

Chunghwa Telecom Company, Ltd. Supplier Code of Conduct

Chunghwa Telecom Company, Ltd. (hereinafter, CHT) has long been concerned with social responsibility, environmental protection, business ethics, and operating and management issues. Therefore, we require our suppliers to practice the "CHT Supplier Code of Conduct" (hereinafter, the "Code") in their daily business. CHT's suppliers must provide a healthy and safe working environment, ensure workers respect each other, enjoy dignity and fairness, and follow professional ethics standards. Under any circumstances, when providing products or services for CHT, they shall honor the commitment of abiding by the law, complying with moral requirements, and being responsible for society and the environment.

The Code is formulated based on the Responsible Business Alliance Code of Conduct (RBA Code of Conduct) while referring to the UN Guiding Principles on Business and Human Rights and other generally accepted international human rights regulations, including the ILO Declaration on Fundamental Principles and Rights at Work and UN Universal Declaration of Human Rights. The Code applies to all suppliers, contractors, subcontractors, and service providers that provide CHT's products or services; suppliers of CHT's subsidiaries and affiliated companies are also encouraged to follow the Code.

CHT requires suppliers to abide by the provisions and regulations of the Code and comply with the laws and regulations of the countries and regions where they operate. At the same time, CHT's suppliers shall encourage their downstream suppliers, contractors, and service providers to recognize and adopt the Code. Meanwhile, through communication, evaluation, audit, and benchmarking, they shall continue to improve and create value for key stakeholders.

Suppliers' incompliance with the Code or unwillingness to cooperate with CHT's supplier ESG evaluation, audit, and conflict minerals due diligence may result in the termination of the business relationship with CHT. Suppliers' compliance with the Code will be one of CHT's considerations when making procurement decisions.

The Code consists of five parts. Parts A, B, and C outline labor, health and safety, and environmental standards, respectively; part D provides standards related to business ethics; part E outlines the elements required for a proper management system to implement the Code.

A. Labor

Suppliers shall commit to upholding and respecting the human rights of workers by internationally accepted standards. This applies to all workers, including temporary workers, migrant workers, student workers, contract workers, and direct employees. The Code has been compiled with reference to generally accepted standards, which are also a useful source of additional information.

Labor standards:

1. Forced labor

Using forced, bonded (including indebted), indentured labor, involuntary or exploitative prison labor, and slavery or human trafficking is prohibited. This includes using intimidation, coercion, threats, kidnapping, or deception to transport, harbor, recruit, deploy, or receive workers to obtain labor or service. In addition to prohibiting unreasonable restrictions on employee dormitories or living areas (where applicable), workers' freedom of movement shall not be unreasonably restricted within the workplace, including worker dormitories or living quarters, where applicable. As an integral part of the recruitment process, all workers must be provided with an employment agreement written in their native language, describing the terms and conditions of the employment. Foreign workers must be provided with an employment agreement before leaving the country of origin. Upon arrival in the receiving country, the employment agreement may only be replaced or changed if such changes are made to comply with local legal requirements and to provide the same or better terms. All work must be voluntary, and workers can leave their jobs freely at any time. Suppose workers notify in advance by the labor contract. In that case, they can terminate the employment relationship without penalty. Employers, agents, and sub-agents must not withhold or otherwise destroy, conceal, or confiscate employees' identification cards or immigration documents, such as government-issued identification documents, passports, or work permits. Employers may only withhold documents if required by law. Under these circumstances, employees cannot be denied access to their records at anytime. Workers shall not be asked to pay recruitment fees or other costs associated with their employment to an employer's agent or sub-agent. If a worker is found to have paid any such charges, such costs shall be refunded to the worker concerned.

2. Child labor

No one under the age of 15, or the age of compulsory education, or the minimum

age for work in the country/region, whichever is the oldest, shall be employed. Suppliers shall implement appropriate mechanisms to verify the age of workers; this shall not apply to legitimate workplace learning programs that comply with all laws and regulations. Workers under 18 may not perform work that may endanger their health or safety, including night shifts or overtime. Suppliers shall ensure proper student labor management by maintaining appropriate student records, rigorously auditing education partners, and safeguarding students' rights by applicable laws and regulations. Suppliers shall provide proper support and training to all student workers. In the absence of local law, student workers, interns, and apprentices shall be paid at least equal to other entry-level employees performing the same or similar work. If child labor employment is found, assistance must be provided, and remedial measures must be undertaken.

