risk management system. Relevant mitigation and adaptation projects are assessed and approved by the committee. In addition, the Risk Management Committee reports company risks (including climate risks) to the Board of Directors on an ad hoc basis, allowing the board to supervise and provide guidance on formulating relevant strategies.</p> <p>Risk management TWM targets five major climate risks (cap/emissions trading, carbon tax, mandatory declaration, product efficiency regulations and standards, and renewable energy regulations) and five major opportunities (market development funding sources, energy-saving buildings, adaptation and solutions, participation in renewable energy projects, and upstream or supply chain resource efficiency), carrying out in-depth assessments of the intensity, scope, timing and financial impact of various climate change risks on the Company and undertaking management response.</p> <p>Financial impact assessment Select and evaluate the financial impact of five major risks (transformation risks) on the Company</p> <ol style="list-style-type: none"> (1) Carbon emissions control: Y35 excess carbon emissions payment – cash equivalent would be NT\$8.53 million (2) Carbon tax: Highest carbon tax expenditure in Y40 would be NT\$565 million (3) Mandatory declaration: Failure to declare on time in Y50 would result in a fine of NT\$112 million (4) Purchasing product efficiency – domestic and international compliance and standards: If found non-compliant in Y50, the financial impact would be NT\$14.68 billion (5) Renewable energy regulations: Reaches RE100 in Y40, with investment in renewable energy hitting NT\$4.37 billion. <p>In addition, extreme rainfall due to climate change is used as the hazard level, and flooding and landslides caused by extreme rainfall are used as the vulnerability level. Exposure level is based on the 1,104 locations of the Company's assets and suppliers; vulnerability level is based on government information to determine the scope and extent of the disaster and conduct an assessment of the physical risks and financial impact of each location.</p> <p>Strategic objectives Based on the financial impact analysis results, four core strategies were established:</p> <ol style="list-style-type: none"> (1) Strengthen climate-related financial impact disclosures (2) Boost smart energy conservation at its base stations (3) Procure green electricity (4) Invest in green energy

Item	Current practices												
<p>4. Statistics on GHG emissions, water consumption and waste, and formulation of environmental sustainability policies</p>	<p>4. The Environmental Working Group formulates environmental goals and strategies in accordance with the Environmental and Energy Management Policies, holds meetings every six months to review the implementation of policies relating to electricity and water conservation, waste and carbon reduction, and renewable energy, and track their progress.</p> <p>Results of the 2023 environmental management action plan:</p> <ol style="list-style-type: none"> (1) Electricity savings: Reduced power consumption by 3.01% (estimated value) from 2016 levels, surpassing its target of 1%. (2) Water conservation: Lowered water consumption by 7.5% (estimated value) from 2017 levels, better than its target of 6%. (3) Waste reduction: Cut non-recyclable waste by 23.7% (estimated value) from 2016 levels, surpassing its target of 19%. (4) Renewable energy application: Renewable energy accounted for 5% of total electricity consumption; performance utilization rate was 5.96% (estimated value). (5) Carbon reduction: Joined RE100 in 2022 and committed to using 100% renewable energy by 2040 and achieve net zero by 2050. On August 23, 2023, TWM became the first company in Asia to have its 1.5°C-aligned science based targets to reach net zero emissions by 2050 validated by SBTi. <p>Statistics on water consumption, waste, and energy consumption for 2022-2023 are detailed below:</p> <table border="1" data-bbox="639 931 1417 1077"> <thead> <tr> <th>Category</th> <th>2022</th> <th>2023**</th> </tr> </thead> <tbody> <tr> <td>Water consumption (m³)</td> <td>294,821</td> <td>302,907</td> </tr> <tr> <td>Waste (mt)*</td> <td>1,165</td> <td>1,597</td> </tr> <tr> <td>Energy consumption (MJ)</td> <td>2,111,863,235.95</td> <td>2,229,026,855.68</td> </tr> </tbody> </table> <p>* The amount of waste in 2022 was adjusted retrospectively.</p> <p>**The main reasons for the increase in 2023 compared to 2022 are the continuous growth of business operations and the recovery of business travel and employee commuting after the pandemic.</p> <p>The above-mentioned content has been externally confirmed by ISAE 3000, and corresponding certificates have been obtained. The scope of the investigation is the same as the boundary and scope of the 2023 sustainability report.</p>	Category	2022	2023**	Water consumption (m ³)	294,821	302,907	Waste (mt)*	1,165	1,597	Energy consumption (MJ)	2,111,863,235.95	2,229,026,855.68
Category	2022	2023**											
Water consumption (m ³)	294,821	302,907											
Waste (mt)*	1,165	1,597											
Energy consumption (MJ)	2,111,863,235.95	2,229,026,855.68											
<p>Commitment to corporate socialresponsibility</p> <p>1. Complying with domestic and international labor laws to safeguard and uphold the rights of workers, following a non- discriminatory hiring policy, and establishing appropriate management practices, procedures and execution</p>	<p>1. Pursuant to related national regulations, including the Labor Standards Act, Employment Services Act, Gender Equality in Employment Act and International Bill of Human Rights, the Company has never employed child workers, discriminated against any employee or ethnic group, or forced its employees to work.</p>												

