

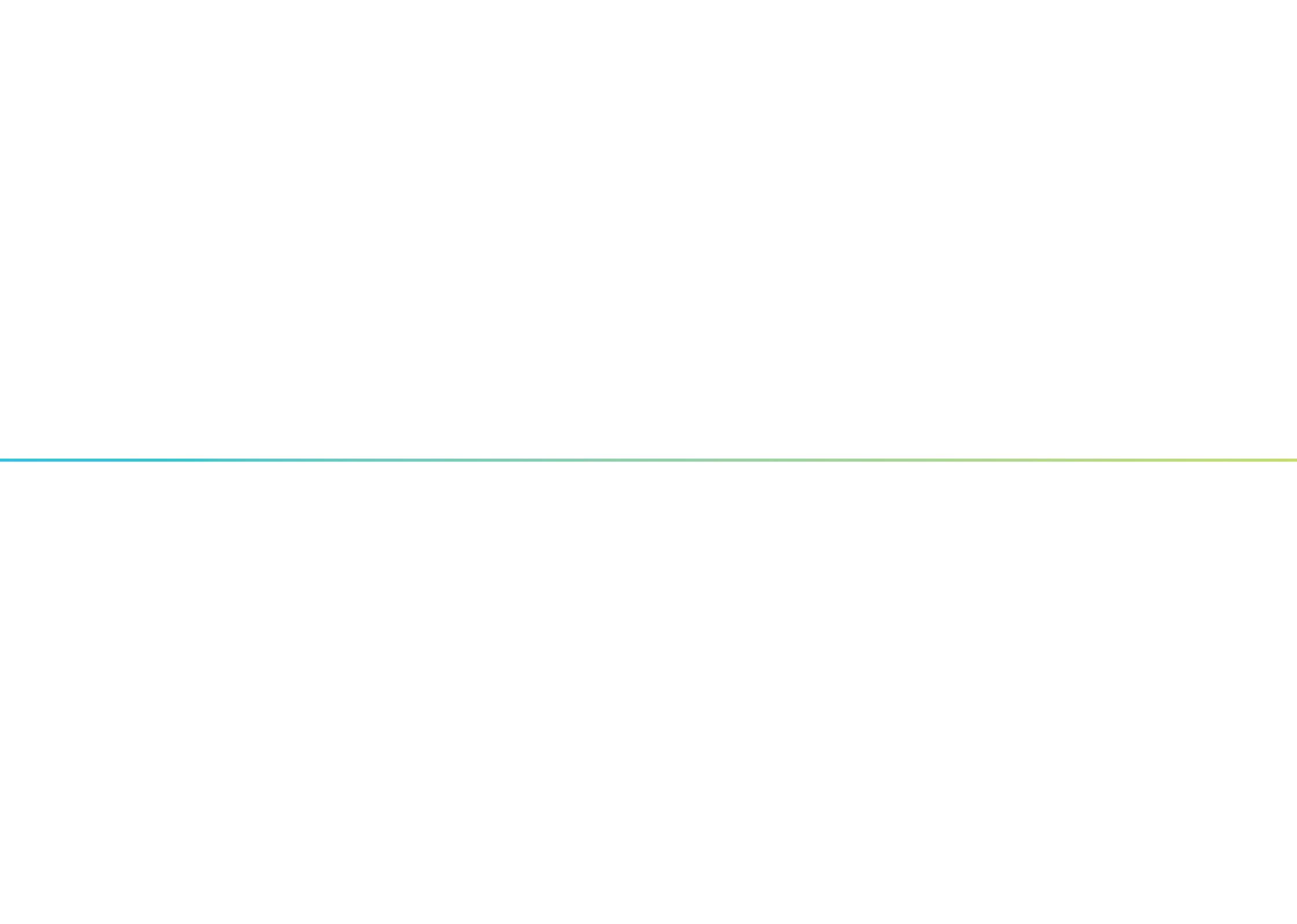


Taiwan Mobile

Corporate Social Responsibility Report

2015

Think Sustainable Act Responsible Think Sustainable Act Responsible Think Sustainable Act Responsible Think Sustainable Act Responsible Think Sustainable Act Responsible



INDEX

2

6

17

32

Letter to Stakeholders

About this Report

4

2 Envisioning an Integrated Strategy

2.1 Sustainability Vision and Strategy 18

2.2 Business Models 24

2.3 Analysis of Risks and Opportunities 25

2.4 Stakeholders and Materiality Analysis 26

1 Sound Corporate Governance

1.1 Company Overview 7

1.2 Governance framework 7

1.3 Monitoring Mechanism 13

1.4 Risk Management 14

3 Creating Definitive Value

3.1 Ethical Governance 33

3.1.1 Operating Performance 34

3.1.2 Legal Compliance 37

3.1.3 Ethical Corporate Management 39

3.1.4 Supplier Management 42

48

3.2 Environmental Sustainability

3.2.1 Environmental and Energy management strategy	49
3.2.2 Carbon Emission Risk Management	52
3.2.3 Green Energy Applications	60
3.2.4 Product and Service Responsibility	64

68

3.3 Digital Innovations

3.3.1 Digital Trust	69
3.3.2 Best Customer Experiences	73
3.3.3 Innovative technological applications	78

92

3.4 Social Care

3.4.1 Social Inclusion	94
3.4.2 Talent Development and Retention	120
3.4.3 Social Emergency Relief	137

140

3.5 Excellent Brand

3.5.1 Market Brand Image	142
3.5.2 Communication mechanism	151

154

Appendix

Independent Limited Assurance Report	155
GRI G4 Index	156
Participation of Taiwan Mobile in Various Associations and Societies	165
Sustainable Development Goals, SDGs	165

Dear Stakeholders:

Armed with the largest contiguous 4G spectrum, Taiwan Mobile (“TWM” or “the Company”) continued to lead its peers in 2015, providing the best network coverage and the fastest download speed for mobile internet services. This, coupled with a wide selection of 4G smartphones and flexible data rate plans, helped TWM accumulate 3 million subscribers within one-and-a-half years after the launch of its 4G services, with its 4G penetration rate for postpaid subscribers hitting a high 43% by the end of 2015. The Company also boosted its 4G spectrum and network utilization rate by providing roaming services to a peer to accelerate its 4G investment’s payback. Given the Company’s ample network capacity and the medium to long-term prospects of the government releasing more spectrum, TWM withdrew from the 2.6GHz spectrum auction when bidding prices exceeded their fair market value. All these efforts demonstrate TWM’s commitment to maximizing its shareholders’ interests.

As the Company steadily expanded its core business, it continued to gain recognition for its commitment to enhancing corporate value. These included:

1. World-class corporate governance

TWM is committed to maintaining integrity as its core value and promoting corporate governance. The Company’s compliance with global standards has won not only the trust of investors, but also numerous awards and recognition from domestic and international rating institutions. Last year, it ranked among the top 5% of listed companies in the “Corporate Governance Assessment” conducted by the Taiwan Stock Exchange and the Taipei Exchange. Its efforts were also recognized by FinanceAsia magazine, whose “2015 Asia’s Best Companies Poll” ranked TWM among the best in its Taiwan’s Best Managed Public Companies, Best Corporate Governance and Best Investor Relations categories. In addition, TWM was selected for the fourth time as a member of the Dow Jones Sustainability Indices’ (the world’s first and most widely used global sustainability benchmarks) Emerging Markets Index.

2. A role model for corporate social responsibility

TWM’s efforts to employ its corporate and financial resources to assist non-profit organizations in promoting social welfare have gained wide recognition. Last year, the Company received for the eighth time the “Corporate Social Responsibility Award” from Global Views Monthly and “Excellence in Corporate Social Responsibility” by CommonWealth magazine. It was also awarded top honors for the second year in a row by the Taiwan Institute for Sustainable Energy (TAISE), receiving the following recognitions – “Taiwan’s Ten Most Sustainable Awards,” the “Transparency and Integrity Award,” the “Social Inclusion Awards” and “Taiwan Top 50 Corporate Sustainability Report Awards – Gold Award in Telecommunication Industry” In addition, the Company’s 2013 and 2014 corporate social responsibility reports received the International Standards on Assurance Engagements’ 3000 (ISAE 3000) certification, the first and the only telecom operator to do so in Taiwan.

3. Premium services and customer satisfaction

With customer care as its core value, TWM offers premium customer services. Last year, it received for the fourth time a Qualicert certification from the Swiss firm SGS for its direct store channels and customer service system, and the “Trusted Brand Gold Award” from Reader’s Digest for the 12th consecutive year. TWM’s 4G download speed was also ranked No. 1 in speed tests independently conducted by Apple Daily and Next Magazine. The Company further outperformed its peers by delivering the fastest 3G download speed in 12 counties/cities out of a total of 22, according to the results of a National Communications Commission speed test announced on March 4, 2015. In addition, TWM’s 3G/4G networks topped customer satisfaction rates in a survey conducted by Insightxplorer Market Research.

The Taiwan telecom market is expected to move toward a healthier environment, with a fair usage policy and pay per use pricing as effective utilization of limited network resources and a sound tiered pricing structure ensure the telecom industry’s sustainability. In addition to leveling up revenue growth momentum, the Company will exercise stringent cost controls, including on expenditures such as handset subsidies. Cash savings from no payments for 2.6GHz spectrum concession, capital expenditure and related operating expenses will be used to boost the Company’s marketing flexibility and accelerate the monetization of its 4G investments ahead of its peers. TWM is confident in striking a balance between consumers’ needs and shareholders’ expectations and realizing its goal of maximizing shareholders’ profit with solid operating results.

Chairman



About this Report

This is the 8th Corporate Social Responsibility (CSR) Report issued by Taiwan Mobile Co., Ltd. Taiwan Mobile releases CSR reports in Chinese and English on an annual basis. Please visit our dedicated CSR website to get a better understanding of the accomplishments and progress of Taiwan Mobile in the field of CSR.

Reporting period

The period of information disclosure of this report is 2015 (January 1 to December 31, 2015), covering our sustainability vision and strategies, responses to material issues, and specific practices and performance data in the economic, environmental and social dimensions. In order to be consistent with the way various topics have changed over time and for the sake of completeness in information disclosure, certain portions of the performance information date back to periods before December 31, 2014.

Report Boundary and Scope

The report boundaries were defined in consideration of the nature of operations and industry linkage. The report therefore covers this Company, the Taiwan Mobile Foundation, and important subsidiaries such as Taiwan Fixed Network Co., Ltd., Taiwan Mobile Digital Services Co., Ltd., Taiwan Teleservices & Technologies Co., Ltd., and TWM Broadband (including Taiwan Fixed Network Media Co., Ltd., its subsidiaries and Win TV Broadcasting Co., Ltd.) Operational

performance-related financial data have been verified by Deloitte Taiwan. The main categories of the chapter on greenhouse gas inventories are defined in accordance with statements issued by third-party verification institutions. Operational performance, corporate governance, environmental protection, and social participation represent the main subjects of this report pursuant to current international practices in the field of disclosure of information on corporate operations. Discrepancies in the measurement of categories and quantitative data compared to the previous version are specifically indicated in their respective paragraph. The statistical data provided in the report are derived from Taiwan Mobile's own statistics and surveys and are presented with conventional data description techniques.

Reporting Guidelines and Certification

This report was compiled in accordance with the integrated reporting framework of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) G4 Guidelines. A limited assurance of the report contents was performed by KPMG, an independent institution with public credibility in accordance with the Assurance Standard No. 1 of the Republic of China. It has been verified by KPMG that the disclosed contents of the report conform to the G4 comprehensive options. The independent assurance report issued by KPMG has also been incorporated into the CSR report.



Contact Information

For comments, inquiries, or further information on this report, please contact us by any of the following:

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Former CSR Reports



2015



2012



2007-2008



2014



2011



2006



2013



2009-2010



Sound Corporate Governance

1.1 Company Overview

Taiwan Mobile Co., Ltd. (abbreviated to TWM) was established in February 1997 and was awarded a government-issued operating license for Type I telecommunication businesses in the same year. The company set up HQ (located at 12F., No.88, Yanchang Rd., Xinyi Dist., Taipei City), subsidiaries, and business locations in Taiwan. Our retail stores can be found across the country, including 480 direct sales outlets and 370 franchise outlets (as of December 2015).

TWM became the first privately operated telecommunication business to be publicly traded on the Taiwan Stock Exchange. In 2002, TWM was included in the Taiwan 50 Index and selected as an investment index constituent stock of Morgan Stanley Capital International (MSCI) and chosen as a DJSI (Dow Jones Sustainability Index) constituent stock for emerging markets between 2012 and 2015. TWM is listed as a DJSI constituent stock side by side with leading global telecommunication enterprises such as UK-based Vodafone UK and the US-based AT&T.

Between 2007 and 2008, the company acquired and merged with Taiwan Fixed Network, Taiwan Telecommunications, TransAsia Telecommunications, and Mobitai Telecommunications to enhance the scope of operations and gain the ability to provide integrated services. The corporate framework spans the fields of mobile communications, fixed networks, broadband Internet services, and cable TV. Users are provided with seamless, multi-screen cloud service digital convergence services through cross-platform integration capabilities. The company offers supreme product and service quality, innovative R&D capabilities, and world-class information security protection and creates optimized user experiences for its customers. TWM is the telecommunication and media service provider with the widest layout in the fields of T.I.M.E: telecommunication, internet, media, and entertainment. The official provision of 4G services in June 2014 marks a new milestone.

1.2 Governance framework

Management team

TWM's senior executive team consists of Richard M. Tsai (Chairman), James Jeng (President), Rosie Yu (Chief Financial Officer), C. H. Jih (Senior Vice President and Chief Technology Officer) and Jeff Ku (Senior Vice President and Chief Business Officer). To maximize values for our shareholders, customers and employees, the management team is actively involved in creating optimized user experiences for customers, implementing corporate governance, simplifying corporate reinvestment structures, enhancing transparency, and it is also committed to promoting social welfare.

Members of the seventh Board of Directors: Chairman Richard M. Tsai (center right) and Vice Chairman Daniel M. Tsai (center left); the remaining 7 directors and independent directors: (from left to right) Tsung-Ming Chung, Howard Lin, Jack J.T. Huang, James Jeng, Vivien Hsu, Guu-Chang Yang and Hsueh-Jen Sung.