3. Working hours

According to relevant research on business practices, lower productivity, higher turnover, and increased injuries and illnesses are significantly associated with worker fatigue. Therefore, working hours shall not exceed the maximum hours permitted by local law. Except in emergency or special circumstances, the number of working hours per week (including overtime) shall not exceed 60 hours. All overtime must be voluntary, and workers shall be allowed at least one day off every seven days.

4. Wages and benefits

Wages paid to workers shall comply with all relevant remuneration laws, including laws about minimum wages, overtime, and mandatory benefits. According to local regulations, overtime wages for workers shall be higher than regular hourly wages. Withholding wages as a disciplinary measure is prohibited. In each pay cycle, workers shall promptly receive a concise wage slip containing sufficient information to verify that the wages paid to workers are accurate. Temporary, dispatch and outsourced workers must be hired by local laws.

5. Humane treatment

Avoid harsh or inhumane treatment of employees, including any form of gender-based violence, sexual harassment, sexual assault, corporal punishment, mental or physical coercion, bullying, public humiliation, and verbal abuse; threatening to engage in any such conduct is also forbidden. Relevant disciplinary policies and procedures must be explicitly defined and communicated to employees.

6. No discrimination / no harassment

Suppliers shall commit to providing a workplace free from harassment and unlawful discrimination. Suppliers shall not discriminate or harass employees based on race, color, age, gender, sexual orientation, gender identity and expression, race or ethnicity, disability, pregnancy, creed, political affiliation, group background, veteran status, protected genetic information or marital status, etc. during recruitment and actual work, and thus affecting their wages, promotions, rewards, training opportunities, etc. Employees shall be provided with appropriate places to practice their religion. In addition, employees or prospective employees must not be subjected to discriminatory medical tests (including pregnancy or virginity tests) or physical examinations. The Code is in line with International Labor Organization (ILO) Convention No. 111 [Discrimination (Employment and Occupation) Convention].

7. Freedom of association

By local laws, suppliers shall respect the rights of all employees to form and participate in trade unions of their choice, to bargain collectively, and to participate in peaceful assemblies. They shall also respect the rights of employees to refrain from such activities. Employees and/or their representatives shall be able to communicate openly with management and share their opinion and concerns about working conditions and management practices without fear of discrimination, retaliation, intimidation, or harassment.

B. Health and safety

Suppliers shall be aware that, in addition to minimizing work-related injuries and illnesses, a safe and healthy working environment helps contribute to the quality of products and services, production stability, and employee loyalty and morale. Suppliers shall also recognize that ongoing investment in employees and employee education is critical to identifying and addressing health and safety issues in the workplace. In drafting the Code, reference was made to generally accept management systems (such as ISO 45001 and ILO Guidelines on Occupational Safety and Health Management Systems), which are also valuable sources of additional information.

Safety and health standards:

1. Occupational safety

Identification, including the elimination of hazards, use of alternative processes or

materials, control by proper design, implementation of engineering and administrative rules, preventive maintenance and safe operating procedures (including lockout-tagout systems), ongoing occupational health and safety knowledge training, etc., shall be done through the principle of hierarchical control to identify, assess and mitigate health and safety hazards in the workplace (such as chemical, electrical and other energy sources, fire, transport vehicles, and fall hazards or accidents), so as not to endanger workers. Suppose risks cannot be effectively controlled through the methods mentioned above. In that case, employees shall be provided with suitable and well-maintained personal protective equipment, as well as education about these hazards and related risks. Reasonable measures must also be taken to keep pregnant and breastfeeding women away from highly hazardous work environments to eliminate or mitigate all occupational health and safety risks they are exposed to (including those associated with their assigned work) and provide reasonable housing for breastfeeding women.

2. Emergency Preparedness

Potential emergencies and incidents shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including emergency reporting, employee notification and evacuation techniques, employee training, and drills. Emergency drills must be conducted at least once a year or as required by local law, whichever is stricter. Emergency plans shall also include appropriate fire detection and fire-extinguishing equipment, unobstructed emergency exits, adequate escape facilities, contact information for emergency personnel, and recovery plans. These plans and procedures shall focus on minimizing hazards to life, the environment, and property.

3. Work injury and occupational disease

Procedures and systems shall be in place to prevent, manage, track, and report workplace injuries and occupational diseases, including provisions for encouraging employee reporting; categorizing and recording work injury and occupational disease cases; providing necessary treatment; investigating cases and taking corrective actions to eliminate their root causes; and assisting employees to return to work.