Item	Current practices
<p>2. Establishing reasonable employee benefits measures (such as remuneration and leave policy) and linking company performance to employee compensation</p>	<p>2. The Company offers a well-rounded benefits package. Our Employee Welfare Committee is responsible for planning and implementing various benefits, including general benefits, birthday allowance, holiday vouchers, cafeteria benefit, staff clubs activities, childbirth allowance, childcare subsidy, free group insurance coverage for employees and their spouses, an employee stock ownership trust, high subsidies for phone bills, discounts on Company products and a tenure reward program. The Company offers maternity leave, sick leave and bereavement leave that surpass requirements stipulated in Taiwan's labor law. Moreover, the Company provides paid volunteer leave, flexible working hours, and work-from-home as an option.</p> <p>The Company values the importance of diversity and equality in the workplace. It has continuously educated its employees about the value of diversity and resisting unconscious bias in order to build an inclusive workplace. Employee compensation, benefits, promotion, training and other rights are not affected by gender, sexual orientation, marriage status, etc. Women comprise 48.4% of the Company's workforce and 48.0% of its management. The proportion of women in top management positions is 33.9%.</p> <p>Year-end bonuses and employee profit sharing plans are set based on the Company's performance. The Company's compensation policy is to reward employees commensurate with their performance. Evaluation meetings are held at the end of the year for supervisors and staff to discuss their performance over the past year and set objectives for the following year, including core functions and corporate sustainable development. Performance is graded based on employees' fulfillment of annual objectives and accordingly rewarded with bonuses and/or salary increases.</p>
<p>3. Providing employees with a safe and healthy working environment, as well as regular training on safety and health education</p>	<p>3. The Company aims to provide a safe and healthy working environment for employees and has implemented measures to promote employee health and mental well-being. The company hasn't fire incidents in the year and will continue to implement existing regular inspections and emergency response management measures. It also conducts periodic evaluations of the working environment and programs on promoting workers' safety and health education. Related information on employee safety and health is posted on the Company's intranet.</p>
<p>4. Developing individual training plans for career development</p>	<p>4. The Company conducts a survey of employees' career development plans and supervisors provide feedback to all employees. Based on individual key job achievements, career interests, strengths and weaknesses, supervisors help their staff draw up individual development plans during the annual performance review to give them systematic guidance on enhancing their skills and abilities for career development. From new recruits to top executives, the Company provides different training programs to meet employees' needs at different stages in their career.</p>

Item	Current practices
<p>5. Complying with relevant regulations and international standards on marketing and labeling of products and services</p> <p>6. Establishing a policy on supplier management, requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, and labor rights</p>	<p>5. TWM's mobile base stations were constructed in accordance with relevant laws and regulations and passed base station electromagnetic checks by the National Communications Commission, having fully complied with the International Commission on Non-Ionizing Radiation Protection standards.</p> <p>The Company holds ISO/IEC 27001 Information Security Management System and BS 10012 and ISO 27701 Privacy Protection Management System certifications. It established an Information Communication and Personal Information Privacy Security Committee, which has invested a lot of resources to comply strictly with various management and control requirements. Every six months, the Company conducts internal and external audits to ensure management quality.</p> <p>The Company abides by the Consumer Protection Law and the Fair Trade Law, and conducts internal legal reviews before launching new marketing ads.</p> <p>The Company has provided a variety of service channels for customers to submit complaints or suggestions to provide them with world-class mobile services. The Company has passed the Swiss SGS Qualicert service verification for 12 consecutive years.</p> <p>6. TWM believes that ethics serves as the moral foundation of a well-managed enterprise. To promote a fair and just system, the Company set up an open procurement system to select suppliers and requires that all suppliers comply with the "Environmental and Occupational Health and Safety Policy for Contractors" and "Guidelines on Corporate Social Responsibility for Suppliers." Should a supplier break its social responsibility and adversely impact the environment and society, the Company has the right to suspend its account.</p> <p>(1) TWM does not use any product from conflict material/product suppliers.</p> <p>(2) TWM requests its suppliers investigate their supply chains to ensure that no products are from conflict areas.</p>
<p>Has the Company issued ESG reports that have been verified by an independent third-party assurance organization?</p>	<p>In 2014, TWM became the first telecommunications company in Taiwan to receive ISAE 3000 external assurance certification, using more stringent standards to examine the quality and credibility of report disclosures.</p> <p>The ESG report issued in 2023 was commissioned by the independent and credible KPMG Taiwan based on the Accounting Research and Development Foundation of the Republic of China's Assurance Standards Bulletin No. 3000 (equivalent to ISAE 3000). In addition, this annual report continues to disclose relevant ESG information in accordance with the Sustainable Accounting Reporting Standards (SASB).</p>

The Company's ESG policy and practices fully comply with the ESG Best Practice Principles for TWSE/GTSM Listed Companies

The Company values integrity above all, and has seamlessly integrated ESG considerations into the operating strategy, management system and daily activities of all departments. The Company's Corporate Social Responsibility (CSR) policy was officially adopted by the Board of Directors in January 2011, and the CSR Code of Practice was established in January 2015. In 2022, as part of ongoing efforts to enhance the Company's commitment to sustainable development and align with international ESG trends and practices, the Board of Directors approved a significant update. The CSR Policy and CSR Code of Practice were revised and transformed into the Corporate Sustainable Development Policy and Code of Practice for Corporate Sustainable Development. These revised guidelines serve as the overarching principles for the Company's long-term promotion of ESG considerations. The new approach places a strong emphasis on improving corporate governance, prioritizing stakeholder engagement, and providing comprehensive and transparent disclosures. The Company's core technologies and services within the industry serve as a strategic foundation for putting ESG principles into action across various areas, including environmental protection and social welfare.

Additional information on ESG-related matters:

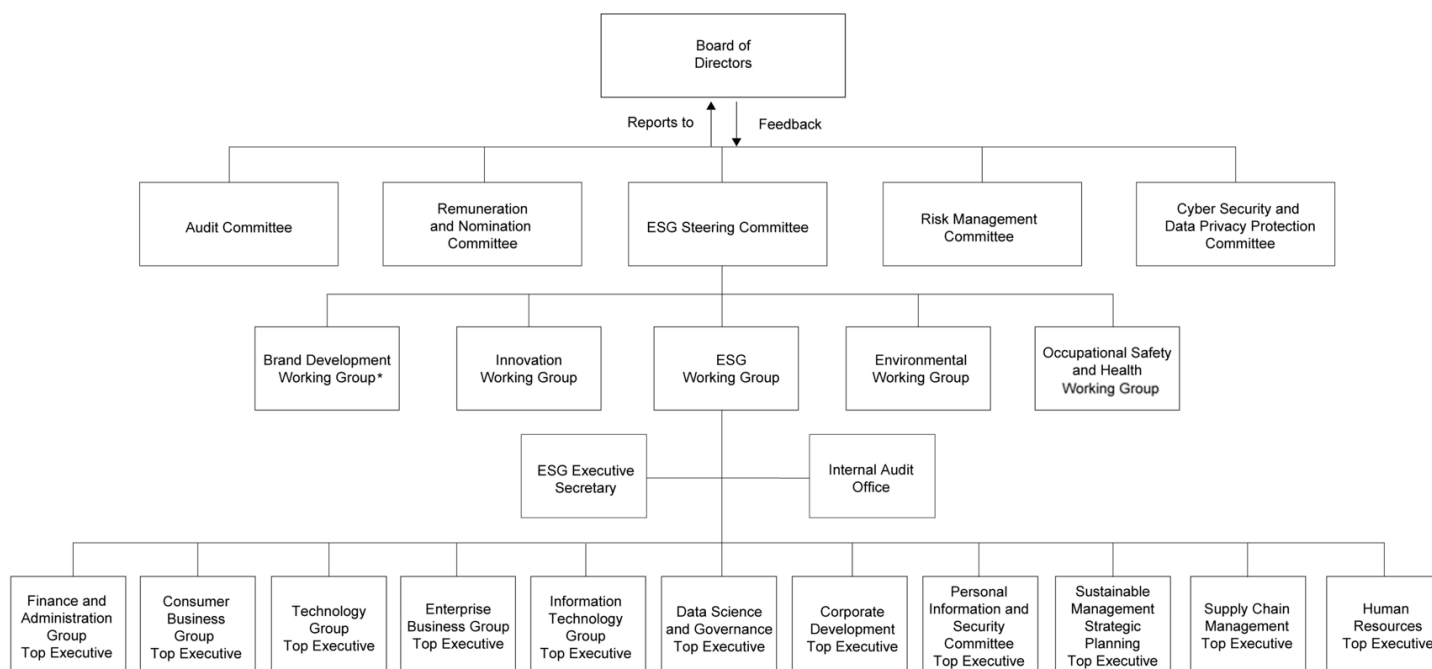
1. Meetings of ESG Steering Committee

(1) The company's ESG steering Committee has six members.

(2) The term of the second ESG steering Committee: June 13, 2023, to June 12, 2026. The Committee met twice in the most recent (2023) year. The qualifications and attendance situation of the members are as follows:

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
convener	Daniel M. Tsai	2	0	100	None
member	Char-Dir Chung	1	1	50	None
member	Hsueh-Jen Sung	2	0	100	None
member	Hsi-Peng Lu	2	0	100	None
member	Tong Hai Tan	2	0	100	None
member	Drina Yue	2	0	100	None

2. TWM officially completed its acquisition of Taiwan Star on December 1, 2023. The merger would minimize duplication in infrastructure deployment, leading to annual energy savings of 100 million to 200 million kilowatt-hours. This should have a significant impact on efforts to combat global warming. Notably, TWM was the first telecom operator in Asia to successfully pass the SBTi 2050 net zero path review, aligning with the goal of limiting the temperature rise to 1.5°C. As for the social responsibility, TWM employs advanced technology for detection and prevention. This includes initiatives such as anti-fraud services, including identifying fake web pages and apps, blocking fraudulent calls, issuing international roaming voice warnings, and providing secure call hidden code services. These measures are in place to safeguard user information security and leverage technology to protect people. In terms of governance, in 2022, TWM took the pioneering step of elevating the ESG Steering Committee to the level of the Board of Directors. The chairman personally serves as the convener, and five independent directors serve as members to supervise all aspects of ESG decision-making and enhance the Company's sustainable governance. Furthermore, the ESG performance of senior managers is linked to their compensation. TWM's leaders actively lead ESG practices, and all employees are encouraged to become "green collar" vanguards, actively participating in the Company's sustainability efforts.



* Added as a working group on Nov. 10, 2022

Information of climate-related implementation

Item	Current practices
<p>1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management:</p>	<ol style="list-style-type: none"> 1. Board of Directors: Conduct an annual review and oversee climate risks and opportunities facing the Company. 2. ESG Steering Committee: Composed of the board chairman, who serves as the convener, and five independent directors, the committee meets twice a year to oversee all aspects of ESG-decision-making, including climate risks and strategic opportunities, and reports to the Board of Directors. 3. Risk Management Committee: The board chairman or the designated proxy serves as chairperson of the committee, while the top executive of each risk management area is a committee member. The committee meets once every six months to evaluate and approve relevant mitigation and adjustment measures in accordance with the risk control mechanism, and reports risks (including climate-related) to the Company to the ESG Steering Committee and the Board of Directors as needed. 4. Environmental Working Group: The Chief Technology Officer is the chairperson, and the top sustainability officer is the deputy chairperson. The group meets semi-annually to identify and manage climate-change risks and opportunities in accordance with the Company's risk management system, and reports climate risk trends and issues to the Risk Management Committee. 5. ESG Working Group: The President serves as the vice chairperson, and the top executive of each business group is a member. The working group meets four times a year to conduct research on international climate risk trends and provide feedback on the latest risk trends to the Environmental Working Group.