Richard M. Tsai
Chairman



Daniel M. Tsai
Vice Chairman



James Jeng
President



Rosie Yu
Executive Vice President and Chief Financial Officer



Jeff Ku
Senior Vice President and Acting Chief
Business Officer

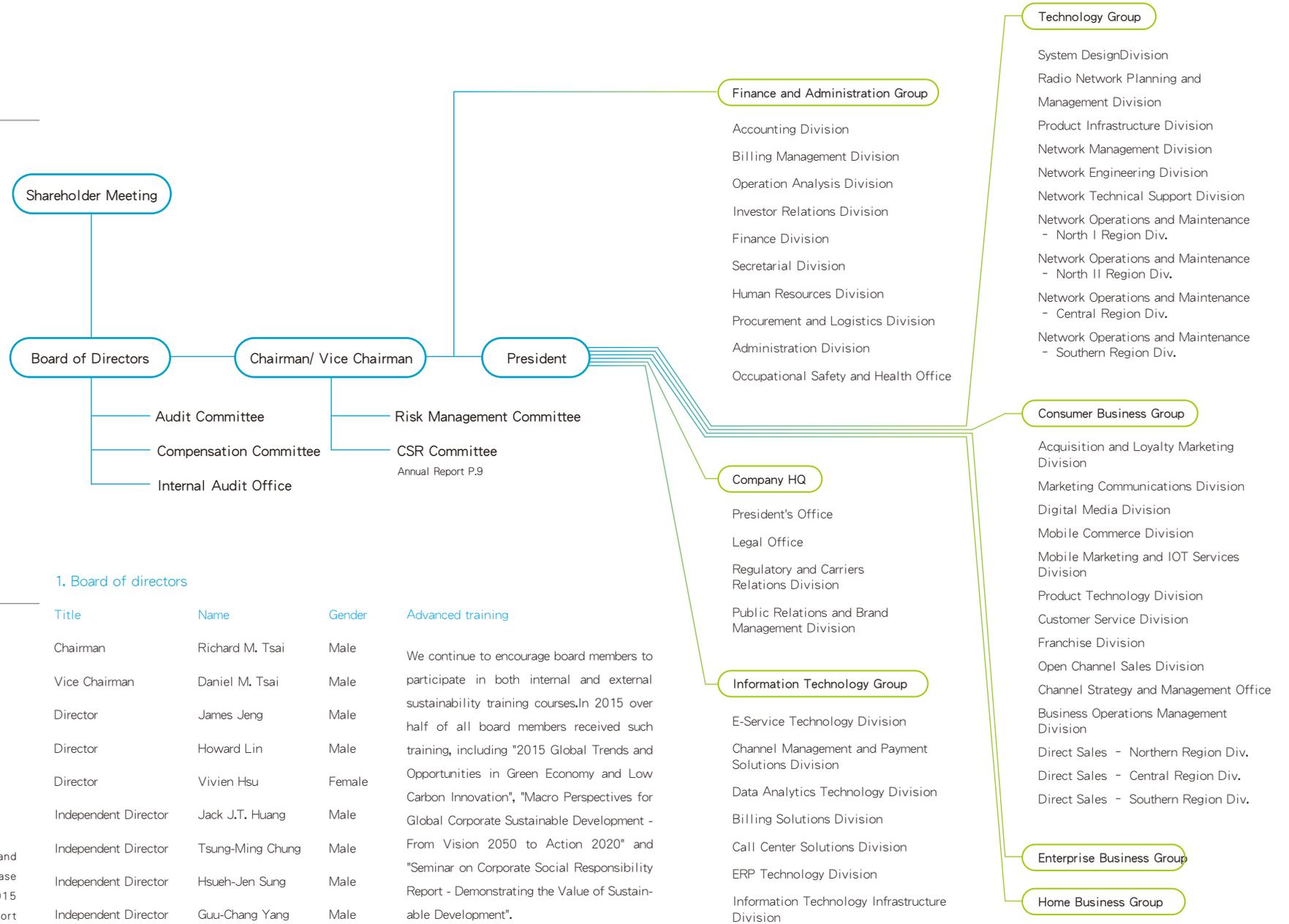


C.H. Jih
Senior Vice President and Chief
Technology Officer



Ariel Hwang
Vice President and Acting General Counsel

Organizational Framework



Highest governance body

1. Board of directors

Title	Name	Gender	Advanced training
Chairman	Richard M. Tsai	Male	We continue to encourage board members to participate in both internal and external sustainability training courses. In 2015 over half of all board members received such training, including "2015 Global Trends and Opportunities in Green Economy and Low Carbon Innovation", "Macro Perspectives for Global Corporate Sustainable Development - From Vision 2050 to Action 2020" and "Seminar on Corporate Social Responsibility Report - Demonstrating the Value of Sustainable Development".
Vice Chairman	Daniel M. Tsai	Male	
Director	James Jeng	Male	
Director	Howard Lin	Male	
Director	Vivien Hsu	Female	
Independent Director	Jack J.T. Huang	Male	
Independent Director	Tsung-Ming Chung	Male	
Independent Director	Hsueh-Jen Sung	Male	
Independent Director	Guu-Chang Yang	Male	

For the educational background and advanced training of directors please refer to pp.13, 14 and 27 of the 2015 Annual Report

The board of directors headed by the Chairman is the highest governance body of the Company. Board members serve for a term of three years (June 12, 2014-June 11, 2017) and the chairman does not hold concurrent administrative positions. The board's main responsibilities include the monitoring of legal compliance, real-time disclosure of material information, and ethical corporate management. Secondly, the board is also responsible for maintaining good communication channels and positive interactions with the management team and the provision of guidance for the execution of company operations and major resolutions and decisions to ensure corporate development and safeguard the rights and interests of shareholders. Four independent directors have been appointed which exceeds the required legal quota. Their expertise spans various field including law, accounting, financial services, and telecommunication services and they possess the knowledge, skills, and literacy required for the execution of their duties. The Audit Committee and Remuneration Committee are composed of the independent directors of the board formulate a series of operational guidelines and regulations to guarantee the soundness and effective operation of the system.

The board upholds the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and has successively formulated and amended relevant rules and regulations such as the Corporate Governance Code of Practice, Audit Committee Charter, Remuneration Committee Charter, Rules of Procedure for Board Meetings, Rules of Procedure for Shareholder Meetings, Procedures for the Handling of Major Insider Information, Rules of Moral Conduct, Ethical Corporate Management Rules, CSR Policies, CSR Best Practice Principles, and Operational Procedures for Transactions with Group Enterprises, Specified Companies, and Stakeholders to ensure the implementation of corporate governance.

The Company amended the Regulations Governing the Election of Directors in 2013, which now stipulate a candidate nomination system for the election of all board directors. Candidates are nominated, reviewed, and publicly announced by the board or shareholders with a legally prescribed shareholding ratio in accordance with stipulated procedures. Elected directors are required to sign a consent letter and confidentiality agreement, exercise the due care of a good administrator, fulfill their fiduciary duty, and perform their duties in honesty and good faith. The Company also purchases liability insurance for its

directors to reduce risks associated with the execution of duties. The regulations set forth in Article 15 of the Rules of Procedure for Board Meetings state that if a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. No instances of such interested party relationships and recusal from discussion and voting were recorded in 2015. For more details, please refer to p.23 of the chapter on corporate governance in the annual report issued by the Company.

2.Executive Compensation

Compensation of board directors and independent directors is based on the regulations set forth in the Articles of Incorporation and the Compensation Guidelines for Board Directors. In addition, the appropriateness of the remuneration for board directors, independent directors, presidents, and vice presidents (variable pay of Presidents and Vice Presidents makes up around 50% of personal annual salaries) is regularly reviewed by the remuneration committee which is composed of independent directors based on the degree of contribution to company operations including future operating risks and level of involvement in CSR related matters. Based on the resolutions passed by the CSR Committee, the CSR indicators that have been incorporated into the annual objectives for the President and Vice Presidents include: Public perception indicators (e.g. customer satisfaction level, customer complaints), environmental indicators (e.g. performance in energy conservation and carbon reduction, use of renewable energy and revenues from environmentally friendly products), social indicators (e.g. employee turnover rate, corporate volunteers, and revenues associated with the contribution of solutions to social problems).

Compensation for Presidents and Vice Presidents for the respective year is paid and reported to the Remuneration Committee by the HR Division. The appropriateness of salaries and compensation is reviewed on a regular basis.

Compensation to management executives in 2015:

Title	Name	Salary and Pension	Performance-based salary	Earnings paid as bonus to employees
President	James Jeng	49.5%	28.0%	22.5%
Executive Vice President and Chief Financial Officer	Rosie Yu	46.1%	25.4%	28.5%
Senior Vice President and Chief Technology Officer	C.H. Jih	51.7%	26.8%	21.5%
Senior Vice President and Acting Chief Business Officer	Jeff Ku	52.6%	25.5%	21.9%
Vice President and Acting General Counsel	Ariel Hwang	48.5%	25.4%	26.1%
Vice President	Jay Hong	49.5%	23.9%	26.6%
Vice President	Iris Liu	48.1%	26.4%	25.5%
Vice President	Naomi Lee	49.5%	25.8%	24.7%
Vice President	James Chang	47.5%	27.0%	25.5%
Vice President	Egon Chen	55.0%	24.2%	20.8%
Vice President	Chien Chen	49.9%	23.2%	26.9%
Vice President	Tom Koh	54.4%	24.9%	20.7%
Vice President	Steve Chou	48.7%	24.5%	26.8%
Vice President	Daphne Lee	50.0%	25.2%	24.8%
Vice President	Joseph Yang	74.4%	25.6%	0.0%
Vice President	Sean Hsieh *	82.7%	17.3%	0.0%
Vice President	Paul Huang *	82.5%	17.5%	0.0%

*Has left the company

1.3 Monitoring Mechanism

Dedicated internal control and audit units

We have established an Auditing Office, which is directly subordinate to the board of directors, to create a self-monitoring mechanism. The Office is in charge of conducting audits of all financial and business operations and management functions of the Company and its subsidiaries divided into ten main cycles in accordance with relevant laws and regulations. In addition to routine audits, which are performed in accordance with annual plans, project audits are scheduled based on actual requirements with the goal of the timely identification of potential

The performance of board directors is evaluated before the end of every year in accordance with Board Performance Evaluation Guidelines formulated by the board of directors. The Remuneration Committee compiles the analysis results and submits assessment reports and improvement proposals to the board. The board performance evaluations for 2015 were conducted during the 9th meeting of the 7th board on Jan 29, 2016 in the form of a self-appraisal by board members. The results of the evaluations were determined to be satisfactory. To strengthen corporate governance and to improve transparency, beginning in 2015 we disclose the compensation structures and percentages of senior executives, such as the President and Vice Presidents, in our annual report.

CSR-related proposals deliberated and resolutions passed by the Board of Directors from 2015 to Q1 of 2016 are summarized as follows:

Date of meeting	Board/ Meeting	Topic	Resolution
2015/1/29	7-5	Proposal to establish the Risk Management Committee	Received and understood
		Proposals to formulate Corporate Governance Code of Practice and Corporate Social Responsibility Best Practice Principles	These were unanimously approved following the Chairman's request that board members vote on the proposals
2015/4/30	7-6	Proposals to amend Ethical Corporate Management Rules and to augment Operation Rules of Ethical Corporate Management Best Practice Principles	These were unanimously approved following the Chairman's request that board members vote on the proposals
2015/7/30	7-7	Report on greenhouse gas reduction strategy and goal establishment	Received and understood
2015/10/29	7-8	CSR report upgraded to integrated reporting	Received and understood
2016/1/29	7-9	Proposals for improving CSR management	Received and understood

shortcomings of the internal control system and the provision of suggestions for improvement. Upon completion of audits, the Auditing Office submits relevant reports to the Chairman. Audit managers deliver reports on execution conditions and results during Audit Committee and Board meetings on a regular basis to ensure the implementation of corporate governance.

Audit Committee

TWM established an Audit Committee in accordance with the Securities and Exchange

Act in June 2008 in line with the spirit of corporate governance as a substitute for supervisors. The committee's monitoring functions can be summarized as follows:

- (1) Fair presentation of financial statements
- (2) Selection of CPAs and assessment of their independence and performance
- (3) Effective implementation of the internal control system
- (4) Guarantee of compliance with relevant laws and regulations
- (5) Control of existing or potential risks

As of 2015, the Audit Committee is composed of the four independent directors. Individual audit departments are directly responsible to the Audit Committee pursuant to the Audit Committee Charter and deliver

reports on key operations of the Company and its subsidiaries to the independent directors during Audit Committee meetings every quarter, while hired CPAs report on the results and findings of financial statement audits during those meetings.

Remuneration Committee

The Remuneration Committee is comprised of four independent directors and acts in accordance with the Remuneration Committee Charter. The committee's main responsibilities consist of regular reviews of performance assessments of directors and managers and formulation of remuneration related policies, systems, standards, and structures as well as regular assessments and determination of salaries and compensation for directors and managers.

1.4 Risk Management

In the field of risk management, TWM actively formulates risk management policies and has created an organizational framework and developed a risk management system to create an early response mechanism for potential operational risks that the Company is facing in order to achieve preventive effects.

Risk management policies were formulated to regulate risk assessment procedures in 2011. These policies and all future amendments are subject to approval by the board. In 2015, we made adjustments to our risk management framework to achieve a synthesis of the current risk management framework and control mechanism. The Risk Management Committee was established upon approval by the board. Chairman Richard M. Tsai and President James Jeng serve as the committee chairman and vice chairman. This committee submits reports to the board on an irregular basis to strengthen the risk management mechanism.

The Auditing Office conducts risks assessments and determines scores for the importance and incidence rate of each risk at the end of every year. Value at Risk (VaR) is calculated based on the results of

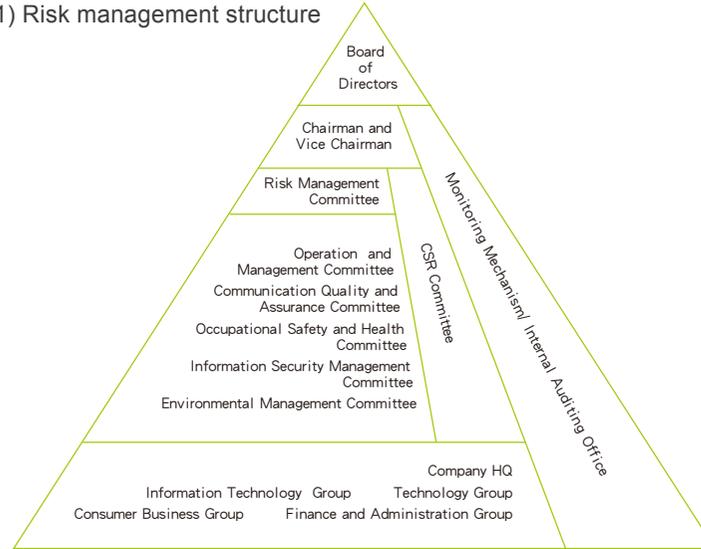
the scoring process. Calculated Values at Risk serve as a main reference for the audit plans of the following year. No shortcomings and irregularities of the internal control system were detected in 2015. Only 17 items requiring improvement were identified for each department. It was determined that the assessed risks have no major impact on the Company. A total of 64 concrete suggestions were provided for each operation process as a reference for an improvement of the management quality by each department. As for items requiring improvement and submitted suggestions, constant tracking is implemented on a quarterly basis until improvements are completed.

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 Committee

(1) Risk management structure



Operations and Management Committee	Conduct periodic reviews of each business group's operating target and performance to meet the Company's guidance and budget.
Information Security Management Committee	Control the potential threats of important information assets in order to control and reduce operational risks.
Occupational Safety and Health Committee	Supervise and minimize potential risks to workers' safety and health.
Communication Quality Assurance Committee	Ensure and manage network communication quality.
Environmental Management Committee	Develop and manage the company's policies and objectives for environment and energy management.

Top	Board of Directors	Responsible for assessing material risks, designating actions to control these risks and keeping track of their execution.
Monitoring mechanism	Internal Audit Office	Regularly monitor and assess potential and varying levels of risks that the Company may 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.

(2) 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 and Administration	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	Corporate Social Responsibility Committee	Promote corporate social responsibility and implement sustainable management within the Company.
	Risk Management Committee (Note)	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 five following committees:

Note: The Risk Management Committee exercises control over five units/systems: Operations and Management Committee, Information Security Management Committee, Occupational Safety and Health Committee, Communication Quality Assurance Committee and Environment Management Committee. Should any material event or situation arise, the responsible unit shall report it to the Operations and Management Committee or other committee(s) to undertake any necessary measures.