4. Industrial hygiene

The impact on employees due to exposure to chemical, biological, and physical factors shall be identified, evaluated, and controlled according to the principle of hierarchical control. If any potential hazards are identified, the supplier shall seek opportunities to eliminate or lower the likelihood of the risk occurring. Suppose a threat

cannot be eliminated or mitigated. In that case, it shall be eliminated or controlled through appropriate design, engineering, and administrative measures. Where these measures are not effective in preventing hazards, appropriate and well-maintained personal protective equipment shall be provided free of cost for employees to use. The protection plan shall be operating continuously and shall include educational material on the risks associated with these hazards.

5. Physical labor work

Hazards caused by heavy physical labor shall be identified, assessed, and controlled, including manual handling of materials or repeated lifting of heavy objects, prolonged standing, and highly repetitive or high-intensity assembly work.

6. Machine Guarding

The safety hazards of production equipment or other types of machinery shall be assessed. Physical guards, interlocks, and barriers shall be installed and properly maintained to prevent potential injury to workers from machinery.

7. Public health and accommodation

Workers shall be provided with clean toilet facilities, clean drinking water, clean cooking utensils, food storage facilities, and cutlery. Worker dormitories provided by suppliers or labor intermediaries shall be kept clean and safe. Furthermore, appropriate emergency exits, hot water for bathing, adequate lighting, heating and ventilation, separate and secure places for storing personal items and valuables, and proper and easily accessible private spaces shall also be provided. For infectious diseases, suppliers shall develop and implement plans to take reasonable precautions and prevent and respond to possible infectious disorders among workers.

8. Health and safety communication

Suppliers shall provide workers with appropriate occupational health and safety information and training in their native language or a language they understand so that they can identify all workplace hazards to which they are exposed, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety-related information shall be posted at the workplace or locations where workers can easily see and access it. Regular training shall be provided to all workers before and after commencing work. Employees shall be encouraged to raise health and safety concerns and protected from retaliation.

9. Natural disaster risk mitigation

Suppliers shall understand the natural disasters encountered in factory locations, such as earthquakes, droughts, floods, and typhoons, and evaluate the possibility and severity of personal injury, property damage, and business interruption. According to the evaluation results, the risks of natural disasters shall be mitigated by establishing physical protection, developing contingency procedures, training and drills, and implementing emergency plans.

C. Environment

Suppliers shall recognize that environmental protection responsibility is integral to producing world-class products. Suppliers shall identify environmental impacts and minimize adverse impacts on communities, the environment, and natural resources, as well as safeguard the health and safety of the public. In drafting the Code, reference was made to generally accepting management systems (such as ISO 14001 and Eco-Management and Audit System, EMAS), which are also useful sources of additional information.

Environmental standards:

1. Environmental permits and reports

All required environmental permits (such as discharge monitoring), approvals, and registrations shall be obtained, maintained, and updated from time to time. The operational and reporting requirements of the permits shall be complied with.

2. Pollution prevention and resource efficiency elevation

Emissions and discharges of pollutants and waste generation shall be minimized or eliminated at the source or through practices (such as adding pollution control equipment; improving production, maintenance, and facility procedures; or other methods). Saving of natural resources (including water, fossil fuels, minerals, and primary forest products) consumption shall be practiced through methods such as improvement of production, maintenance and facility procedures, substitution of materials, reuse, conservation, and recycling.

3. Harmful substances

Chemicals, waste, and other substances that pose a hazard to humans or the environment shall be identified, labeled, and managed to ensure their safe handling, transport, storage, use, recycling, or reuse and disposal.

4. Solid waste

Suppliers shall implement systematic measures to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

5. Exhaust emissions

Before discharging volatile organic chemical substances, sprays, corrosive substances, suspended particles, ozone-depleting substances, and combustion by-products generated during operation, they shall be characterized, routinely monitored, controlled, and treated as required. Ozone-depleting substances shall be effectively

managed by the Montreal Protocol and applicable regulations. Suppliers shall also routinely monitor the performance of the exhaust emission control system.

6. Material restrictions

Suppliers shall comply with all applicable laws, regulations, and customer requirements to prohibit or restrict the incorporation of certain substances in products and manufacturing processes (including recycling and disposal labels).

7. Water resource management

Suppliers shall implement a water management plan to record, classify, and monitor water resources, use, and discharge; seek opportunities to conserve water; and control contamination channels. All wastewater shall be characterized, monitored, controlled, and treated as required before discharge or disposal. Suppliers shall conduct routine monitoring of the performances of wastewater treatment and control systems to ensure their optimal conditions and compliance with regulatory requirements.