Item	Current practices
<p>2. Describe how the Company identifies climate-related risks and opportunities and their short-, medium- and long-term impact on its business, strategy and finances:</p> <p>3. Describe the financial impact of extreme climate events and actions taken:</p> <p>4. Describe how the identification, assessment and management processes of climate risks are integrated into the Company's overall risk management system:</p>	<ol style="list-style-type: none"> 1. Participants in the TCFD workshop were grouped according to the nature of their business, and followed the TCFD framework to identify climate risks. Thirty-six climate risks and 22 opportunities in the value chain were analyzed for their impact, scope, timing and likelihood of occurrence. 2. Establish a matrix of climate risks and opportunities and classify the impact level of the matrix as moderate-to-high or higher, and the probability as possible or higher. Report the assessment results of the identification and ranking of climate risks and opportunities, and response plans. 3. Discuss and identify significant climate risks (including cap and trade, carbon tax, mandatory declaration, product efficiency regulations and standards and renewable energy regulations) and opportunities (including developing funding sources, energy-efficient buildings, adaptations and solutions, participation in renewable energy projects, and production processes) that directly/indirectly impact the Company in the short, medium and long term, and input management measures. <p>For details on the impacts on the Company's business, strategy and finances, please refer to the TCFD report.</p> <ol style="list-style-type: none"> 1. Transition risk analysis: Assess the potential financial impact and the management measures taken by the Company under three scenarios – Taiwan's Net Zero pathway, the Intergovernmental Panel on Climate Change's (IPCC) SSP1-1.9 pathway and the Science-Based Targets initiative's net zero (SBT-NZ) pathway. 2. Physical risk analysis: Evaluate the physical risks using four climate models (RCP2.6, RCP4.5, RCP6.0 and RCP8.5), taking extreme rainfall due to climate change as the hazard level, flooding, landslides and mudslides caused by extreme rainfall as the vulnerability level, and the locations of self-owned assets and suppliers' operations as the exposure level. 3. Please refer to TWM's TCFD report for information on the impact of transition and physical risks on the Company's finances. <p>For details on the process of incorporating climate risk identification and assessment into enterprise risk management, please refer to Chapter 3.1.3 Risk Management.</p>

Item	Current practices
<p>5. When using scenario analysis to assess resilience to climate change risks, list the scenario, parameters, assumptions, analysis factors and primary financial impacts:</p>	<p><u>Transition scenario analysis</u></p> <p>TWM used three scenarios – Taiwan’s Net Zero, SSP1-1.9 and SBT-NZ – and the temperature targets set in SSP1-1.9, SSP1-2.6, and SSP2-4.5, supplemented by international industry trend reports, to determine the risks and opportunities that climate change would have on the Company. To better address the positive and negative impacts of five major climate risks (cap and trade, carbon tax, mandatory declaration, product efficiency regulations and standards, and renewable energy regulations) and five major opportunities (developing funding sources, energy-efficient buildings, adaptations and solutions, participation in renewable energy projects, and supply chain resource efficiency), the Company conducted an in-depth assessment of the impact of the intensity, scope and timing of each climate change risk on the Company’s finances, and has taken corresponding management measures.</p> <p><u>Physical scenario analysis</u></p> <p>TWM analyzed physical risks based on the hazard caused by extreme rainfall due to climate change; vulnerability to flooding, landslides and debris flow; and location exposure. Four climate models – RCP2.6, RCP4.5, RCP6.0, and RCP8.5 – were used to gauge hazard levels; vulnerability was analyzed based on government-published maps, including scope and degree of disaster; and exposure was measured based on the location of 1,104 of TWM’s own assets and those of its suppliers. The results showed that over 300 premises face flooding risks, one is vulnerable to debris flow, and two are at risk of landslides.</p> <p><u>Financial impact of physical risks</u></p> <p>The analysis of Company-owned assets showed that 200 operating sites face one or more potential disasters, i.e., 116 stores, 78 machine rooms and 6 offices. Meanwhile, 131 of its suppliers are located in areas at risk of flooding. Disasters would increase the Company’s operating costs and losses. To minimize impacts from flooding, landslides and debris flow, the Company is boosting investment, allocating more human resources and enhancing prevention measures.</p> <p>For details on the results of the analysis, see TWM’s TCFD report.</p>

Item	Current practices
<p>6. If there is a transition plan to address climate-related risks, list details of the plan, including the indicators and objectives used to identify and manage physical risks and transition risks:</p>	<p><u>Metrics and Targets</u></p> <p>TWM established an ISO14064 greenhouse gas (GHG) inventory mechanism, ISO 5001 energy management system and ISO 14001 environmental management system. It employs four core strategies to manage climate change-related risks and opportunities. Apart from conducting inventories for GHG Scope 1, 2 and 3 emissions, it has also set short-, medium- and long-term reduction targets for GHG emissions and prioritizes increasing the proportion of green energy usage.</p> <ul style="list-style-type: none"> ● Based on the SBTi carbon reduction requirement, the Company has calculated and estimated the relevant indicators of climate mitigation and adaptation: With 2019 as the base year, the absolute reduction of emissions would be 30% for Scope 1 and 2 and 15% for in Scope 3 in 2030. In 2023, TWM once again passed the SBTi review for its 2050 Net Zero target. With 2022 as the base year, the reduction of emissions would be 42% for Scope 1 and 2 and 25% for in Scope 3 in 2030, and net zero emissions would be achievable by 2050. ● TWM has committed to 100% total renewable energy use by 2040 and Net Zero emissions by 2050. <p><u>Response measures for self-owned assets</u></p> <ul style="list-style-type: none"> ● Zero to low-risk sites: Focus on maintaining the premises, draft emergency plans and risk management measures to ensure employee safety and protect company assets, and consider further weatherproofing buildings and strengthening risk management systems. ● Medium-risk sites: Strengthen maintenance of the premises by closely monitoring disaster potentials. For premises facing risks of landslides, response measures include strengthening slope stabilization measures, assessing buildings' structural safety, and strengthening risk management. For premises at risk of flooding, response measures include raising the foundation, improving drainage systems, and strengthening risk management. ● High-risk sites: Avoid setting up operations in such areas unless necessary or relocate to a medium- or low-risk site. For premises facing risks of debris flow or landslides, response measures include strengthening slope stabilization measures, assessing building structural safety assessment, and strengthening risk management. For premises at risk of flooding, response measures include raising the foundation, improving drainage systems, and strengthening risk management. <p><u>Response measures for suppliers</u></p> <ul style="list-style-type: none"> ● Low-risk sites: Continue to work with the suppliers, while requiring them to bolster disaster prevention measures, including improving drainage systems and repairing floodbanks to cope with extreme weather events. ● Medium-risk sites: Continue to work with the suppliers, while raising their awareness about potential risks due to climate change by assisting them in understanding potential disaster trends and strengthening prevention measures, such as stepping up regional monitoring and installing early warning systems, to cope with extreme weather events.