Risk management operations

To implement the Company's risk management policies, relevant control mechanisms are compiled by the Risk Management Committee. The following describes its operation:

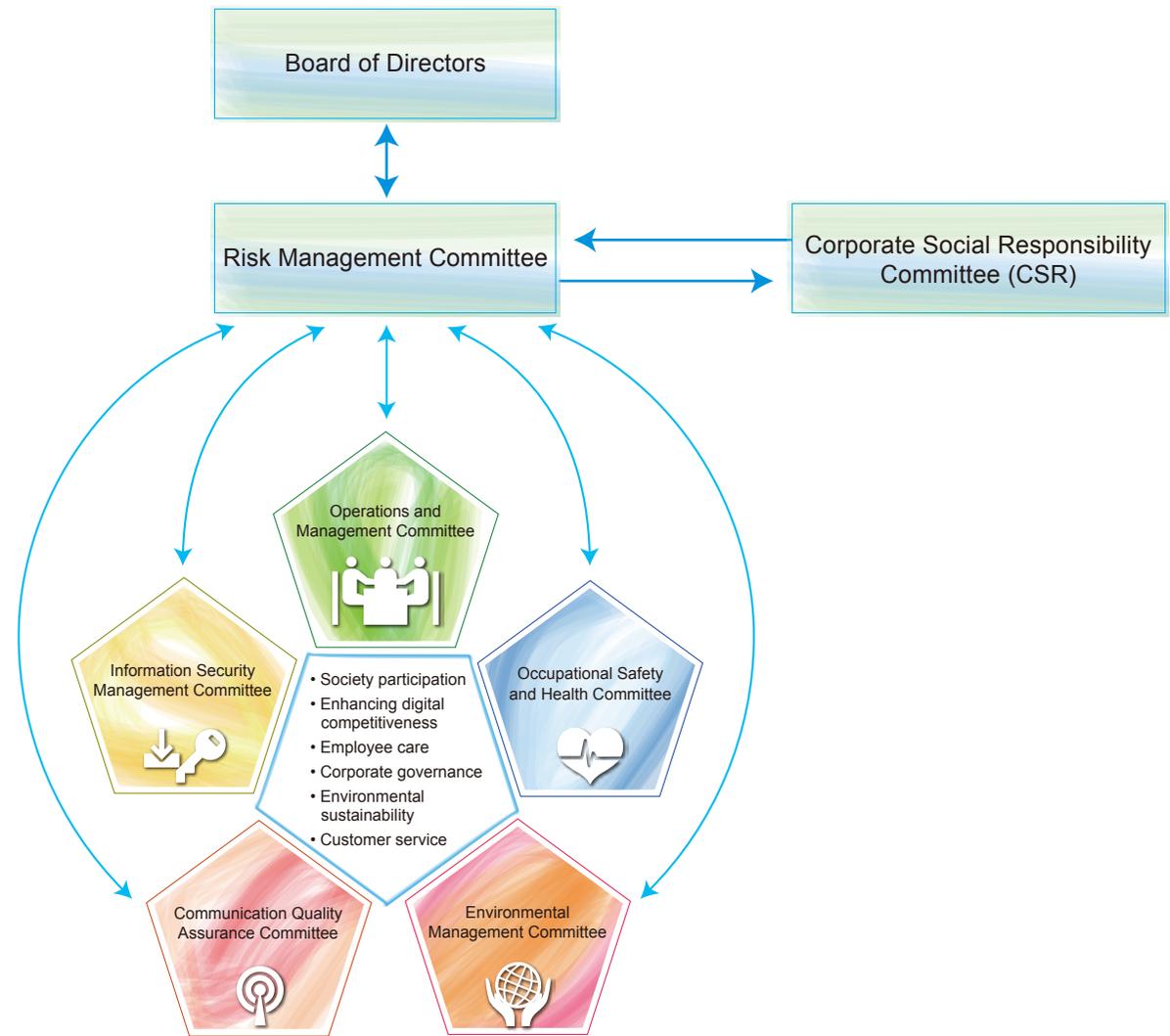
(1) Appointment of committee members

- Chair: The Committee is chaired by the Chairman of the Board or a person designed by the Chairman
- Committee members: Members of the Committee are selected from the heads of departments responsible for the relevant risk management areas (or persons designated by them) and coordinated by the Committee Chairman.
- Executive secretary: Selected and appointed by the Committee chairman.

(2) Frequency of meeting

- Regular: At least once every six months.
- Non-regularly scheduled: When a risk management issue arises, a meeting is proposed by members of the Risk Management Committee and the Executive secretary and is convened upon approval by the Committee chairman.

Modes of operation



(3) Communication mechanism with the CSR Committee:

- The Risk Management Committee reports any CSR-related issues to the CSR Committee.

One issue was reported during the year: Optimization of the network operations and maintenance processes as well as deployment design for Carrier Ethernet to reduce Internet outages and the risks associated with service quality.

- The CSR Committee reports issues associated with operating risks to Risk Management Committee

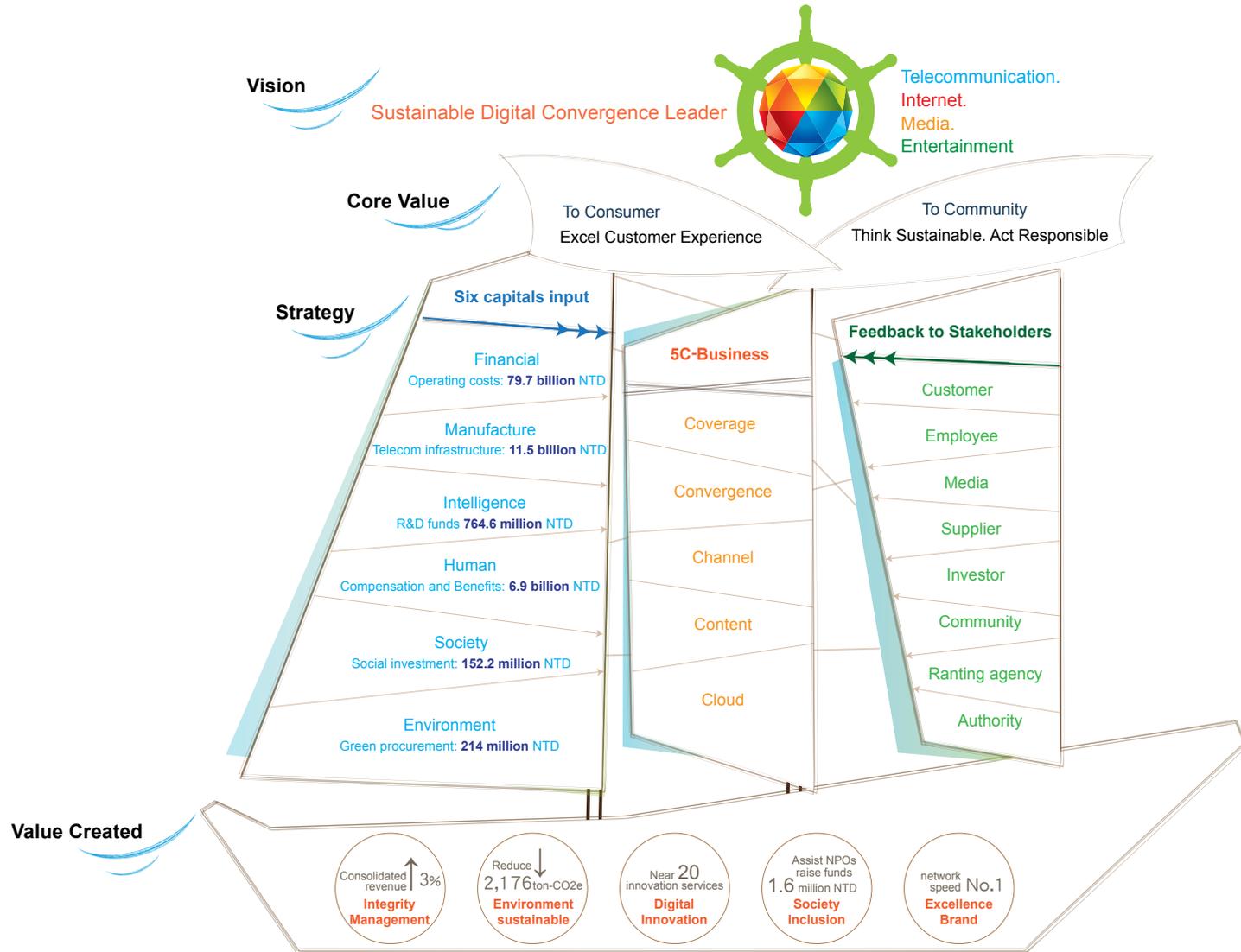
One issue was reported during the year: Carbon reduction measures were adopted at locations with the greatest amount of carbon emissions—base stations and data centers—to respond to the government's new greenhouse gas legislations and climate change warnings.



2

Envisioning an Integrated Strategy

2.1 Sustainability Vision and Strategy



Taiwan Mobile aims to become the leader in sustainable digital convergence. In addition to offering a full range of telecommunications and media services that exemplify our corporate guiding principles of creating the best user experience for our customers, we are also firmly committed to corporate social responsibility with our core values of Think Sustainable and Act Responsible. By incorporating the “5C”

strategy into our corporate governance, environmentally sustainable practices and social participation, we endeavor to maximize values for shareholders, employees and the society at large through a strategy for sustainability. Sustainability vision map and important results for 2015 are as follows:

TWM has made corporate social responsibility an integral part of our business strategy development, management systems and everyday operational activities in each department. In January 2011 the Board of Directors approved the company's Corporate Social Responsibility Policy as the long-term guiding principles for advancing our ideals and fulfilling our responsibility to society.

CSR policy

Article 1 The company shall, based on the principle of integrity, be firmly against any form of corruption and bribery. All personnel have to observe our "Code of Ethics" and "Ethical Corporate Management Best Practice Principles" to ensure the fulfillment of basic corporate social responsibility.

Article 2 The company shall meet the expectations of stakeholders, including employees, shareholders, clients, government agencies, local communities, non-profit organization and the environment, via a comprehensive framework of corporate governance and actively enhance its sustainable value.

Article 3 The company shall leverage its core technology competency and the resources of telecom, Internet and digital convergence to practice corporate social responsibility and maximize social benefits.

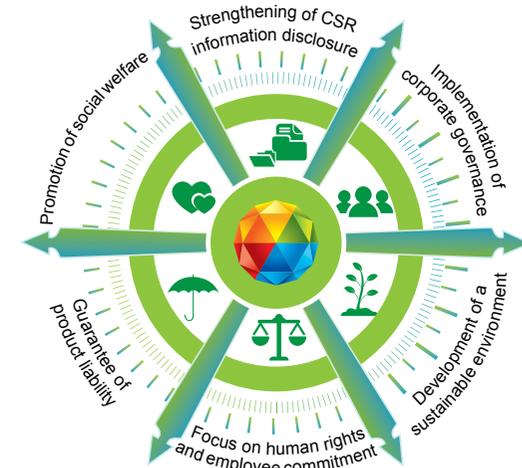
Article 4 The company shall adopt energy-efficient equipment and various environmental management measures to

continue to innovate and minimize the environmental impact of its operation and improve ecological benefit. It shall also assist in constructing an intelligent and low-carbon society to accentuate the critical function of the communications industry and to reduce carbon emission for other industries and institutions via various computerized and mobilized services.

Article 5 The company shall continue to care for underprivileged groups and the sustainable development of local communities to make telecommunication and digital resources available to all and enhance the general digital competitiveness and information literacy of the society.

Article 6 The company shall communicate with the stakeholders based on the principle of fairly disclosing full and accurate information to ensure the transparency of business information.

Officially resolved by the Board of Directors on 27 Jan 2011



Six main CSR principles

Our Corporate Social Responsibility Best Practice Principles were ratified in January 2015. These principles are founded on the fundamental spirit and core values of the enterprise with an emphasis on perfect governance, a focus on stakeholders, and full and accurate disclosure. The core technologies and services of the industry represent the strategic orientation for concrete practices in the fields of environmental protection and social welfare.

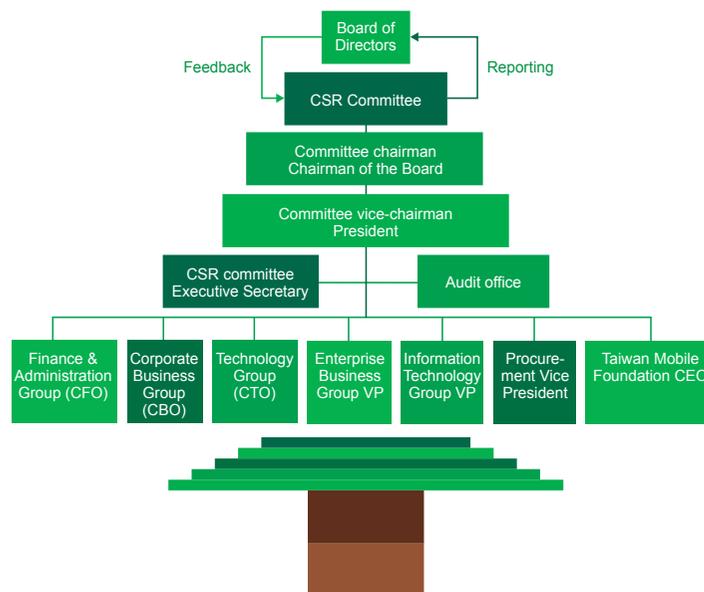
Organizational Framework and Functional Operations

The Social Responsibility Department was established in 2007 and is directly subordinate to the Public Relations and Brand Management Division. The department is staffed with dedicated personnel in charge of the planning and execution of CSR strategies and projects in coordination with cross-departmental operations and has an independent budget. In 2014, the CSR Committee, under the direct oversight of the board, was officially established with the chairman of the board as the committee chairman and the president as the vice chairman to ensure the participation of the highest governance body in CSR related issues. Top executives from all business groups

serve as committee members and identify risks and opportunities for relevant issues in the dimensions of economy, environment, and society with the goal of formulating sustainability strategies through the full integration of operational and core resources. In 2014 we carried out these actions with different functional departments or project teams. Our six main principles have been employed to realize our corporate social responsibility, and the accountability and participation of top executives have been expanded to manifest elevated governance, which we are confident will lead to a positive feedback cycle.

The CSR Committee convenes once every quarter and submits reports to the board of directors. Between 2015 and the 1st quarter of 2016, a total of six committee meetings were convened and numerous motions were passed by the board. We also developed the Corporate Social Responsibility Best Practice Principles, which was reported at the 2015 annual general meeting. In the future, we will continue to report CSR-related implementation results to the board. This includes results of stakeholder engagement, strategic planning, and relevant new proposals. In addition, we organize educational training on a regular basis to provide detailed information about annual strategies and key implementation areas of CSR to top executives and department representatives. The goal lies in the promotion of corporate governance and social welfare and realization of environmental sustainability as well as the incorporation of relevant principles into operational strategies and management goals of the company to ensure the joint implementation of the sustainability vision of the company by all employees.

CSR Committee



(Note) : The 2014 financial performance was based on IFRS

Major resolutions

1. Corporate Social Responsibility Best Practice Principles
2. Green House Gas (GHG) reduction strategy and target
3. Green energy initiative
4. Release Integrated Report
5. Establish Environmental management Committee
6. CSR continuous improvement program target



Review of the year 2015

Economy and Governance performance

Item	2013	2014(Note)	2015	GRIG4 Indicator	Page
Consolidated revenue (NT\$' 000)	108,407,931	112,623,879	116,144,205	G4-EC1	Annual report P83
Operating costs (NT\$' 000)	69,571,020	75,097,542	79,785,135	G4-EC1	Annual report P95
Net income (NT\$' 000)	15,817,781	15,554,014	16,168,029	G4-EC1	Annual report P83
EPS	5.79	5.56	5.76	G4-EC1	Annual report P83
Total assets (NT\$' 000)	138,352,379	153,539,693	156,085,673	G4-9	Annual report P79
Total liabilities (NT\$' 000)	79,831,738	87,039,361	90,793,949	G4-9	Annual report P79
Total equity (NT\$' 000)	58,520,641	66,500,332	65,291,724	G4-9	Annual report P79
Green procurement (NT\$' 000)	179,133	185,842	214,091	G4-EN33	P44
Suppliers CSR assessment (amounts)	-	104	210	G4-EN33	P45

Environmental performance

Item	2013	2014	2015	GRIG4 Indicator	Page
Green House Gas (GHG) emissions - Scope 1&2 (t-CO2e)	174,124.14	208,571.45	244,223.35	G4-EN15-16	P53
Green House Gas (GHG) emissions - Scope 3 (t-CO2e)	-	-	6162.28	G4-EN17	P54
Electricity consumption (100 GWh)	3.28	3.9	4.55	G4-EN3	P53
Water consumption (m3)	37,691	46,146	36,709	Voluntary disclosure	P58
Recycled resources (metric ton)	97.7	110.8	75.3	Voluntary disclosure	P58
Paper consumption (pcs)	7,848,500	7,842,500	7,479,000	Voluntary disclosure	P58
Recycled waste electric cables and wires (metric ton)	311.90	288.31	441.87	Voluntary disclosure	P64
Number of recycled mobile phones (1000 pcs)	7.860	7.662	7.180	Voluntary disclosure	P64
e-bill services (1000 papers saved)	65,463	75,255	83,877	G4-EN7	P65