8. Energy consumption and greenhouse gas emissions

Suppliers shall establish company greenhouse gas reduction targets. Energy consumption and all relevant scope 1 and 2 greenhouse gas emissions shall be tracked, recorded, and publicly reported vis-à-vis the greenhouse gas emission reduction targets. Suppliers shall seek ways to improve energy efficiency and minimize energy consumption and greenhouse gas emissions to the greatest extent.

9. Land conservation, preservation of forests, and biodiversity

Suppliers shall follow the principle of not conducting illegal development and illegally setting up operating bases in areas covered by virgin forests, areas with high conservation value, essential nature reserves, biodiversity-sensitive areas, and wetlands. Suppliers shall also avoid having commercial activities and bases adjacent to essential nature reserves or biodiversity-sensitive areas. If there is an impact on the natural ecology, mitigation actions (avoid, reduce, restore, offset) shall be taken to achieve net zero losses. Suppliers shall avoid operating activities that destroy protected forests and species in any way and shall not use threatened and endangered species listed by the International Union for Conservation of Nature (IUCN) in their products and services. To protect forests and areas with high conservation value, products or services shall not be purchased from any value chain partners that directly or potentially lead to deforestation. Suppliers shall encourage value chain partners to adopt the same principles to avoid or mitigate biodiversity damage and deforestation-related risks and jointly support the promotion of sustainable agroforestry, biodiversity, afforestation, or restoration of natural ecosystems.

D. Code of ethics

To fulfill social responsibilities and succeed in the market, suppliers and their agents must uphold the highest ethical standards, including:

1. Ethical management

The highest standards of integrity shall be observed in all business interactions. Suppliers shall adopt a zero-tolerance policy to prohibit any form of bribery, corruption, extortion, and embezzlement.

2. No improper gain

Bribes or improper gains shall not be promised, offered, approved, given, or accepted. This prohibition includes promising, offering, agreeing, sharing, or accepting anything of value (whether directly or indirectly through a third party) with anticipation to obtain or retain business, transfer business to another person, or obtain an improper gain. Monitoring, record keeping, and enforcement procedures shall be in place to ensure compliance with anti-corruption laws.

3. Disclosure of information

All business transactions shall be transparent and accurately recorded in the suppliers' accounting and business records. Information regarding participation in labor, health and safety, environmental protection activities, business activities, organizational structure, financial situation, and performance shall be disclosed by applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of supply chain conditions or procedures is not allowed.

4. Intellectual property rights

Intellectual property rights shall be respected; technology and production knowledge shall be transferred to protect intellectual property rights; and customer and supplier data must be protected.

5. Fair dealing, advertising, and competition

Standards of fair dealing, advertising, and competition shall be adhered to.

6. Identity protection and no retaliation

Unless prohibited by law, suppliers shall have procedures in place to protect supplier and employee whistleblowers (anyone who exposes the wrongdoing of company employees, directors, public servants, and government agencies) and to ensure the

confidentiality and anonymity of their identities. Suppliers shall also have communication procedures that allow employees to voice their concerns without fear of retaliation.

7. Responsible for sourcing minerals

Suppliers shall formulate policies and conduct due diligence on the sources and supply chains of tantalum, tin, tungsten, and gold in the components of their manufactured products to ensure that their sources comply with the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or equivalently recognized due diligence.

8. Privacy

Suppliers shall commit to reasonably protect the personal data and privacy of anyone with whom it does business, including suppliers, customers, consumers, and employees. Suppliers shall comply with privacy and data security laws and regulatory requirements when collecting, storing, processing, transferring, and sharing personal data.

9. Avoidance of conflict of interest

Any potential conflict of interest shall be avoided in the business dealings between suppliers and CHT. Potential conflict of interest includes but is not limited to internal employees of CHT or their close relatives (parents, children, spouses, or siblings) working in suppliers or having significant investment interests in suppliers (private companies). Unnecessary or excessive social interactions between suppliers and company employees may also constitute concerns or perceptions of a conflict of interest. Therefore, any contact between a supplier and CHT's personnel must be compliant with the boundaries of general business dealings. Suppose the supplier discovers any potential conflict of interest. In that case, it must immediately notify CHT and take appropriate measures to prevent potential misconduct.

10. Observance of contracts

For matters CHT expects a supplier to perform in person (including contracts or orders) without the consent of CHT, the supplier shall not subcontract or ask a third party to perform on its behalf. A supplier shall not provide any products or services to CHT without signing a valid contract or order with CHT.