Item	Current practices
	<ul style="list-style-type: none"> High-risk sites: Implement more proactive disaster prevention measures. In addition to improving drainage systems and building structures and raising disaster awareness, consider incorporating disaster risk-related supporting measures and a compensation for damage system to reduce potential impacts and damages. The remaining 307 premises have zero risk, but efforts to strengthen basic protection and regular maintenance should continue. TWM should also make dynamic adjustments through its annual review of supplier risks. <p>For more information, see TWM's TCFD report.</p>
7. If internal carbon pricing is used as a carbon emission reduction tool, list the basis for setting prices:	TWM does not use internal carbon pricing.

8. When setting climate-related goals, specify the activities covered, scope of GHG emissions, timetable, annual progress toward achieving these goals, etc. If carbon offsets or renewable energy certificates (RECs) are used to achieve such goals, the sources and quantities of carbon offsets exchanged or the number of RECs should be disclosed.

Greenhouse gas reduction targets, strategies and action plans are as follows:

Targets for GHG reductions	Science-based targets (SBT) for carbon reduction	2023 performance	2024 plan
Short-term 2023	Scope 1 and 2 reduced by 5.3% compared with 2022 carbon emissions	Increased by 1.46% YoY	Scope 1 and 2 reduced by 10.5% compared with 2022 carbon emissions
	Scope 3 reduced by 7.5% compared with 2020 carbon emissions	Reduced by 19.7% YoY	Scope 3 reduced by 10% compared with 2020 carbon emissions
Mid-term 2030	Scope 1 and 2 reduced by 42% compared with 2022 carbon emissions	For the mid-term 2030, TWM would increase usage of renewable energy (RE100 plan) and improve energy and fuel efficiency	
Long-term 2050	Scope 1, Scope 2 and Scope 3 achieve net zero emissions	For the long-term 2050 target, TWM would adopt multiple projects to achieve net zero, such as, direct air capture, bioenergy with carbon capture utilization and storage, and nature-based solutions	

Since adopting the ISO14064-1 standard in 2012, TWM has had its GHG inventories undergo third-party verification annually to ensure data quality. The primary source of emissions is electricity (98%), with the remaining sources including company vehicles, generators, refrigerants, fire extinguishers, and septic tanks.

Greenhouse gas inventory scope: Office buildings, telecommunications room, base stations and directly operated stores of Taiwan Mobile Co., Ltd. (including Taiwan Mobile Foundation), Taiwan Digital Services Co., Ltd., Taiwan Teleservices & Technologies Co., Ltd., Taiwan Fixed Network Co., Ltd., Taiwan Fixed Network Media Co., Ltd. and its subsidiaries, Win TV Broadcasting Co., Ltd., Taiwan Kuro Times Co., Ltd., Taipei New Horizon Co., Ltd., Taihsin Property Insurance Agent Co., Ltd. In addition, 16 new subsidiaries were included in the scope of inspection in 2023: TWM Holding Co., Ltd., TCC Investment Co., Ltd., Tai-Fu Cloud Technology Co., Ltd., Global Forest Media Technology Co., Ltd., Global Wealth Media Technology Co., Ltd., TFN Union Investment Co., Ltd., Global Wealth Media Technology Co., Ltd., TCCI Investment and Development Co., Ltd., Taiwan Cellular Co., Ltd., Wealth Media Technology Co., Ltd., TWM Venture Co., Ltd., Taiwan Mobile Film Co., Ltd., Taiwan Stampede Franchise Film Co., Ltd., Fu Sheng Digital Co., Ltd., TWM Power Co., Ltd., and FullSynergy New Retail Co., Ltd.

Greenhouse gas inventory (scope1 & Scope2)

Category	2020	2021	2022	2023 ¹
Scope1(tons-CO2e)	5,558.37	6,177.80	5,331.63	6,098.4759
Scope2(tons-CO2e)-Location base	235,146.95	269,124.54	282,140.61	285,603.6986
Scope2(tons-CO2e)-Market base	235,146.95	269,124.54	282,096.83	285,523.5086
Scope1 & Scope2(tons-CO2e)-Location base	240,705.32	275,302.34	287,472.24	291,702.1745
Scope1 & Scope2(tons-CO2e)-Market base	240,705.32	275,302.34	287,428.46	291,621.9845
Emission intensity = total carbon emissions-location base/combined revenue (ton-CO2e /NTD million) ²	3.55	3.92	3.99	3.94

Note:

1. Used the 2022 emissions factor for electricity issued by the Bureau of Energy under the Ministry of Economic Affairs to calculate Scope 2 carbon emissions for 2023.
2. Consolidated revenue does not include revenue of momo.

9. The GHG emissions in the consolidated financial reports of the company and its subsidiaries in the past two years are as follows :

The inventory of GHG emissions in year 2023 has been verified and meeting the requirements of ISO 14064-1:2018 with SGS. The level of assurance agree is that of 「reasonable assurance」.