Social performance

Item	2013	2014	2015	GRIG4 Indicator	Page
Total staff	2,379	2,311	5,524	G4-9 ~ G	P120
Injury Rate (%)	0.076	0	0.029/0.521	G4-LA6	P132
Lost Day Rate (%)	0.52	0	2.38/3.99	G4-LA6	P132
Staff training (hours)	21.1	23.5	22.6	G4-LA9	P125
Customer satisfaction survey	3.7	3.7	3.7	G4-PR5	P151
No. of hours contributed by corporate volunteers	3,249	4,515	3,379	G4-EC8	P116
5180 donations (1000 NTD)	8,615	9,555	10,811	G4-EC8	P106
Social investment (1000 NTD)	115,600	125,198	152,289	G4-EC8	P93

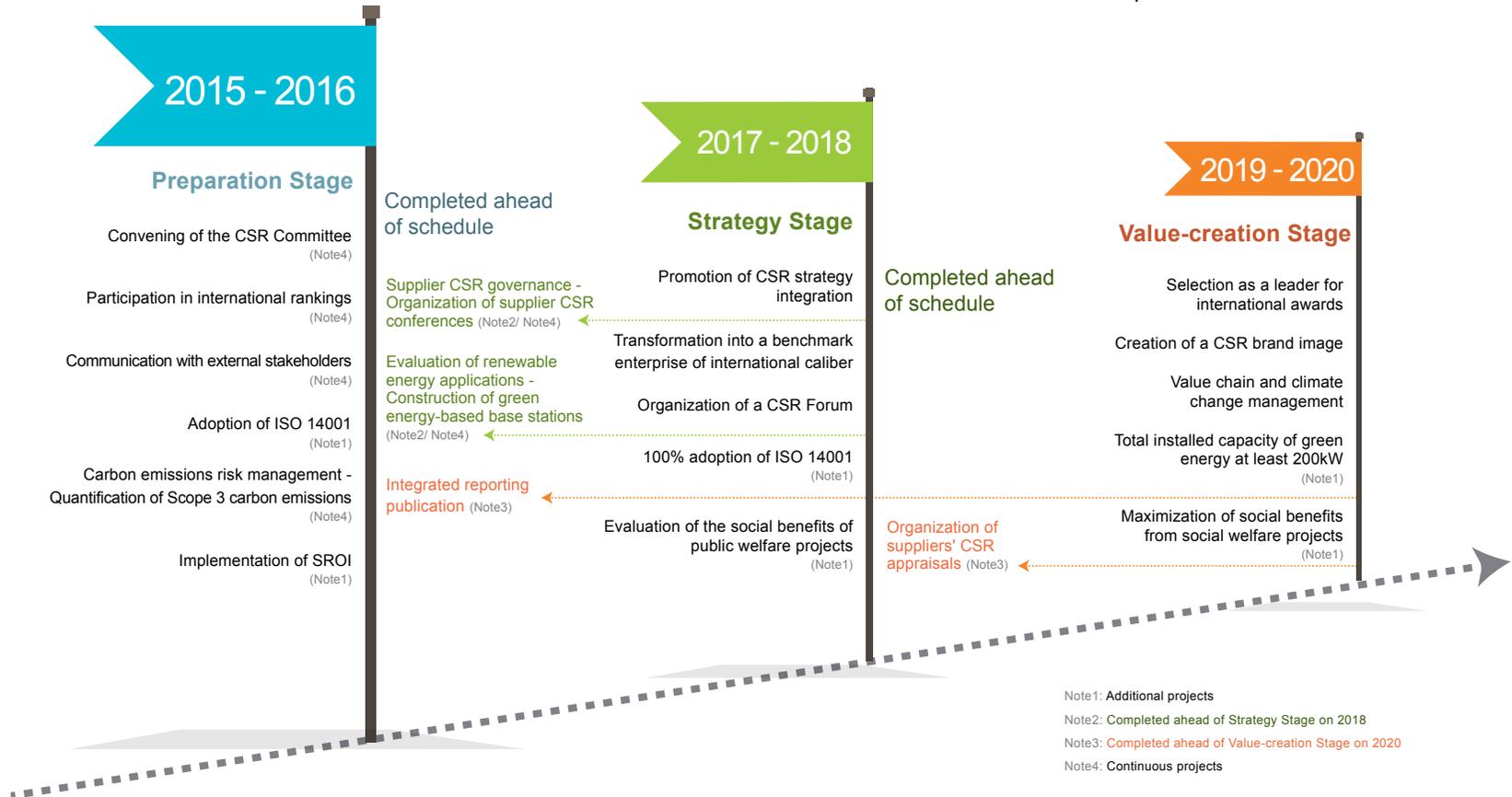
Note: Beginning in 2015, we are including employees of Taiwan Fixed Network, Taiwan Teleservices & Technologies, and TWM Broadband as part of our total workforce



TWM is firmly committed to becoming the sustainability benchmark enterprise of the information and telecommunication industry. In the face of constant challenges such as climate change responses, greenhouse gas controls, brand image maintenance, supply chain management, and so on, we actively carry out risk management measures to cope with crises and develop potential business opportunities. We have integrated our core resources in the fields

of telecommunication, media and cloud services, and virtual and physical channels in our efforts to respond to material issues in the dimensions of economy, environment, and society. We have also developed a sustainability strategy blueprint which serves as the foundation for the CSR Vision 2020 Project. For the first year of the plan, we have formulated short-, mid-, and long-term sustainable strategy goals. Follow-up implementation results and performance will be reported to the CSR Committee and board of directors on a regular basis. Our goal is to gradually create a corporate image highlighting the transformation of TWM as a pioneer in the domain of CSR.

CSR 2020 Vision and Plan



Honors and Recognitions



Commended in FinanceAsia Magazine's 2015 Asia's Best Companies Poll for multiple categories



Received for the 12th Reader's Digest "Trusted Brand Gold Award"



Nominated for 4 consecutive years Dow Jones Sustainability Indexes (DJSI) Chosen as a DJSI constituent stock for emerging markets



Cloud services received CSA STAR certification of the highest level from the Cloud Security Alliance



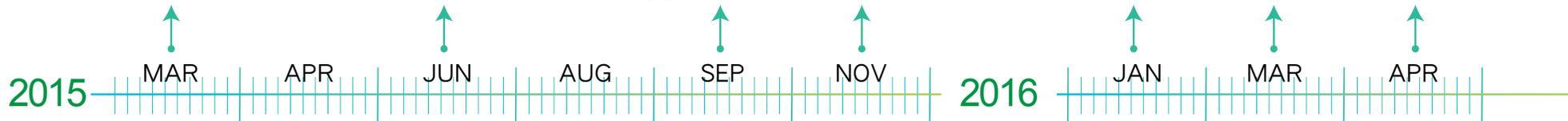
IDC cloud data center awarded Tier III TCOS Gold Certification of Operational Sustainability



Commended in FinanceAsia Magazine's 2016 Asia's Best Companies Poll for multiple categories



CommonWealth Magazine Golden Service Award Survey Telecommunications Industry 2nd place



Commended by Global Views Monthly for the 9th time with the CSR Award Model award in the CSR Annual Survey

Ranked in the first annual Corporate Governance Assessment at top 5%

Named for the eighth time for "Excellence in Corporate Social Responsibility" presented by CommonWealth Magazine as a top 10 corporate award recipient

Once again awarded the four Taiwan Corporate Sustainability Awards: Model Taiwanese Enterprise in the Field of Sustainability, Corporate Sustainability Reporting Gold Award, Integrity and Transparency Award, and the Social Inclusion Award

Commended by Global Views Monthly with the CSR Award First prize in the CSR Annual Survey

Chairman Richard M. Tsai named by Harvard Business Preview as one of Taiwan's Top 50 CEOs in 2016



2.2 Business Models

We aim to transform complex technologies into simple, practical, and user-friendly mobile services by embracing the concept of human nature. It is our passion to provide our customers with a fully satisfying digital lifestyle. Rooted in local culture, we insist on providing each customer in Taiwan with world-class services and are committed to creating an even more gratifying mobile lifestyle. TWM is part of your daily life.

Facing the advent of the 4G high-speed Internet age, TWM, which constantly strives for innovation, aims to integrate the telecommunication, media, and cloud services and virtual and physical channels under the corporate banner based on a core strategy of digital convergence to provide cross-platform and

seamless audiovisual and Internet application services. TWM provides individualized services such as enhanced cloud video (myVideo) and online music services (myMusic), online book shop (myBook), mobile games (myPlay1), shopping services (myfone), mobile payment (WALI) and personal health services (mySports) in addition to services for the family as the core unit such as automated security and surveillance systems and family videos. IaaS services (Infrastructure as a Service) and mobile office and cloud services cater to corporate customers. The provision of multidimensional cloud application services which meet customer demands will create an unprecedented new brand experience.

Core Competitiveness

Leveraging on its 5C (Coverage/Convergence/Content/Channel/Cloud) core resources, TWM has integrated virtual and physical channels, telecommunications, media and digital convergence to create more digital benefits that meet society's demands. The Company provides customers the best service with the fastest download speed, the widest 4G coverage, innovative research and development, and world-class information security. TWM has become a leader in TIME: telecommunications, internet, media and entertainment.

2.1 Analysis of Risks and Opportunities

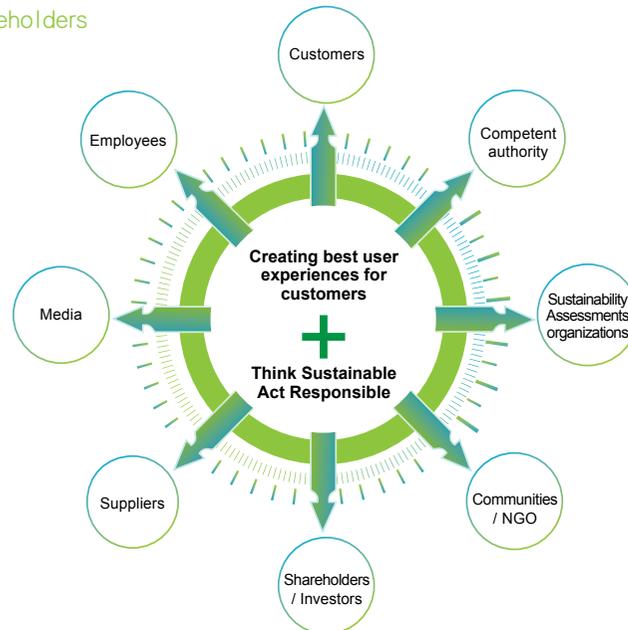
	Individual users	Corporate users	Household users
Service Content	Mainly mobile communication services to individual users; also a wide range of products, including voice, data and value-added services.	Positioned as an important supplier of "communication/cloud integration" services to enterprise customers to cater to their needs in integrated mobile, cloud and fixed network services.	Bringing together TWN Group's mobile and fixed network business resources and innovative cloud technology to provides digital convergence services across "four screens and a cloud" to home users.
Risks	The rapid advancement and increasing adoption rate of 4G services, accelerated pace of innovations in mobile devices and rising demand for mobile Internet and value-added services indicate an expanding market that attracts new entrants into the arena.	Confronted by tremendous changes in communication technology, multi-platform cloud services and mobility trends, as well as falling telecom service tariffs, enterprise clients are looking for telcos that can not only provide them with basic telecom services but also serve as a partner in exploring mobile, IoT and big data solutions.	Cable TV penetration rate has now plateaued, but local governments and the NCC policies will potentially increase our operating costs as well as competitiveness in the market.
Opportunities	<ol style="list-style-type: none"> 1) More affordable Internet-enabled mobile devices and rates as well as the expanding application service offerings means that mobile Internet is no longer exclusive to business users. Its widespread adoption among ordinary users is driving the rapid growth of non-voice revenues. 2) The Digital Age is bringing about a convergence of the information, communications and media industries. Mobile carriers now play a critical role in the supply chain for the wireless delivery of multimedia content and services. 	<ol style="list-style-type: none"> 1) With our advantages in mobile 4G spectrum resources and cloud infrastructure, developments of mobility and cloud services as well as market demand will drive revenue growth. 2) Demand for higher bandwidth continues to grow, and data services have become indispensable. 3) We have been cultivating the enterprise sector, and we understand the needs of our business customers. We are in an excellent position to help them integrate their fixed-line, mobile, information system and cloud resources. 	<ol style="list-style-type: none"> 1) The government's acceleration of its TV digitization policy will be advantageous to the promotion of our HD digital TV services. 2) The growing consumer demand for the downloading, uploading and sharing of HD multimedia entertainment services means that high-speed broadband Internet access is now in the mainstream.
Response	<ol style="list-style-type: none"> 1) Accelerate 4G network roll-out to satisfy customer demand for high-speed Internet access. 2) Plan ahead to cope with changes in related policies and legislation. 3) Aggressively promote innovative value-added services for smartphones to boost data revenues and compensate for declining voice revenues. 	We will continue our transformation strategy and to promote and develop a multitude of mobile and enterprise cloud application services so that we can create more value and improve customer loyalty.	<ol style="list-style-type: none"> 1) Promote high-speed fiber broadband Internet access service vigorously. 2) Support homegrown cultural creativity through the HD digital TV platform. 3) Continue to sponsor local public welfare art and cultural activities, and to subsidize network infrastructure in rural regions to bridge the urban-rural digital divide. 4) Engage in advance response planning by closely monitoring developments in the government's digitization policy and the direction of legislative amendments.

2.4 Stakeholders and Materiality Analysis

Identifying Stakeholders

TWM has identified eight categories of stakeholders based on AA1000 principles, our internal identification procedures, externally administered questionnaires and the results of conferences held with stakeholders and after opinions within and outside of the organization have been compiled. These categories are: employees, suppliers, regulatory authority, communities/NGOs, customers, shareholders/investors, the media, and rating agencies. We have also established dedicated communication channels for the different types of stakeholders to address and respond to their demands. We also organize regular engagement conferences to facilitate face-to-face communication with customers, NGOs, and suppliers in order to respond to their expectations. These discussions serve as a main reference for practices in the triple bottom line, i.e. economy, society, and environment, and they also lay the foundation for the sustainable development of TWM.

Stakeholders



Stakeholder Communication Mechanism

Key stakeholders	Communication channels	Frequency	Issues of concern/Responses
Employees	Performance assessments, Multidimensional evaluation system, performance interviews, and discussion of career development	Biannually	3.1.3 Ethical Governance- Multidimensional evaluation system
	Internal Communication Mechanism	Non-scheduled	
	Internal educational training	Non-scheduled	3.4.2 Talent development and retention
	Staff satisfaction surveys	Every 2-3 years	
	Employee welfare committee/committees	Non-scheduled	3.5.2 Communication mechanism-Transparent Complaint Channels
	Internal and external website	Non-scheduled	
	Labor-management meetings	Quarterly	
Suppliers	President and grievance mailbox	Non-scheduled	3.1.4 Supplier management
	Manufacturer communication mechanism	Non-scheduled	
	Meeting for education on norms	Non-scheduled	3.5.2 Communication mechanism-Transparent Complaint Channels
	Mail	Monthly	
	Grievance hotline	Non-scheduled	
Competent authorities	Questionnaires/Conferences	Non-scheduled	3.1.2 Legitimacy/legal compliance GRI Content Index
	Meetings/Visits	Non-scheduled	
Communities/NGOs	Official documents	Non-scheduled	2.4 Stakeholders and Materiality Analysis
	Electromagnetic wave testing hotline	Non-scheduled	
	Public welfare events	Non-scheduled	3.3.1 Digital trust - Free Electromagnetic Wave Measurement
	Foundation website	24H	
	Questionnaires/Conferences	Non-scheduled	
Customers	Customer service hotline and mailbox	24H	3.3.1 Digital trust 3.3.2 Best Customer Experiences
	Marketing activities	Non-scheduled	
	Customer satisfaction surveys	24H	3.3.3 Innovative technological applications
	Public information	Non-scheduled	
	Communication through text messages	Non-scheduled	3.5.2 Communication mechanism-Transparent Complaint Channels 3.5.1 Market/Brand image
	Official documents	Non-scheduled	
	Official website and customer service APP	24H	
Shareholders/ Investors	Questionnaires/Conferences	Non-scheduled	3.1.1 operational performance 3.1.3 Ethical Governance
	General Shareholders' Meeting, investor conferences and meetings, road show	19 events in 2015	
	Special website section for investors	24H	2.4 Stakeholders and Materiality Analysis 3.5.1 Market/Brand image
News release	5-8 per week		
Media	Press conference	Non-scheduled	2.1 Sustainability Vision and Strategy - Honors and Recognitions 3.5.1 Market/Brand image - Brand Award Stories
	Submissions for major national awards	2-3 times a year	
Sustainability Assessments organizations	Responses to international sustainability assessments - CDP & DJSI	Annually	

Unannounced nationwide service outage

Cause of incident:

On March 27, April 7 and June 28, 2015, TWM conducted system equipment expansion of the core data network to upgrade 4G service quality. Customers in some areas experienced intermittent and unstable services for 37, 48 and 95 minutes, respectively.