11. Anti-corruption and anti-bribery

When performing business, suppliers shall not directly or indirectly provide, promise,

request, or accept any form of improper benefits, including kickbacks, commissions, facilitation payments, or provide or accept improper benefits through other means to/from customers, agents, contractors, suppliers, public officials or other stakeholders ^{Note 1} to establish business relationships or influence commercial transactions. Suppliers' direct or indirect contributions to either political parties, organizations, or individuals participating in political activities shall be compliant with the Political Donations Act and relevant internal operating procedures of CHT. Such contributions may not be used to seek commercial interests or trading advantages. Suppliers shall comply with relevant laws and regulations and internal operating procedures for charitable donations or sponsorships and may not offer bribes in disguise.

12. Whistleblower channels

CHT has a reporting and whistleblower protection system. Suppose suppliers find that employees of CHT engage in corruption, theft, embezzlement, jobbery, fraud, or other unethical and dishonest behaviors. In that case, they can immediately notify CHT through the business contact information or the following reporting channels. CHT is committed to ensuring that if whistleblowers ask questions or report when having any doubts about the above matters or needing assistance, their identities and narrations will be kept strictly confidential. CHT strictly prohibits retaliation against persons who report potential or actual violations in good faith or investigators of the violations.

Whistleblower hotline: 02-2344-6020

Whistleblower email address: sy@cht.com.tw

Note 1: Stakeholders refer to directors, supervisors, managers, employees, agents, suppliers, contractors, or consultants of CHT and group companies and organizations, as well as legal or natural persons with substantial control capabilities.

E. Management system

Suppliers shall adopt or establish a management system whose scope is relevant to the content of the Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations, and customer requirements related to supplier operations and products; (b) compliance with the Code; and (c) identification and mitigation of operational risks related to the Code. Continuous improvement shall also be promoted for the management system.

The management system shall include the following elements:

1. Company Commitment

The corporate social and environmental responsibility policy statement shall identify a supplier's commitment to compliance and continuous improvement. The statement shall be signed by the executive management and posted at the workplace in the local language.

2. Management duties and responsibilities

Suppliers shall designate senior management and company representatives to ensure the implementation of the management system and related programs. Senior management shall regularly review the operation of the management system.

3. Legal and customer requirements

Suppliers shall have procedures in place to identify, monitor and understand applicable laws, regulations, and customer requirements (including the requirements of the Code).

4. Risk assessment and risk management

Suppliers shall have procedures to identify legal, environmental, health, and safety ^{Note 2}, labor activities, and ethical risks relevant to supplier operations. Suppliers shall assess the level of each risk and implement appropriate procedural and substantive controls to manage identified risks and ensure regulatory compliance.

5. Improvement goals

Suppliers shall establish written performance goals, targets, and implementation plans to improve their social, environmental, health, and safety performance, including periodic reviews of their effectiveness in achieving these goals.

6. Training

Suppliers shall develop training programs for the management and employees to

implement their policies, procedures, and improvement goals while meeting applicable legal and regulatory requirements.

7. Communication

Suppliers shall have procedures to clearly and accurately communicate their policies, practices, expectations, and performance to employees, suppliers, and customers.

8. Employee feedback, participation, and complaint

Suppliers shall develop feasible procedures, including an effective complaint mechanism, to assess employee awareness of practices or violations and conditions covered by the Code. They shall obtain employee input in this regard to drive continuous improvement. Employees must be provided with a safe environment to voice complaints and feedback without fear of retaliation.

9. Review and evaluation

Suppliers shall regularly conduct self-assessment to ensure compliance with the requirements of laws and regulations, the content of the Code, and the requirements related to social and environmental responsibility in customer contracts.

10. Corrective measures

Suppliers shall have procedures to ensure that deficiencies identified during internal and external assessments, inspections, investigations, and audits are promptly corrected.

11. Documentation and records

Suppliers shall establish and maintain documentation and records to ensure compliance with supervisory requirements and company requirements and, at the same time, safeguard the confidentiality of privacy.

12. Supplier responsibility

Suppliers shall establish procedures to communicate the requirements of the Code to their suppliers and monitor compliance with the Code thereof.

Matters not listed in the Code shall be subject to relevant government regulations.

Note 2: Production areas, warehouses, storage facilities, plant/workplace supporting equipment, laboratories and testing areas, sanitary facilities (bathrooms), kitchens/canteens, and staff

housing/dormitories shall all be included in the environmental health and safety risk assessment.