Verified scope		FY 2022		FY 2023	
		Total Emissions (metric tons of CO2e)	Intensity (metric tons of CO2e/NT\$ million)	Total Emissions (metric tons of CO2e)	Intensity (metric tons of CO2e/NT\$ million)
Taiwan Mobile Co., Ltd.	Scope1	3,690.25	/	4,561.40	/
	Scope2	246,040.81		251,696.66	
	Subtotal	249,731.06		256,258.07	
Subsidiaries	Scope1	1,641.38		1,537.07	
	Scope2	36,056.02		33,826.84	
	Subtotal	37,697.40		35,363.92	
Total		287,428.46	4.18	291,621.98	3.94

Ethical corporate management

Item	Current practices
<p>1. Establishing a policy on ethical corporate management:</p> <p>(1) Has the Company established an ethical management policy approved by the Board of Directors, and clearly stated, in the regulations and external documents, the policies and practices of ethical management, and the commitment of the Board of Directors and senior management to actively implement the management policy?</p> <p>(2) Has the Company established a mechanism for assessing risks of unethical conduct, regularly analyzing and evaluating business activities with a higher risk of unethical conduct, and formulating a plan to prevent unethical conduct, and at least covering the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies' precautionary measures in Article 7(2)?</p> <p>(3) Has the Company set up a system, including operational guidelines, reporting system and punishment for violations, to prevent dishonest behavior, as well as reviewed the aforementioned guidelines periodically and amended them as needed?</p>	<p>(1) The Company has promulgated its Ethical Corporate Management Best Practice Principles to establish its ethical management policy. Its formulation and amendments were approved by the Board of Directors, submitted to the shareholders' meeting, and disclosed on the corporate website and MOPS to declare the commitment of the board and senior management to implementing the policy.</p> <p>(2) (i) The Operating Rules of Ethical Corporate Management Principles provide specific regulations on matters that warrant the Company's special attention in conducting its business. The Audit Office regularly analyzes and evaluates business activities with a high risk of dishonest behavior by conducting annual risk assessments, and makes audit plans to ensure compliance.</p> <p>(ii) The Company avoids contact with dubious traders. Contracts signed with third parties specify compliance with ethical corporate management practices and, failing that, the Company reserves the right to terminate or rescind the contract.</p> <p>(3) (i) The Operating Rules of Ethical Corporate Management Principles prohibit directors, managers, employees and other mandataries of the Company from directly or indirectly offering, promising to offer, requesting or accepting any improper benefits, or committing unethical acts that contravene the principle of good faith, are illegal or a breach of fiduciary duty.</p> <p>(ii) Employees and suppliers are required to sign a Declaration of Integrity or Declaration of Integrity in Business Conduct to ensure that they fully understand the Company's determination to enforce ethical management and the consequences of behaving in a dishonest manner.</p> <p>(iii) The Audit Office shall periodically notify senior management and the Legal Office of the auditing results of compliance with the prevention plan, and prepare an audit report for the Board of Directors.</p>

Item	Current practices
<p>2. Implementation of ethical corporate management</p> <p>(1) Has the Company avoided transactions with parties that have a record of dishonest behavior, stipulating in all contracts what constitute unacceptable behavior?</p> <p>(2) Has the Company established a dedicated unit to promote ethical corporate management under the supervision of the Board of Directors and regularly (at least once a year) report to the board its management policy and implementation?</p> <p>(3) Has the Company set up policies to prevent conflicts of interest and provide channels to report such conflicts?</p> <p>(4) Has the Company built an effective accounting system and internal control system to carry out ethical corporate management, and has the internal auditor set up relevant audit plans based on the results of assessments of risks of dishonesty and compliance with the prevention plan, or delegated the task to an accountant?</p> <p>(5) Has the Company conducted regular internal and external training courses on ethical corporate management?</p>	<p>(1) The Company provides “Guidelines on Corporate Social Responsibility for Suppliers” and requires all suppliers to sign a “Declaration of Ethical Corporate Management”, which states that suppliers must not engage in bribery; otherwise, the Company has the right to suspend their accounts and terminate or rescind their contracts any time.</p> <p>(2) (i) The Internal Audit Office and functional committees were established under the Board of Directors to supervise and audit the practices and implementation of the Company’s ethical corporate management policy. In addition, the Legal Office, which reports directly to the President, is responsible for executing the policy, setting up guidelines to prevent dishonest behavior and reporting to the Board of Directors at least once a year to ensure the implementation of the highest guiding principles for ethical management.</p> <p>(ii) To implement the ethical corporate management policy and prevent unethical conduct, the Company has set up Ethical Corporate Management Best Practice Principles and Operating Rules of Ethical Corporate Management Best Practice Principles.</p> <p>(3) (i) The Company has promulgated policies to prevent conflicts of interest. If there is any proposal that might be harmful to the interest of the Company, board directors who have conflicts of interest with the Company shall recuse themselves from discussing or voting on the issue. Any board director, manager, employee or mandatary must not use his/her position or influence in the Company to obtain improper benefits for himself/herself or any other person.</p> <p>(ii) Any breach of ethical corporate management practices can be reported via email or fax hotline to the Company.</p> <p>(4) (i) The Company has established an effective accounting system and internal control system. In addition, the Audit Office regularly analyzes and evaluates business activities with a high risk of dishonest behavior through annual risk assessment processes and sets up an audit plan and checks its execution, then reports the findings to the board on a periodic basis.</p> <p>(ii) The Company periodically delegates independent accountants to audit its financial statements and to verify the effectiveness of its internal control system.</p> <p>(5) The Company promotes the importance of Ethical Corporate Management Best Practice Principles to directors, managers, employees and appointees on an annual basis to help them fully understand the need to comply with such practices. The Company also conducts related training courses (such as compliance with integrity management regulations, preventing insider trading and money laundering, and protecting trade secrets and personal information) upon request to strengthen colleagues' awareness. From January 1, 2023 to February 22, 2024, a total of 3,406.6 training hours were held, with 13,988 participants.</p>