Our Actions:

1. Indemnity based on more favorable terms: Although the durations of service outages did not reach the 120-minute threshold required by law for mobile carriers to compensate subscribers for the loss of use of their service, TWM nevertheless offered a 5% reduction in subscription fees for the month to all affected users.
2. Improvement measures: We carried out the optimization of the network operations and maintenance processes as well as deployment design for Carrier Ethernet, and also adopted short-, mid- and long-term improvement plans to reduce Internet outages and the risks associated with service quality. We regularly reported our progress to the internal Risk Management Committee and the CSR Committee.
 - (1) Carrier Ethernet is a very important transmission infrastructure of the telecom network, providing a service backbone linking the core mobile communications network to base stations and also enterprise customers (especially those in the financial industry that require low-latency grade services).
 - (2) With the widespread adoption of smartphones, data traffic on the mobile Internet has grown significantly. To address this much increased level of data volume, TWM has adopted Carrier Ethernet as a means to expand the network's transmission capacity.
 - (3) To reduce the network's complexity, to provide rapid response to network service outages, to raise the efficiency of handling outages as well as to ensure network security and reliability, we planned to improve the Carrier Ethernet in three (short-, mid- and long-term) separate stages:

Short-term: Improve the mechanism for network configuration checks and outage detection, keep up with training of network maintenance staff and reinforce the SOP (completed).

Mid-term: Activate/optimize the function for limiting broadcast storm traffic, and optimize enterprise customers' circuit configurations (completed at the end of 2015).

Long-term: Modify existing network architectures and segregate the consumer and enterprise networks to simplify network configurations and to avoid undesirable interactions between the two (the new L3 network platform is expected to be completed by the end of 2016, and consumer traffic will subsequently be handled by the new network).

Demand for the ICT industry to employ 100% renewable energy

Cause of incident:

In late 2014, international environmental organizations conducted a questionnaire survey of Taiwan's information and communication technology (ICT) industry, which was entitled "Current Status of the Use of Renewable Energy by the ICT Industry in Taiwan". The survey provided ratings on corporations within the industry based on the following four criteria: commitment to using renewable energy, energy efficiency and carbon reduction, energy information transparency, and the use and advocacy of renewable energy. These ratings reflected each company's energy policy and achievement. The results of the survey were released in early 2015. In particular, most companies did not perform well in the categories of increasing the proportion of renewable energy usage or policy to promote the use of green energy, as they generally lacked aggressive actions with respect to these aspects.

Our Actions:

TWM has made concrete efforts by exerting our corporate influence to support and advocate the use of green energy with the 2015 initiative "Buy a mobile phone to support green energy".

This initiative includes five objectives:

- (1) Support the government's green energy policy
- (2) Media publicity strategies for green energy advocacy events
- (3) Renewable energy applications for telecom equipment
- (4) Enlist participation of vendors in the supply chain
- (5) Participate in international sustainability advocacy actions and evaluations.

[Refer to Subsection 3.2.3 "Green Energy Applications" for an introduction to this project]



Solar panels installed on the IDC's roof

Identification of Material Issues

TWM uses various channels to communicate with stakeholders, so as to compile and organize issues of concern based on the principles of sustainability context, materiality, integrity, and stakeholder inclusiveness. Material issues are identified through the following procedures, which are reviewed for their appropriateness and adequacy on a regular basis. First of all, sustainability reports published by domestic and overseas benchmark enterprises and associated media coverages are examined, followed by an analysis of industry trends and the collection of relevant sustainability issues. Secondly, online surveys of stakeholders and on-site conferences

are conducted to communicate face-to-face with stakeholders such as suppliers, public welfare organizations and customers in order to determine their level of concern regarding the sustainability issues pertaining to TWM. Thirdly, the CSR Committee is charged with the responsibility of evaluating the level of impact of each sustainability issue on TWM as well as following the 5C strategy and vision blueprint to determine the materiality matrix and the corresponding GRI G4 material aspects. The complete evaluation procedure is as follows:



Figure 1 Analysis of online questionnaire responses

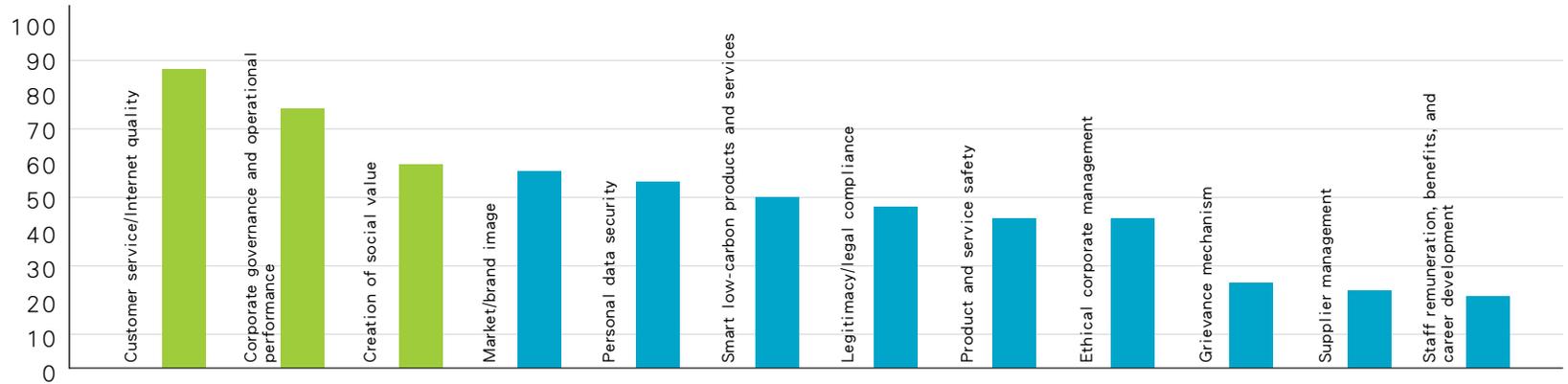
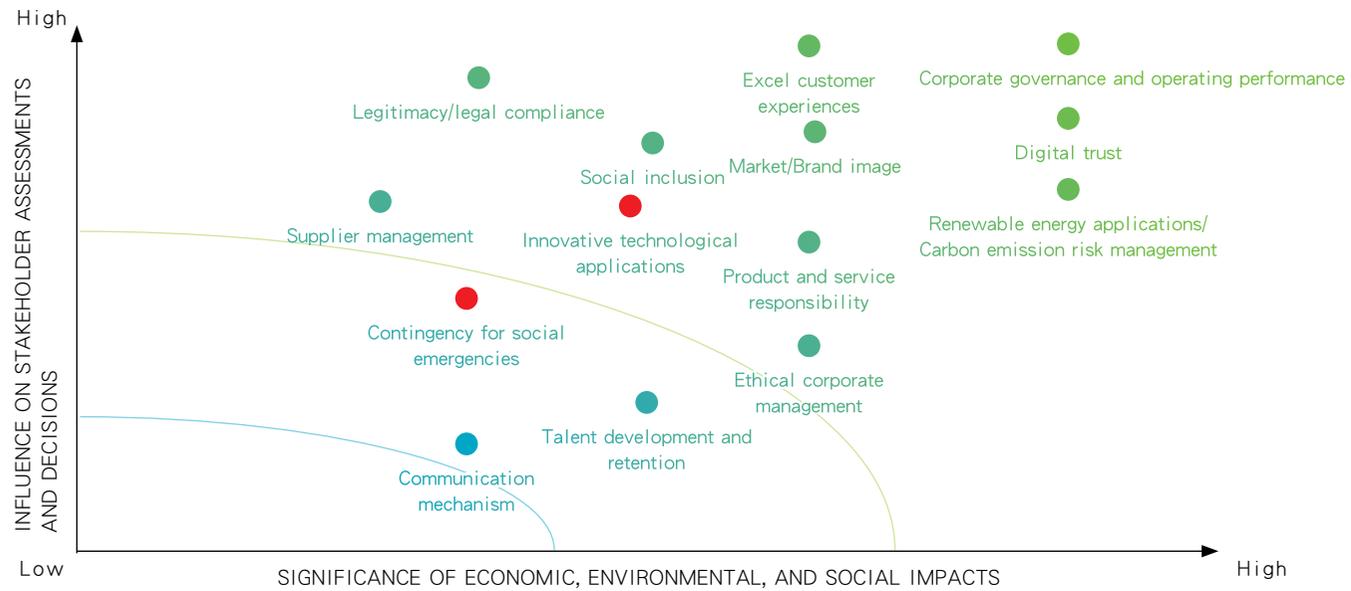


Figure 2 Materiality matrix (● NEW)



Text 1. Material issues and Boundaries

Material issues	GRI G4 Material aspects	Chapter index	Boundaries				
			Internal	Suppliers	Customers	Shareholders/ Investors	Communities/ Society
Corporate governance and operating performance	EC1-4	Economic performance	●			●	
	EN29	Compliance with environmental laws and regulations	●	●			
Legitimacy/legal compliance	PR9	Product accountability and legal compliance	●		●		
	SO8	Legal compliance in the social dimension	●	●			●
Ethical corporate management	SO3-5	Anti corruption	●	●		●	
	SO7	Anti-competitive Behavior	●	●		●	
Supplier management	EN32-33	Supplier environmental assessments	●	●			
	EC9	Procurement practices	●	●			
	LA14-15	Supplier assessments for labor practices	●	●			
	HR10-11	Supplier human rights assessments	●	●			●
	SO9-10	Supplier assessments for impacts on society	●	●			●
Renewable energy applications/ Carbon emission risk management	EN15-21	Emissions	●				●
	EN27-28	Products and services	●		●		●
	EN3-7	Energy	●				●
Product and service responsibility	PR1-2	Customer health and safety	●		●		●
	EN27-28	Products and services	●		●		●
Digital trust	PR8	Customer privacy	●		●		
Customer experiences	PR3-5	Product and service labeling	●		●		
Innovative technological applications	EC7-8	Indirect economic impacts			●		●

Material issues	GRI G4 Material aspects	Chapter index	Boundaries					
			Internal	Suppliers	Customers	Shareholders/ Investors	Communities/ Society	
Social inclusion	EC7-8	Indirect economic impacts	●		●		●	
	EC5-6	Market Presence	●					
	LA1-3	Employment	●					
	LA4	Labor/Management Relations	●					
	LA9-11	Training and education	●					
	LA12	Diversity and Equal Opportunity	●					
	Talent development and retention	HR3	Non-discrimination	●				
		LA13	Equal Remuneration for Men and Women	●				
		HR4	Freedom of Association and Collective Bargaining	●				
		HR5	Child Labor	●				
HR6		Forced and Compulsory Labor	●					
	LA5-8	Occupational Health and Safety	●					
Contingency for social emergencies	EC7-8	Indirect economic impacts	●		●		●	
Market/Brand image	PR3-5	Product and service labeling	●		●			
	LA16	Labor Practices Grievance Mechanisms	●					
Communication mechanism	EN34	Environmental Grievance Mechanisms	●		●		●	
	HR12	Human Rights Grievance Mechanisms	●		●		●	
	SO11	Grievance Mechanisms for Impacts on Society	●		●		●	



3

Creating Definitive Value

3.1 Ethical Governance

Core Philosophy

TWM embraces the core concept of “Creation of optimal user experiences for customers” under the provision of comprehensive communication and media services with the goal of turning into a benchmark enterprise in the information and communication industry. We insist on integrity as the fundamental principle for the implementation of corporate social responsibility to maximize the values of our stakeholders, which include our employees, suppliers, competent authorities, communities/NGOs, customers, shareholders/investors, media, and appraisal organizations.

Commitment and Action

We aim to provide customers with supreme telecommunication and digital convergence services, actively formulate sustainable business strategies, and employ our digital resources to create new technologies and further digital philanthropy on a foundation of world-class corporate governance, transparency, and integrity. This is a concrete manifestation of our accountability to stakeholders. Due to our continued efforts, we achieved brilliant results in 2015.



Results and Performance

- 2015 Operating costs: NT\$79,785,135,000
- 2015 Consolidated revenue: NT\$116,144,205,000
- Introduced supplier rotation for procurement and multidimensional performance evaluation system
 - Ranked among 5% in the first Corporate Governance Assessment
 - Received the Integrity and Transparency Award at the Taiwan Corporate Sustainability Awards (TCSA)
 - Received four "Best Managed Companies 2015"

Vision and Planning

The Company is committed to the constant enhancement of the operational efficiency of telecommunication services and the stimulation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) growth as well as the generation of higher profits in other business areas such as cable TV and e-commerce retail. In addition, CSR Best Practice Principles are implemented in overall operations and governance strategies. Active participation in international appraisals (DJSI and CDP) serves the purpose of evaluating implementation performance and provides motivation to achieve strategic goals in order to enhance international competitiveness.

3.1.1 Operating Performance Financial Results and Outlook

TWM's business operation is divided into the following four business groups: consumer services, home services, enterprise services, and retail services. An overview of the services and revenue conditions of different business groups is provided below:

Performance by division

	Consumer Business Group	Enterprise Business Group	Home Business Group	Retail Business
Brand name	TWM	TWM Business Solution	TWM Broadband	momo
Services	Voice and data mobile services for consumers Mobile to international direct dialing (IDD) services	Voice and data mobile services for enterprises Fixed-line services International simple resale (ISR) services IDC and cloud (IaaS)	Pay TV services Cable broadband services Others	Online shopping TV home shopping Mail order



	Telecom business		Cable business	Retail business
	Mobile business	Fixed-line business		
Market position	Second-largest mobile operator in a five-player market, with a market share of around 29% in terms of mobile service revenue	A market share of around 1.3% for ADSL/FTTx business. One of the top three internet service providers (ISP), with a market share of 4.5% (including 199K cable broadband subscribers from its cable business)	Fourth-largest multisystem operator (MSO), covering about 11% of households in Taiwan	Ranked among the top three in both online shopping and TV home shopping businesses
Subscriber base	7,453K mobile subscribers	Around 60K ADSL/FTTx internet access users	589K CATV Subscribers, 199K cable broadband subscribers	Not applicable
2015 revenue (million-NTD)		83,781	6,555	25,640
As a % of group revenue		72%	6%	22%
2015 EBITDA*		27,229	3,564	1,191
As a % of group EBITDA		84%	11%	4%

* Source: 2015 financial reports. The difference between the sum of each division and consolidated numbers was due to inter-division adjustments and eliminations.



Telecom Business

4G service take-up rate reached 43% of the Company's postpaid installed base as of the end of 2015, up from 16% a year ago. Given 4G postpaid's higher ARPU compared with 2G/3G, the increase in 4G subscribers boosted TWM's mobile postpaid ARPU by 3% YoY in 2015. Total telecom revenue, including handset sales, rose 2% YoY. Telecom EBITDA turned positive, growing 4% YoY, as a result of its solid 4G strategy and improved operating leverage.

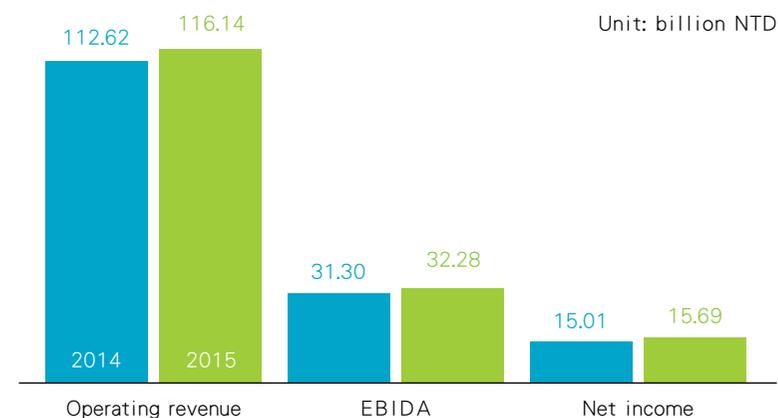
Cable Business

Revenue in 2015 rose 3% from a year ago, driven by growth in digital TV and cable broadband businesses. Growth was attributed to a successful bundling strategy, which lifted the Company's digital TV penetration rate and cable broadband service adoption rate. Accordingly, EBITDA from the cable TV business rose 4% YoY.

Overall Operating Results

TWM's consolidated revenue expanded 3% YoY in 2015 as result of the following: telecom service revenue rose due to increasing 4G adoption; cable broadband and digital TV revenues climbed 5% and 19%, respectively; and online shopping subsidiary momo's revenue surged 15%. Its EBITDA likewise grew 3% from a year ago, as the Company benefitted from 4G's expanding economies of scale, an improving operating leverage and steady profit increase from its cable TV business. Despite rising depreciation and amortization expenses because of intensive 4G network roll-out and more LTE spectrum deployment to provide the best mobile internet services for consumers, TWM's net income still increased 5% YoY in 2015 due to lower non-operating expenses and an additional one-off gain. TWM's EPS of NT\$5.76 was, once again, the highest among its peers.

2014-2015 Overall consolidated annual operational performance

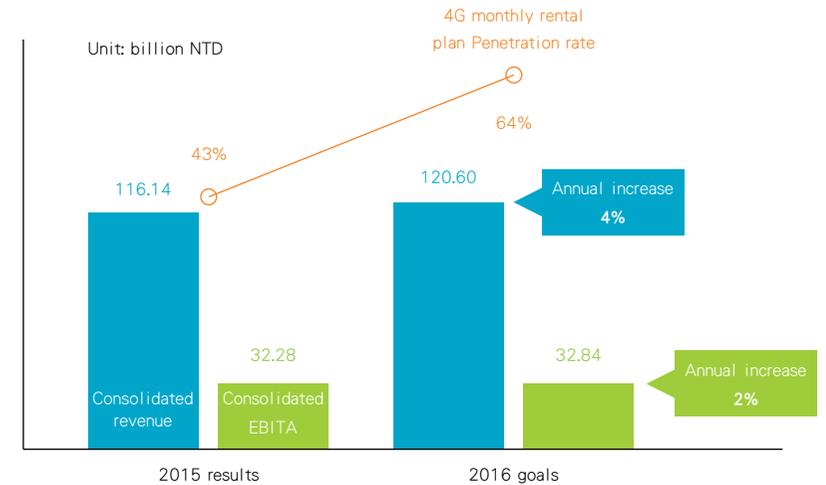


Macro Environment

Consumer spending on communication and broadcasting related services is largely influenced by macroeconomic factors. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), despite a persistent softness in external demand due to a sluggish global economy, private consumption grew a stable 2.28% in 2015, supported by the government's launch of short-term economic stimulus measures in 4Q15. For 2016, with volatile financial markets and non-economic risks likely affecting the global economy, domestic private consumption growth is expected to decelerate to 1.36%.

Operational Outlook for 2016

We hope that the telecom market as a whole will gradually adopt the fair use doctrine and the "user charge" principle, so that the industry will develop in a positive and healthy environment. Proper use of network resources and a sound and well-classified structure for service plans are essential for the long-term viability of the entire industry. While we endeavor to sustain the momentum of our revenue growth, we also cautiously keep all costs (such as commission-related operating expenses) as low as possible. We also utilize the funds saved from the original plan to bid for the 2.6GHz spectrum and related capital expenditure on other marketing resources in a flexible manner in the hope that we will be able to recover our investments in 4G infrastructures sooner than our competitors. We are confident that we will be able to achieve a balance between consumer demands and shareholder expectations, and that we can reach a maximal level of profitability for our shareholders with our operating performance.



Dividend policy and Shareholder rights

TWM's Shareholders



Data date : 2015/07/04

TWM adopts a dividend distribution policy whereby only surplus profits of TWM shall be distributed to shareholders, as well as a high cash dividend payout policy. Each year earnings are distributed pursuant to regulations set forth in our Articles of Incorporation and current laws. (Refer to the MOPS (Market Observation Post System) website for information on the dividends distributed.)

In addition, since 2012 the board of directors has adopted the practice whereby votes are held on all relevant proposals and voting rights may be exercised by electronic ballot. The resolutions for the proposals are disclosed in the proceedings, company website and MOPS. These multiple voting options facilitate the exercise of shareholder rights. provides our shareholders. In 2015 the percentage of attendance weighted by voting rights and exercised via electronic ballot was 95.05%, which indicates the effectiveness of corporate governance.

Tax Policy and Government Subsidies

As a sound corporate citizen, TWM sees tax as an important part of its social responsibility and takes a responsible approach to the management and control of taxation issues and ensures compliance with all our tax disclosures and filing obligations. Income taxes are filed and paid in an honest manner pursuant to the tax regulations. We also support and invest in major infrastructure projects promoted by the government and various R&D measures. Applications for tax preferences are submitted in accordance with the law.

The tax rate of the Company is roughly equivalent to the statutory tax rate of 17%. The discrepancy stems from tax exempt dividends or net earnings distributed to other profit seeking business entities in host

countries as well as applications for investment tax credits and tax preferences in accordance with the Statute for Industrial Innovation and other relevant laws. Major financial subsidies granted by the government in 2015 are listed below.

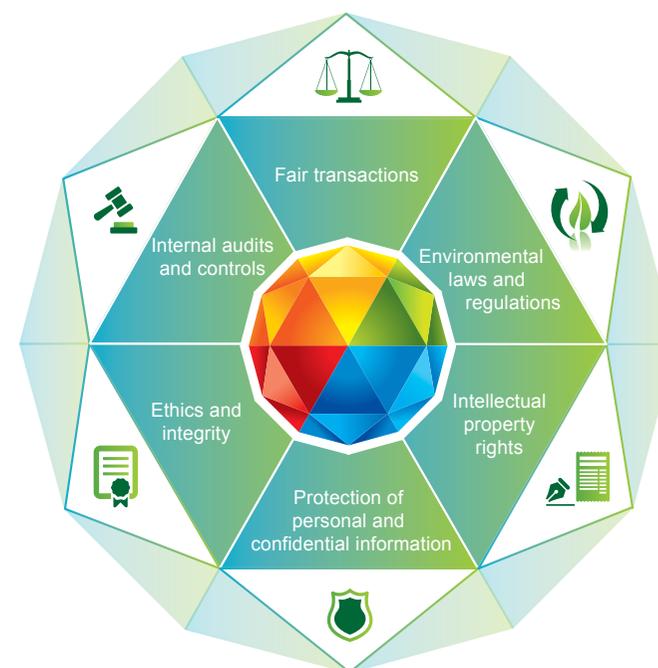
2015	Unit : 1,000 NTD
Income tax paid in cash	3,080,538
Tax preferences (investment tax credit)	39,920
Government subsidies	188,700

Data source refer from TWM's consolidated financial statements.

3.1.2 Legal Compliance

Integrity is one of our core values and serves as the key foundation for sustainable operations. We are strictly committed to the implementation of corporate governance and the scrupulous observation of the Company Law, the Securities and Exchange Act, the Commercial Accounting Law, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, and laws and regulations governing public offerings and other types of commercial behavior. Integrity has been internalized into our corporate culture through a rigorous internal control system, educational training, internal communication, and a code of practice.

Apart from adhering to ethical norms, we have also developed relevant policies and measures based on the legal compliance in other domains, including the protection of personal information, preservation and disposal of documents, safeguarding confidential and sensitive information, protection of fair trade, compliance with environmental regulations, internal audit and control, anti-corruption practices, and the protection of intellectual property rights. To equip all employees with the understanding of issues regarding compliance, we organize corporate governance seminars periodically. We also educate our staff on relevant legal cases via mobile learning and publish the latest internal regulations on the corporate intranet to raise awareness of legal compliance and on how to avoid inadvertent violation of the law in daily work.



We adhere rigorously to the administrative directions of the competent authority and relevant regulations. In 2015, we did not commit any major violations of the law with respect to the social dimension. In products and services, there were a total of 26 incidents in which the supply or use of products or services resulted in violation of the law or regulation, and fines were imposed. This represents a reduction of 47 incidents over 2014. The total amount of fines was NT\$14.75 million, a decrease of NT\$21.17 million compared with that of 2014, which was NT\$35.92 million. The types of violations and rectification measures are detailed in the following table:

Type of violation	Brief description of incident	Rectification measures:	Amount fined/No. of incidents
Base station	Installed 3G mobile base stations without first being granted permits to do so	We took great care in reviewing and rectifying errors that resulted in the imposition of fines. Going forward we will continue to communicate with stakeholders in order to protect consumers' communication rights. We conducted reviews of our base station installation mechanism again, and we are working to secure the installation of base stations on public land so as to improve the service quality of our networks.	NT\$11 million / 22 incidents
Network	Our consolidated core system network equipment was shared with and used by Asia Pacific Telecom. As this arrangement was not approved by the NCC in advance, it was ruled that TWM violated the provisions in the approved business plan, which resulted in penalty.	We have complied with the competent authority's regulations and rectified the situation.	NT\$3.3 million / 2 incidents
Customer complaint	Subscriber called into question how long a TWM mobile number ported to Chunghwa Telecom and subsequently canceled and returned to TWM would be kept on the reserve list before being made available commercially again.	We changed the retention period for ported mobile numbers whose subscriptions have been canceled to 3 months following the return of the ported number in accordance with the provisions of the Telecommunications Act. Our IT department made the necessary corrections on our system on January 14, 2015.	NT\$100,000 / 1 incident
Personal information	We were commissioned by the AIA life insurance company to send product discount SMS messages to TWM subscribers. We subsequently compiled the list of users who responded to the SMS and sent it to AIA so that AIA could follow up on their marketing efforts. This practice was determined by the NCC to have violated the Personal Information Protection Act.	We have terminated all our projects to send SMS messages to subscribers on behalf of enterprise customers. We have also reviewed each operational mechanism of all our services to ensure strict compliance with the Personal Information Protection Act.	NT\$350,000 / 1 incident

In addition, with respect to the M+ system developed in-house by TWM, which displays the mobile career associated with an incoming call, three subscribers filed lawsuits against TWM and Taiwan Kuro Times alleging that this service was in violation of the Personal Information Protection Act. The court ruled in favor of TWM in two of the lawsuits and against TWM in the third. All judgments were final.

With respect to the environment, TWM was fined NT\$60,000 by the Taoyuan City Government on March 5, 2015 for violating Subparagraph 5, Paragraph 1, Article 8 of the Soil and Water Conservation Act. We were accused of excavating and preparing a tract of land within a hillside area to lay a cement floor without authorization.

The violations of the old base station relocation

Cause of incident

With respect to the construction project to relocate the old base station iron tower in Guishan, TWM was fined NT\$60,000 by the Taoyuan City Government for violating Subparagraph 5, Paragraph 1, Article 8 of the Soil and Water Conservation Act. We were accused of excavating and preparing a tract of land within a hillside area to lay a cement floor without authorization.

Status:

1. Taoyuan City Government explained that if the base station iron tower had been rebuilt over the same site, no permit would have been required. However, in order to relocate the tower an application must be submitted and approved by the competent authority before construction could be allowed to proceed.
2. We submitted a land use application to the Taoyuan City Government pursuant to the "Taoyuan City Land Use Review Guidelines for Urban Planning Conservational Districts and Agricultural Land". We will proceed with the relocation project upon approval by the municipal authority.
3. To prevent any future violations of the Soil and Water Conservation Act and to avoid government fines resulting from our ignorance of applicable laws and regulations, we have brought this issue to the attention of all staff at the monthly base station construction meeting. Going forward we will ensure that we have all the required permits and authorization documents before proceeding to build a base station structure on the ground.

Spectrum dispute incident with competitor

Cause of incident

TWM signed an agreement with the competitor to jointly return C4 and C1 spectra used for 2G services at the end of June 2016 (with the condition "together on the same day"). The specific day of returning the frequencies, both parties agreed, would be determined jointly at a later date. However, the competitor proceeded to return its C1 frequencies on March 23, 2015 without having first consulted with TWM.

Status:

The competitor filed a lawsuit regarding the dispute of C1 and C4 spectra. The court is scheduled to deliver its ruling on May 23, 2016. (Refer to p. 102 of the 2015 Annual Report for a detailed description of the lawsuit)

3.1.3 Ethical Corporate Management

Employee Rules of Moral Conduct

Moral conduct of staff members is an important area of assessment in all evaluations. In July 2010, we turned these behavioral norms into written rules by formulating the Rules of Moral Conduct. These rules encompass principles of integrity and trustworthiness as well as norms related to the prevention of conflicts of interest and inappropriate personal gain, confidentiality obligations, fair transactions, and proper protection and use of company assets. Our staff members display great integrity in their pursuit of high standards of moral behavior.

The company's new hires receive training in our corporate employee code of conduct at their orientation sessions. The course covers our corporate culture of integrity, anti-corruption practices and grievance procedure. All employees are also required to complete the "Code of Ethics" training and understand the ethical convention and rules that all should abide by in our daily work. In 2015 a total of 1,600 new hires (including those from TWM, Taiwan Fixed Network and Taiwan Teleservices & Technologies) attended the training. Employees who reported to work by the end of 2015 received the required training and passed the subsequent exams. The board of directors of TWM Broadband approved the "Code of Ethics" in April 2016 and later announced its adoption and incorporation into the orientation sessions for new hires.

Employee Rules of Moral Conduct

Article 1 (Purpose and Basis of the Code of Ethics)

The Code of Ethics is adopted for the purpose of directing the directors, officers, managers, and employees of the Company to act in conformity with the standard of ethics, and ensuring that the stakeholders of the Company understand the ethical standard of the Company.

Article 2 (Persons Subject to Code of Ethics)

This Code of Ethics shall be applied to the board of directors, officers, managers, and other employees of the Company (collectively "the Personnel").

Article 3 (The Principle of Honesty and Credibility)

In the event of performing their duties, the Personnel of the Company shall be proactive, responsible, prudent, and shall abandon sectionalism, focus on teamwork, and diligently comply with the principle of honesty and credibility.

Article 4 (Prevention of Conflict of Interest)

The Personnel of the Company shall deal with corporate events objectively and efficiently, and shall not improperly take benefits based on the Personnel's position for themselves, their spouses, parents, children or relatives within three degrees of kinship.

In the event that the aforementioned Personnel's affiliates receive loans or guarantees, engage in material assets transactions, or purchase (or sell) products from (or to) the Company, the relevant Personnel shall voluntarily and sufficiently explain to the Company whether there exists any potential conflict of interest with the Company in order to gain proper approval from a supervisor.

Article 5 (No Self-Benefiting)

In the event that the Company has the opportunity to obtain benefits, the Personnel shall ensure that the Company is able to acquire them lawfully.

The Personnel shall not:

1. acquire the opportunities for benefit or benefit themselves by using the Company's assets or information or by virtue of their positions with the Company; or
2. compete with the Company.

Clause 6 (Confidentiality)

1. The Personnel shall, unless otherwise authorized or required to disclose by law, keep the company information and the information of suppliers / customers in strict confidence. The confidential information includes all non-public information that may cause damage to the Company or the customers if such information is disclosed or used by a competitor.

2. The Personnel shall keep the confidential, technical, personal or any other non-public information or trade secrets in connection with the Company, the affiliates of the Company, the customers of the Company or its affiliates, or any other third party, whether in writing or orally, marked "confidential" or not, in strict confidence ("Confidential Information"), and should not inquire, search and use such Confidential Information without justifiable cause. The Personnel shall not deliver, transfer, copy, duplicate, publish or in any other way disclose any of the Confidential Information without the Company's prior written consent.

Clause 7 (Fair Transactions)

1. The Personnel shall treat the Company's suppliers, customers, competitors and competitors' employees on a fair basis, and shall not manipulate, conceal or abuse the information acquired due to their position. The Personnel shall not make false statements on important issues or gain any improper advantage by unfair transactions.