Item	Current practices
<p>3. Reporting ethical violations</p> <p>(1) Has the Company established a reporting and incentive system to facilitate the processing of complaints and assigned a person or unit to deal with the cases?</p> <p>(2) Has the Company set up investigation and confidentiality procedures?</p> <p>(3) Has the Company protected whistle-blowers from harm?</p>	<p>(1) The Company has established procedures for dealing with complaints about employees or suppliers, with the Internal Audit Office tasked with handling the cases.</p> <p>a) Supplier complaints can be filed with the Internal Audit Office in written form or via fax to (02) 6636- 1600.</p> <p>b) Employee complaints can be sent to a designated internal e-mail account.</p> <p>(2) The Internal Audit Office must immediately launch an investigation upon receipt of a complaint and ensure that the name and identity of the complainant are kept confidential.</p> <p>(3) The Internal Audit Office must be objective and fair in its investigation. It must report the results of its investigation directly to a higher supervisor and ensure that the whistle-blower is not harmed.</p>
<p>4. Has the Company strengthened information disclosure by posting related information on ethical corporate management and promoting its effectiveness on the Company's website and MOPS?</p>	<p>The Company has posted its Ethical Corporate Management Best Practice Principles on its website and MOPS. Its annual report and 2023 ESG Report further shed light on its execution and enhanced corporate transparency.</p>
<p>5. Has the Company promulgated its own ethical corporate management principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies? If yes, describe the differences between the principles and current practices: No difference.</p>	
<p>6. Other important information to facilitate understanding of the Company's implementation of ethical corporate management practices:</p> <p>(1) The Company's electronic procurement system mandatorily requires suppliers to sign a Declaration of Integrity in Business Conduct every year; otherwise, they are not allowed to participate in the bidding process.</p> <p>(2) To improve its ethical corporate management policy, the Company regularly monitors local and international developments of relevant ethical corporate management standards to keep its Ethical Corporate Management Best Practice Principles and Operating Rules of Ethical Corporate Management Principles up to date.</p>	

Corporate governance rules and procedures

The Company has implemented a number of rules and procedures to enhance its corporate governance practices: Corporate Governance Best Practice Principles, Audit Committee Charter, Remuneration and Nomination Committee Charter, ESG Steering Committee Charter, Rules and Procedures Governing Board of Directors' Meetings, Rules and Procedures Governing Shareholders' Meetings, Regulations Governing Internal Material Information, Procedures Governing Applications to Suspend or Resume Trading, Code of Ethics, Ethical Corporate Management Best Practice Principles, Corporate Sustainable Development Policy, Corporate Sustainable Development Guidelines and Standard Operating Protocols for Responding to Requests from Directors. With these efforts, not only does the Company's corporate governance mechanism comply with Taiwan's Securities and Exchange Act, it also adheres to the highest international standards. The aforementioned charters and rules are available on the Company's website: www.taiwanmobile.com.

Additional information on corporate governance operations:

Corporate governance principles

- Timely disclosure of material information
- Checks and balances between the board and management
- Independent directors should comprise at least 40% of the board: Current ratio is 56%
- Audit Committee was established to ensure fair and independent financial oversight
- Remuneration and Nomination Committee was established to bolster corporate governance practices, promote a sound compensation system for directors and managers, and select candidates for directorships
- ESG Steering Committee was established to promote the implementation of corporate social responsibility and sustainable operations
- Adoption of a high cash dividend payout policy
- Shareholders' rights are guaranteed with the right to vote on all proposals at the annual general meeting or through an electronic voting system
- Strict compliance with the Code of Ethics and Ethical Corporate Management Best Practice Principles, and establishment of an internal audit mechanism

To ensure that employees, managers and directors promote information transparency and timely disclosure, the Company holds annual training sessions to familiarize employees with the Regulations Governing Internal Material Information and has incorporated them into its internal control system to avoid insider trading risks.

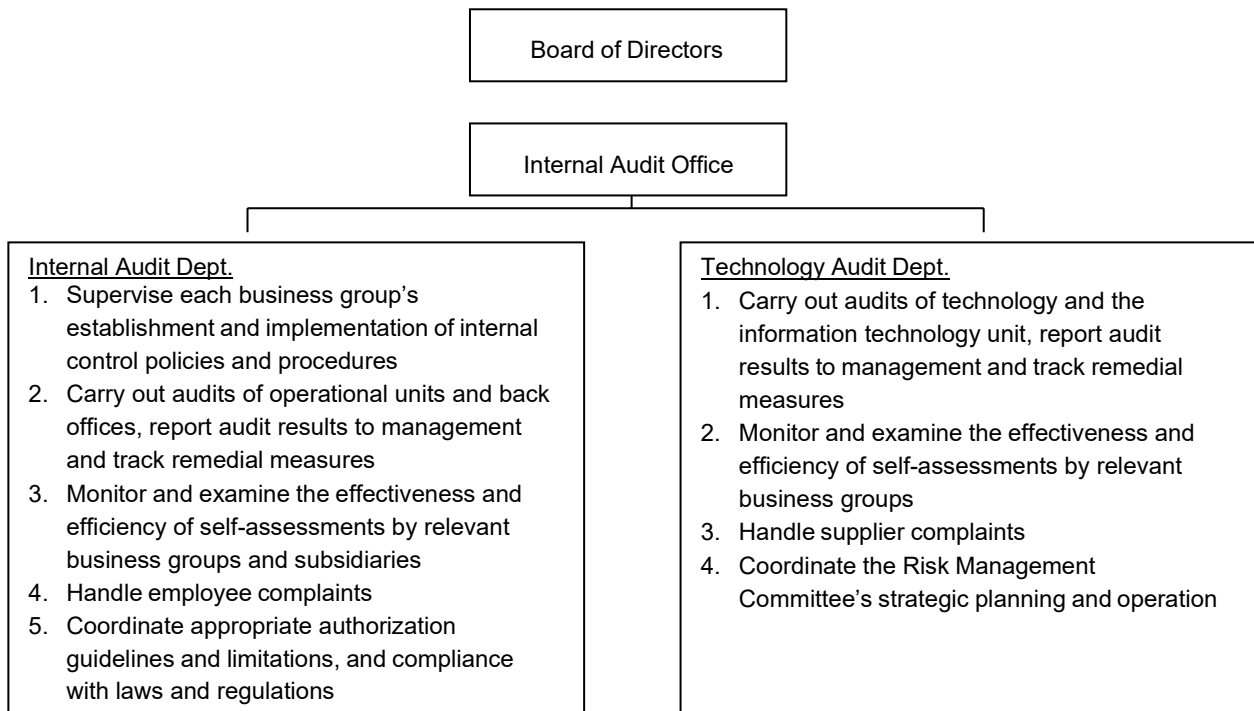
Internal control system

1. Internal control mechanism

The Internal Audit Office is an independent unit with designated personnel who report directly to the Board of Directors.