2. In the event of performing their normal duties, the Personnel shall comply with the ethical standard and fair-trade principal stipulated by the Company. With respect to the acceptance of a gift or hospitality from suppliers or contractors, the Personnel:

- (1) shall not request or arrange to receive any gift, rebate, bribery or any other improper benefits by virtue of their positions;
- (2) shall be strictly prohibited from receiving any cash or securities. If the Personnel find that any gift or hospitality from suppliers or contractors is not conforming to social custom, the Personnel shall refuse such gift or hospitality immediately;
- (3) shall report to the supervisors of their own department and the head officer of the audit department if the Personnel found that, after receiving the gift or hospitality from suppliers or contractors, the gift or hospitality is not conforming to social custom due to force majeure.

Clause 8 (Proper Protection and Use of the Company's Assets)

The Personnel shall protect the assets of the Company, ensure the asset to be validly and legally used for business purposes, and avoid the asset from being stolen, wasted or neglected.

Clause 9 (Compliance of Laws and Regulations)

The Personnel shall comply with all the laws, rules, regulations and policies stipulated by the Company governing its operations. Once the Personnel is aware of any critical non-public information, the Personnel shall not conduct any security transaction in accordance with the "Securities and Exchange Act" and other relevant laws and regulations.

Clause 10 (Reporting a violation of the Code of Ethics)

If any employee discovers or suspects that there is an event conflicting with the law, regulations, or the Code of Ethics, the employee shall voluntarily report to the audit committee, managers, internal audit officers or other appropriate officers, and shall provide sufficient information so that the Company may properly handle the subsequent matters. The Company shall handle the employee's report in strict confidence and shall use its best endeavour to protect the reporting employee's safety.

Clause 11 (Penalty and Appeal)

In the event that a director or manager is in violation of the Code of Ethics, the Company shall deal with the violation in accordance with the relevant regulations. The Company shall establish an appeal procedure where the accused personnel may formally challenge the initial ruling.

Clause 12 (Method of Disclosure)

The Company shall disclose the Code of Ethics in the annual report, public prospectus, and Market Observation Post System, and the same procedure shall apply to the amendments.

Clause 13 (Enforcement)

The Code of Ethics shall be adopted for enforcement after resolution by the board of directors, delivered to the audit committee for reference and shall be reported to the shareholders' meeting. The same procedures shall apply to the amendments.

Job rotation for procurement staff

To enhance internal control, in 2015 we began to perform inventories on all purchase requisitions and acceptance procedures. For purchase requisitions on a volume and ongoing basis and above a certain monetary amount, the acceptance and procurement positions are subject to monitoring and the staff will be rotated on a regular basis. Human Resources Division has compiled a list to monitor staff in the positions described above as well as their direct supervisors. Their lengths of service are examined on a regular basis to determine if they have been in a position for the maximum time allowed and if mandatory job rotation is required.

Employee corruption and lawsuits

Case 1: Customer service employee committed fraud to receive unmerited performance bonus with forged customer bill

Internal control measures:

1. Faxed billing data (black and white) is no longer accepted
2. Customers may send image files of their bills, but only group leaders may accept them, and the files must also be confirmed with customers via telephone
3. Enhanced personal information security awareness training and training on USB management guidelines are provided at new hire orientation

As this was a serious offense, the employee involved has been recommended for dismissal based on company guidelines on the violation of the law/regulations by employees.

Employee corruption and lawsuits

Case 2. Theft and illegal sale of company-owned handsets by direct store staff

Internal control measures:

1. Reiterating company's position and notifying retail outlet staff: Notified staff by sending awareness letters and deviation alerts to educate staff on these issues via e-mail, distribution network, store point meetings and training programs. The messages contained the following: strict prohibition from selling i6s phones without a service plan, selling phones on credit with telecom stores and other illegal activities)
2. Amendment to the Deviation Management Guidelines: Those who have committed offenses will receive a major demerit in their disciplinary records, and their supervisors will also be held jointly responsible. In the event of a serious offense, the Legal Office will be asked to initiate legal proceedings against the offender.
3. Regular inventory of handsets and accessories:
 - a) Stores are required to take inventory on a daily basis and the task is incorporated into the list of items to be checked during supervisory inspections.
 - b) On the backend, a spot-check mechanism for storefront products is activated periodically to examine if supervision and inventory taking are conducted properly.
 - c) The system carries out automated inventory detection each day, and supervisors are required to respond to the system with confirmation of results.

Note: Rules with which all employees are required to comply are specified in the company's "Deviation Management Guidelines for Direct Stores". In 2015, there were 32 incidents involving employee deviations and the individuals received disciplinary actions accordingly.

Ethical Corporate Management Best Practice Principles

The Taiwan Mobile Ethical Corporate Management Best Practice Principles were formulated in January 2011 for the purposes of establishing a corporate cultural that emphasizes ethical management so that a business environment for sustainable development may be achieved. The scope of applicability spans subsidiaries, any foundation constituted as a juridical person to which the Company's direct or indirect accumulated contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company.

Subsequently, we amended the Principles on April 30, 2015 after consulting relevant laws and regulations as well as the company's actual practices. Operational rules have also been adopted to be followed by all employees. The details are as follows:

Adoption of unethical conduct prevention programs

- The Ethical Corporate Management Best Practice Principles

governs unethical business practices such as offering or taking bribes, illegal political donations, questionable charitable contributions or sponsorships, offering or accepting unreasonable gifts, infringements on intellectual property rights, engaging in unfair competition practices, and offering products or services that cause harm to stakeholders. In 2015 we did not make any political donations.

- When the company's directors and appointees assume their positions, they are required to sign a confidentiality agreement to promise to exercise the due care of a good administrator, fulfill their fiduciary duty, and perform their duties and maintain confidentiality on behalf of the company in honesty and good faith.
- The company's Human Resources Division designed an "integrity statement" document to help bring awareness to all employees regarding the obligation to comply with integrity regulations. The

emphasis is on the prohibition of unethical conduct and relevant disciplinary actions in the event of a violation. Employees must read the "integrity statement" online and personally sign it every year to renew their commitment.

Conducting transactions with parties possessing ethical conduct

- Prior to the conclusion of any commercial transaction, the Company shall take into consideration the legitimacy of their agents, suppliers, customers or other trading counterparties, and their records of unethical conduct, if any, and avoid having any dealings with persons who have any record of unethical conduct. When entering into contracts with other parties, the Company shall include in such contracts provisions demanding ethical corporate management policy compliance and a provision that in the event the trading counterparties are suspected of engaging in unethical conduct, the Company may terminate or cancel the contract provisions at any time.
- We have demanded that all our trading counterparties sign the Business Integrity Statement in order to fulfill their ethical management policies.

Dedicated unit in charge of integrity and ethics with regular awareness training

- The Audit Committee, Remuneration Committee and Internal Audit Office have been established under the supervision of the board of directors. The Risk Management Committee and the CSR Committee have also been formed to develop relevant ethical guidelines and to oversee their implementation based on their given responsibilities. Regular reports are delivered to the board regarding the progress of each competent unit. The purpose is to ensure that the company's highest guiding principles for ethical management policies are fulfilled under the board's oversight.
- Every year the Ethical Corporate Management Best Practice Principles are communicated to employees on a regular basis, so that all directors, managers and employees will fully understand and be able to comply with the company's ethical and integrity guidelines. In addition, appropriate training courses are offered based on actual requirements to strengthen employees' awareness regarding compliance.

Development of regulations regarding the reporting of ethical

violations, and disciplinary and grievance procedures

- "Employee complaint procedure" and "Supplier grievance procedure" have been established to provide concrete whistleblowing as well as disciplinary and grievance procedures.
- The Company shall keep confidential the identity of the person who reports such violation and the report's content, and shall actively investigate and deal with said report. If any violation of the Principles is confirmed, a disciplinary action will be imposed depending upon the nature and degree of such violation.

The Company's ethical corporate management principles specifically prohibit the following: offering and acceptance of bribes; making illegal political donations; offering questionable charitable donations or sponsorships; giving or receiving unreasonable gifts, hospitality or other illicit profits; infringing on the intellectual property rights of others; engaging in unfair competition practices. The principles also specify prevention plans and handling procedures to deal with products or services that cause harm to stakeholders. Announcements and notices of relevant regulations are provided on a regular basis for staff members, managers, and board directors. As of January 1, 2014, all employees are required to sign an integrity statement to strengthen the concepts of integrity and self-discipline. We will continue our educational efforts in the future to give employees a better understanding of the importance and necessity of ethical conduct.

Ethical Corporate Management Best Practice Principles

Article 1 (Purpose of enactment and applicable scope)

The Ethical Corporate Management Best Practice Principles ("Principles") are enacted to establish a corporate culture of ethical management and sound development, and offer a framework to establish good commercial practices.

The Principles shall apply to the Company's subsidiaries, any foundation constituted as a juristic person to which the Company's direct or indirect accumulated contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company.

Article 2 (Prohibition of Unethical Conduct)

When engaging in commercial activities, directors, managers, employees of the Company or persons having substantial control over the Company ("Substantial Controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper Benefits (see Article 3), nor commit unethical acts including breach of the principle of good faith, illegal acts, or breach of fiduciary duty (collectively "Unethical Conduct") for purposes of acquiring or maintaining Benefits (see Article 3).

The opposite parties of the Unethical Conduct referred to in the preceding paragraph include civil servants, political candidates, political parties or their members,

state-run or private-owned businesses or institutions and their directors, supervisors, managers, employees or Substantial Controllers or other interested parties.

Article 3 (The types of Benefits)

The "Benefits" mentioned in the Principles means item of tangible value, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Legal compliance)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflict of Interest, TWSE/GSM-listing related rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate operations.

Article 5 (Policy)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control management mechanism so as to create an operational environment for sustainable development.

Article 6 (The promises and executions)

The Company shall clearly specify ethical corporate management policies in their internal rules and external documents. The board of directors and management promises to rigorously and thoroughly enforce such policies for internal management and external commercial activities.

Article 7 (Engaging in commercial activities under ethical corporate management policies)
The Company shall engage in commercial activities in a fair and transparent manner.

Prior to the conclusion of any commercial transaction, the Company shall take into consideration the legality of their agents, suppliers, clients or other trading counterparties, and their records of Unethical Conduct, if any, and avoid having any dealings with persons who have any record of Unethical Conduct.

When entering into contracts with other parties, the Company shall include in such contracts provisions demanding ethical corporate management policy compliance and a provision that in the event the trading counterparties are suspected of engaging in Unethical Conduct, the Company may at any time terminate or cancel the contracts.

Article 8 (Prohibition of offering and accepting bribes)

When conducting business, the Company and its directors, managers, employees and Substantial Controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits in any form, including rebates, commissions, grease payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties, unless the laws of the territories where such business is conducted permit so.

Article 9 (Prohibition of offering illegal political donations)
When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees and Substantial Controllers, shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 10 (Prohibition of improper charitable donations or sponsorship)

When making or offering donations and sponsorship, the Company and its directors, managers, employees and Substantial Controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 11 (Prohibition of unjustifiable presents, hospitality or other improper benefits)

The Company and its directors, managers, employees and Substantial Controllers shall not directly or indirectly offer or accept any unjustifiable presents, hospitality or

other improper benefits to establish business relationship or influence commercial transactions.

Article 12 (Organization and responsibility)
The board of directors of the Company shall exercise due care in urging the Company to prevent Unethical Conduct, and review, from time to time, the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its Ethical Corporate Management Best Practice Principles.

To achieve sound ethical corporate management, the internal audit department shall be in charge of enacting and enforcing the business integrity policies and prevention program ("Prevention Program") and reporting to the board of directors on a regular basis.

Article 13 (Legal compliance for business operation)
The Company and its directors, managers, employees and Substantial Controllers shall comply with laws and regulations and the Prevention Program when conducting business.

Article 14 (The avoidance of conflicts of interest of directors and managers)

The Company shall establish policies for preventing conflicts of interest and offer appropriate means for directors and managers to voluntarily explain whether their interests would potentially conflict with those of the Company.

The Company's directors shall exercise a high degree of self-discipline. A director may present his opinion and answer relevant questions but is prohibited from participating in voting on any proposals where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the Company; neither shall a director vote on such proposal as a proxy of another director in such circumstances. The directors shall exercise self-discipline and should not support one another in improper ways.

The Company's directors and managers shall not take advantage of their positions in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 15 (Accounting and internal control)
The Company shall establish effective accounting systems and internal control systems for business activities which may be at a higher risk of being involved in Unethical Conduct, and should not have under-the-table accounts or maintain secret accounts, and shall conduct reviews from time to time so as to ensure that the design and enforcement of the systems continue to be effective.

Internal auditors of the Company shall examine the Company's compliance with the system mentioned in the preceding paragraph and prepare and submit audit reports to the board of directors on a regular basis.

Article 16 (Operational procedures and guidelines)
The operational procedures and guidelines established

by the Company for the prevention of Unethical Conduct, which have specifically specified the rules of business conduct for the Company's directors, managers, employees, and Substantial Controllers, shall contain the following:

1. Standards for determining whether improper Benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interest and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of Unethical Conduct.
7. Handling procedures for violations of the Principles.
8. Disciplinary measures on offenders.
9. Article 17 (Education training and reviews)

The Company shall periodically organize training and awareness programs for its directors, managers, employees, and Substantial Controllers. Each business department of the Company shall propagate the principles to the counterparties of any commercial transaction the Company engages in, and have such counterparties fully understand the Company's resolution to implement the Principles and related policies, Prevention Program and the consequences of committing Unethical Conduct.

The Company shall combine the Principles with its employee performance appraisal system and human re-

source policies to establish a clear and effective reward and discipline system.

Article 18 (Report and discipline)
In cases where the Company's directors, manager, employees or Substantial Controller has discovered a violation of the Principles, the directors, manager, employees or Substantial Controller shall report such violation to the audit committee, managers, internal audit officer or other appropriate officers of the Company. The Company shall keep confidential the identity of the person who reports such violation and the report's content, and shall actively investigate and deal with said report. If any violation of the Principles is confirmed, a disciplinary action will be imposed depending upon the nature and degree of such violation.

Article 19 (Disclosure of Information)
The Company shall disclose the status of the enforcement of the Principles on its company website, annual report and public prospectus.

Article 20 (Review and Amendment to the Principles)
The Company shall monitor the development of relevant local and international regulations concerning ethical corporate management from time to time, and encourage its directors, managers and employees to make suggestions so as to review and improve the Principles and achieve better results from implementation.

Article 21 (Enforcement)
The Ethical Corporate Management Best Practice Principles of the Company shall be implemented after a review is made by the Corporate Governance Committee and approval is granted by the board of directors, and shall be submitted to the shareholders' meeting. The same shall apply to any amendment thereto.