- It is responsible for the examination and assessment of the internal controls of the Company's financial, sales, operations and management departments. All departments, including those of the subsidiaries, are subject to its audit.
- Regular internal audits are executed according to an annual audit plan. Special audit projects are implemented as needed. These audits enhance internal control and provide timely recommendations for future improvements.
- In accordance with corporate governance, audit reports are submitted on a regular basis and reviewed by the Chairman, as well as presented to the Audit Committee and the Board of Directors by the Chief Internal Auditor.
- The Internal Audit Office also examines the mechanisms and results of self-evaluations by departments and subsidiaries to ensure strict implementation. In addition, it generates and consolidates related inspection reports for the President and the Board of Directors to evaluate the overall efficiency of existing internal control systems before generating an internal control system statement.

There are 12 dedicated internal audit staff members, including one supervisor in charge of the Internal Audit Office, whose responsibilities are detailed below:



2. Has the Company delegated CPAs to review its internal audit system and issued an audit report? No.

3. Internal control statement

Internal Control Statement

Date: January 30, 2024

Taiwan Mobile (TWM) states the following with regard to its internal control system for the year 2023:

1. TWM is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management. TWM has established such a system to provide reasonable assurance in achieving objectives related to the effectiveness and efficiency of operations (including profits, performance and safeguarding of assets), reliability of financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. An effective internal control system, no matter how perfectly designed, can provide only a reasonable assurance in the accomplishment of the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in the environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms and the Company takes corrective actions as soon as a deficiency is identified.
3. TWM evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Bureau, the Financial Supervisory Commission and the Executive Yuan (herein referred to as the "Regulations"). The internal control system evaluation criteria stated in the Regulations classify internal control into five key elements based on the process of management control: (1) Control environment, (2) Risk assessment and response, (3) Control activities, (4) Information and communications, and (5) Monitoring. (Please refer to the Regulations for details on these five key elements.)
4. TWM has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the third paragraph, TWM believes that as of December 31, 2023, its internal control system (including its supervision of subsidiaries), which encompasses internal controls to achieve effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and is reasonably assured of achieving the above-stated objectives.
6. This statement will form a major part of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement has been passed by the TWM Board of Directors' Meeting on January 30, 2024, where all the nine attending directors did not express any dissenting opinion and affirmed the content of the same.

Taiwan Mobile Co., Ltd.



Daniel M. Tsai
Chairman



Jamie Lin
President

Violation of regulations and internal policies: None.

Major resolutions at the shareholders' and board meetings

1. Major resolutions at the 2023 shareholders' meeting

Issues approved and subsequent execution:

- (1) 2022 business report and financial statements
- (2) Distribution of 2022 earnings and cash return from capital surplus
Execution: Ex-dividend date was set for July 8, 2023, and cash payment of NT\$4.3 per share on July 26, 2023.
- (3) Election of the 10th Board of Directors (including five independent directors)
Directors: Fu-Chi Investment Co., Ltd. (Representatives: Daniel M. Tsai, Richard M. Tsai and Chris Tsai)
TCCI Investment and Development Co., Ltd. (Representative: Jamie Lin)
Independent Directors: Hsueh-Jen Sung, Char-Dir Chung, Hsi-Peng Lu, Tong Hai Tan and Drina Yue
Execution: Approved by the Ministry of Economic Affairs on July 3, 2023, the result was published on the Company's website.
- (4) Removal of non-competition restrictions for the newly elected 10th Board of Directors
Execution: Published on MOPS on June 13, 2023.

2. Major resolutions by the board (from 2023 up to the publication date in 2024)

1. 18th meeting of ninth BoD on January 11, 2023
 - (1) Approved the 2023 capital expenditure plan and donations to related parties
2. 19th meeting of ninth BoD on February 24, 2023
 - (1) Approved the 2022 business report and financial statements
 - (2) Approved the adjustment of the stock swap ratio for the acquisition of Taiwan Star Telecom Co., Ltd.
 - (3) Approved the issuance of unsecured straight corporate bonds
 - (4) Approved the schedule for the 2023 Annual General Meeting
 - (5) Approved a proposal to participate in the NT\$3.1bn new share issue of 100%-owned TWM Venture Co., Ltd.
 - (6) Approved the acquisition or disposal of right-of-use assets
3. 20th meeting of ninth BoD on May 3, 2023
 - (1) Approved the 2022 earnings distribution proposal and cash return from capital surplus
 - (2) Approved the 1Q23 financial statements
 - (3) Approved the supplementary reasons for convening the 2023 annual general meeting
 - (4) Approved the acquisition or disposal of right-of-use assets
4. 1st meeting of the 10th BoD on June 13, 2023
 - (1) Approved the re-election of Mr. Daniel M. Tsai as chairman.
 - (2) Appointment of members to the company's Audit Committee, Remuneration and Nomination Committee and ESG Steering Committee
5. 2nd meeting of the 10th BoD on August 4, 2023
 - (1) Approved the 2Q23 financial statements
 - (2) Approved capex budget additions in 2023
 - (3) Approved the adjustment of the stock swap ratio in the merger with Taiwan Star Telecom Co., Ltd.
 - (4) Approved the acquisition or disposal of right-of-use assets
6. 3rd meeting of the 10th BoD on September 15, 2023
 - (1) Approved a cash injection of NT\$15 million into KKCompany Technologies Inc.
7. 4th meeting of the 10th BoD on November 14, 2023
 - (1) Approved the 3Q23 financial statements
 - (2) Approved the removal of non-competition restrictions for executives
 - (3) Approved the acquisition or disposal of right-of-use assets