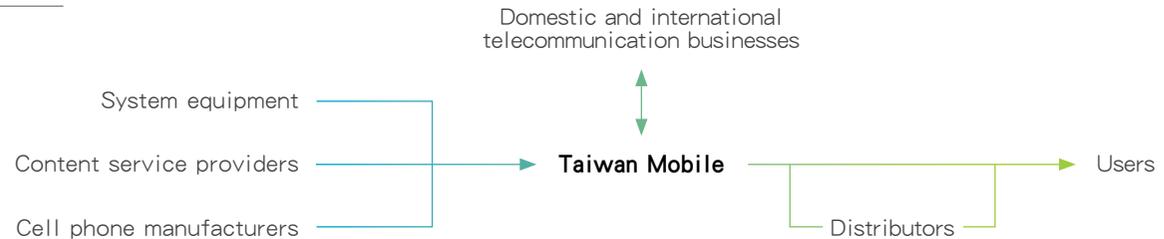
Multidimensional evaluation system

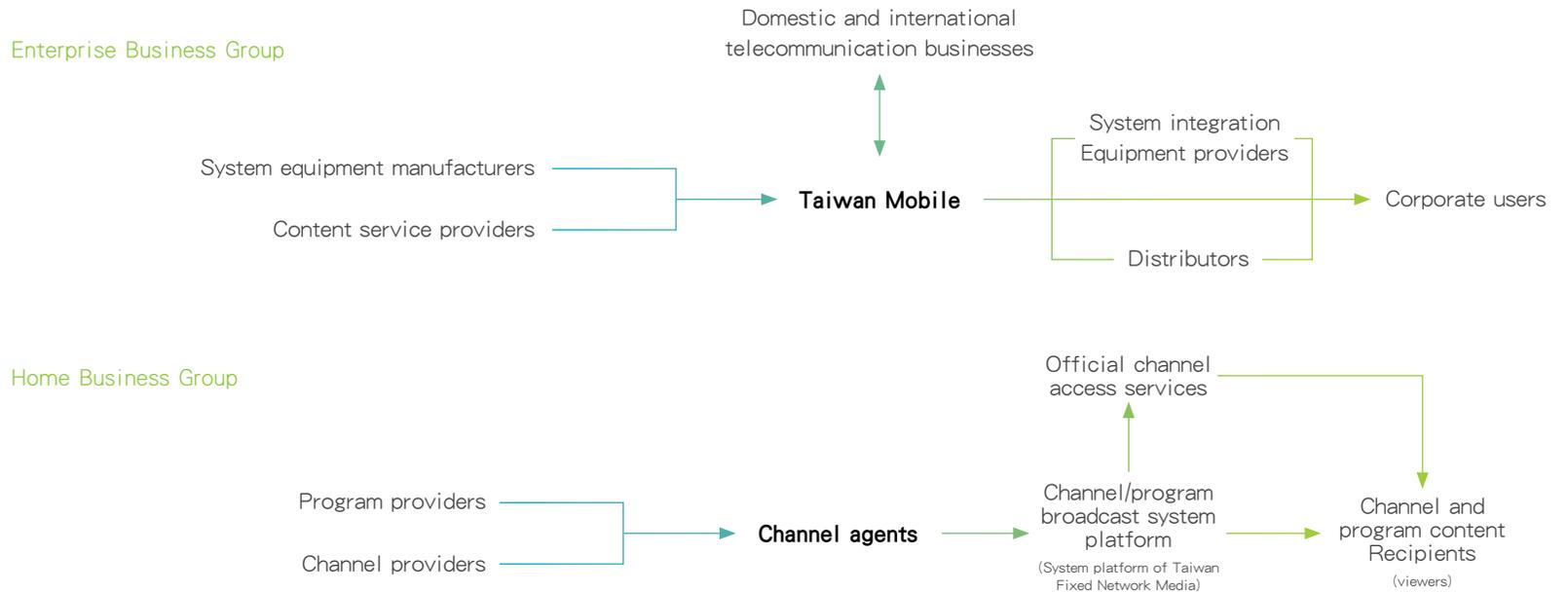
In order to provide a more comprehensive assessment of our employees, in 2015 we introduced a multidimensional evaluation and feedback system as part of our performance assessment process. Employees conduct multidimensional mutual reviews of fellow employees (including subordinates, supervisors and peers). Supervisors can discuss the feedback obtained from the reviews with their subordinates to assess their overall performance score for the year and to set targets and personal training plans for the following year. Refer to subsection 3.4.2 of "Talent development and retention" for details.

Note: Companies that have adopted the multidimensional evaluation system include TWM, Taiwan Fixed Network and Taiwan Teleservices & Technologies.

3.1.4 Supplier Management Overview of industry chains

Consumer Business Group





Supplier Management Guidelines

Supplier Management Guidelines: Everything Starts with Taiwan Mobile

TWM's annual total procurement amount is in excess of NT\$40 billion, and the number of vendors that are awarded purchase orders from us each year exceeds 500. Only through strict enforcement of our supplier management guidelines are we able to enhance and deepen TWM's corporate social responsibility. TWM firmly believes that fulfilling the responsibilities associated with the economy, environment, and society is the key to corporate sustainability.

In 2015 TWM gained as many as 200 new suppliers. All of these vendors underwent our basic corporate governance, credit and financial reviews. We also conducted on-site inspections of their factories and were apprised of their upstream, midstream and

downstream supply chain situations before admitting them as qualified suppliers.

We announced the "Taiwan Mobile CSR Guidelines for Suppliers" in 2011, and we expect all of our suppliers to contribute to CSR. In January 2015 we upgraded our Business Integrity Statement as an online system on which vendors can make their declarations electronically. This system is designed to provide effective control measures against abuses and corrupt practices, and also serves as a platform for our suppliers and partners to implement CSR-related tasks and update their business integrity statuses, thus incorporating them into the scope of our standardized management.

We have also incorporated relevant ESG principles into all tender invitation and contracts in our procurement process. Examples are: With respect to the environmental dimension, it is necessary for

suppliers to comply with environmental protection laws such as the Waste Disposal Act, Air Pollution Prevention Act, and Noise Control Act. In the social dimension, a vendor who has been awarded a contract by us should carefully consult the TWM "Rules governing contractor safety, health and environmental protection" and sign the

"Contractor safety, health and environmental protection statement". The contractor should also inform TWM of any hazards that may be present before entering our premises to ensure workers' operational safety. During 2015 we did not terminate any contracts with contractors due to the violation of these rules.

Green Procurement

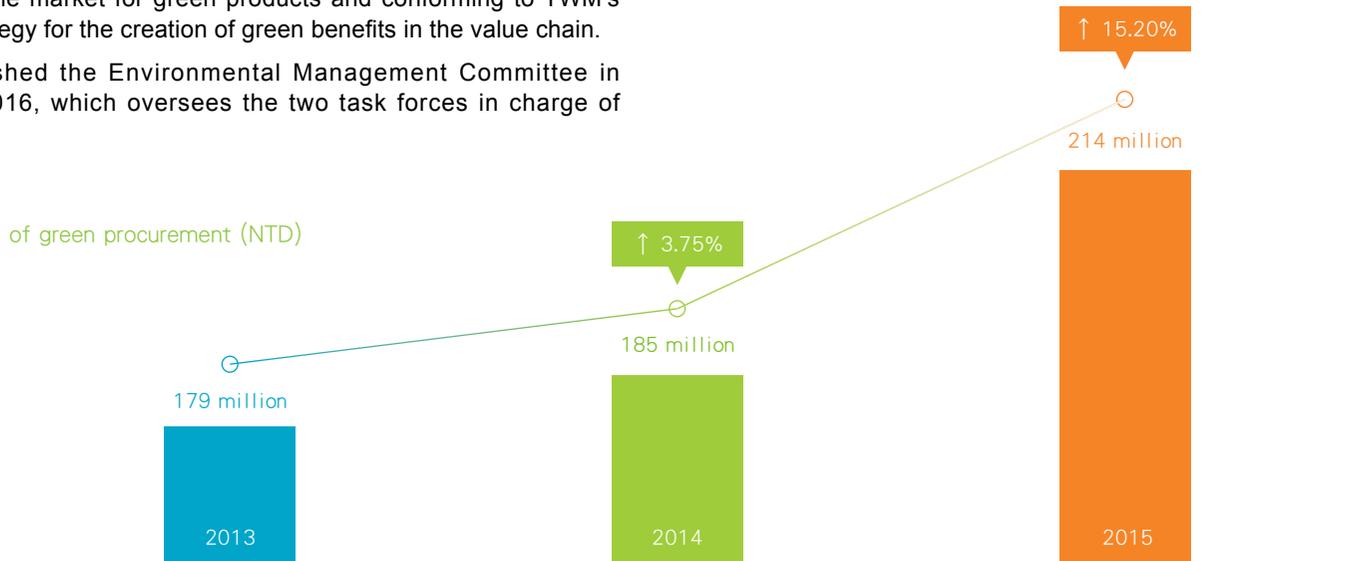
TWM continues to carry out our green procurement policy. In 2015 the total amount of green procurement increased by 15.20% compared with 2014. With respect to the annual procurement of equipment and labor for base stations and data centers, offices, printing of paper bills, and renovations at direct stores, priority is given to eco-friendly products that have a low impact on the environment and meet the following criteria: 1. having acquired an Eco Label recognized by the Environmental Protection Administration of the Executive Yuan; 2. utilization of recyclable and renewable materials, low pollution, and resource efficiency; 3. increase of social benefits, reduction of social costs, or effects of a similar or identical nature, with the goal of expanding the market for green products and conforming to TWM's win-win strategy for the creation of green benefits in the value chain.

We established the Environmental Management Committee in February 2016, which oversees the two task forces in charge of

green procurement and energy as the units within our organization to develop environmental policies. We require each department with procurement needs to give priority to equipment that is more energy efficient or environmentally friendly when developing its procurement guidelines.

At the same we have also adopted the annual green procurement target, for which progress is tracked and statistics compiled. The purpose is to conduct gap analysis of the results, which will be used as the basis for improving our green procurement practices later on.

Total amount of green procurement (NTD)



Note: Data include Taiwan Mobile and Taiwan Fixed Network.

Supporting local suppliers

Note1: Definition of international supplier: no business registration in Taiwan

Note2: Data include Taiwan Mobile and Taiwan Fixed Network.

Supporting local suppliers: The percentage of our local procurement is over 90%

Through our local procurement practices, TWM is able to contribute to the economic development of the local communities. We will continue to solidify our local procurement to drive the growth of local industries and help to increase domestic employment opportunities.

Supplier CSR performance assessment'

Supplier CSR self-assessment questionnaires: Response rate increased by more than 100%

To ascertain suppliers' continual commitment to fulfilling the responsibilities associated with the economy, environment, and social responsibility, TWM instituted the supplier CSR self-assessment questionnaires in 2014. The response rates of these questionnaires have since grown each year, and a total of 104 and 210 suppliers submitted their responses in 2014 and 2015, respectively. This indicates that TWM has been highly influential in prompting suppliers to take on their corporate social responsibility.

Year	CSR self-assessment survey	Growth rate
2014	104 suppliers response	-
2015	210 suppliers response	101.92%

There were 75 suppliers that participated in the CSR self-assessment survey in both 2014 and 2015. Those that showed an improvement in their self-assessment scores numbered 20, and the total increase in scores was 14.2. Therefore it can be seen from this that the level of CSR participation of suppliers can be gradually realized and improved via demand, management and coaching

Analysis of the CSR self-assessment questionnaires returned by suppliers in 2015 indicates that their responses regarding issues in the dimensions of economy and society have become more mature. Approximately 80% of the respondents reported that they placed more emphasis on business integrity, environmental laws and regulations,

Note: Data include Taiwan Mobile and Taiwan Fixed Network.

Supplier categories	Y2014	Y2015
Domestic	99.57%	93.85%
International	0.43%	6.15%
Total	100%	100%

CSR self-assessment scores

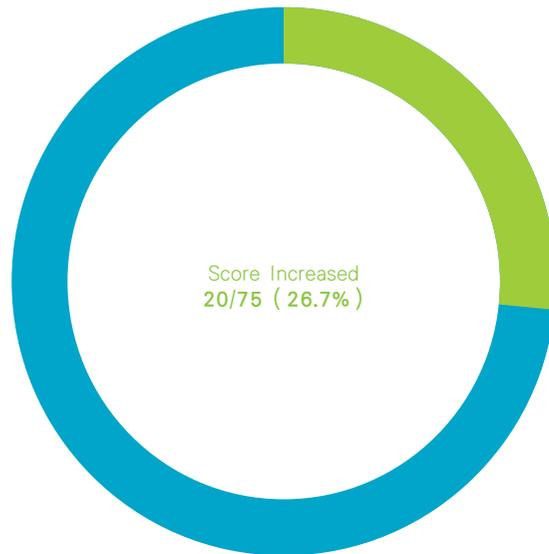


labor safety requirements, employees' career development, labor-management consultation, gender equality, and concern for the disadvantaged. They reported that they had also taken actions to plan, manage and improve their involvement in these areas. In the environmental dimension, the responses were rather weak in general, with only 32% of the respondents reporting to have carried out environmental policies, acquired energy labels and certifications, or implemented water conservation measures. These facts remind

us that we should strengthen the enforcement of our suppliers' environmental responsibilities.

Based on the results of the suppliers' CSR self-assessment survey, TWM will take further steps over the next several years to design management guidelines, coaching strategies, education and training, auditing and inspection and other measures to help suppliers fulfill and strengthen their corporate social responsibility. In April 2016 TWM organized the first-ever supplier conference, and in this event we directly communicated the CSR principles, philosophy and planning that all our suppliers are required to observe. We have also planned to have 250 suppliers participate in the CSR self-assessment survey in 2016, which will be a 19% increase over 2015. Together with our suppliers we will progressively achieve the goals of corporate social responsibility.

Percentage of self-assessment scores increased



Note: Data include Taiwan Mobile and Taiwan Fixed Network.



台灣大哥大
2016年供應商CSR交流會



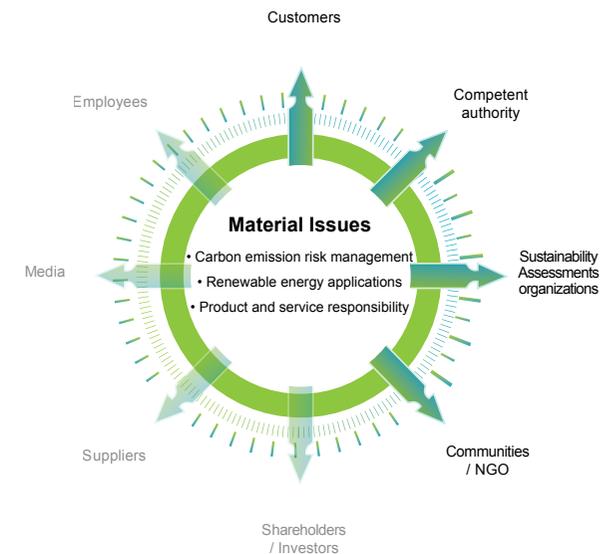


TWM has constructed a 6-star green energy-based Cloud IDC, which provides energy-saving, stable and secure cloud services. It was the first cloud data center to be certified by both CSA and ECSA.

Core Philosophy

In the face of the challenge of global climate change, TWM is firmly committed to reducing carbon emissions in its daily operations as well as environmental protection strategy and the establishment of a system for the effective management and use of energy resources. At the same time, we fully utilize our core capabilities as an information and communication service provider by delivering green products and services and fulfilling our environmental responsibility.

3.2 Environmental Sustainability



Achievements and Performance

- Green procurement 214,091,061 NTD.
- Reduced 2,176 ton-CO₂e by energy saving programs.
- The GHG emission of business travel and employee commuting is 6,162.28 ton-CO₂e
- To establish eight renewable energy base stations. / Purchased 100 million of green energy.
- Public Response to “Commit to Action” of the CDP initiative
- Become a member of the international Global e-Sustainability Initiative (GeSI)

Commitment and actions

The Environmental Sustainability Team is responsible for integrating the company's business activities related to environmental protection and providing regular reports to management CSR Committee:

- The Environmental Management Committee: the committee was expanded and reorganized from the Environmental Sustainability Team in 2016; it is responsible for developing and adopting environmental policy and objectives, promoting ISO certification, and developing smart energy conservation
- Carbon risk management: Reviewing energy conservation performance on a regular basis, performing GHG inventories and promoting

- Resource conservation and waste recycling: Continuing to strengthen resource utilization efficiency and properly dispose of industrial waste.
- Renewable energy applications: In 2015 we established the green energy promotion team and initiated a series of green energy advocacy activities.
- Green services: We combine communications technology and innovative products in our core business to implement video conferencing services, green value-added services and e-/M-services.

Vision and Plan

Our environmental management goals are built on the principles of the CSR Vision 2020 Project.



3.2.1 Environmental and Energy management strategy

Environmental policy

TWM emphasizes “think sustainable, act responsible” as a core philosophy. And, with the core idea of promoting corporate governance, environmental sustainability, and social participation, Taiwan Mobile is committed to building a society with low

emission of carbon dioxide, providing consumers with access to communication services, promoting smart energy, and offering a satisfying experience for customers.

Four Environmental Policies



Compliance with environmental protection regulations
 Complying with the requirements of environmental protection regulations and continuing to conduct training and self-inspection in order to achieve prevention of problems, improvement and management development with respect to environmental protection.



Intelligent energy conservation & carbon reduction
 Providing regular reviews on energy performance, implementing energy-saving measures, and equipment upgrade and other energy management measures; also combining the company's own operational management and various information/communication technologies to reduce the impact of operations on the environment. Planning concrete smart energy conservation and carbon reduction action plans each year to ensure a balance between business growth and achieving a smart low-carbon society.

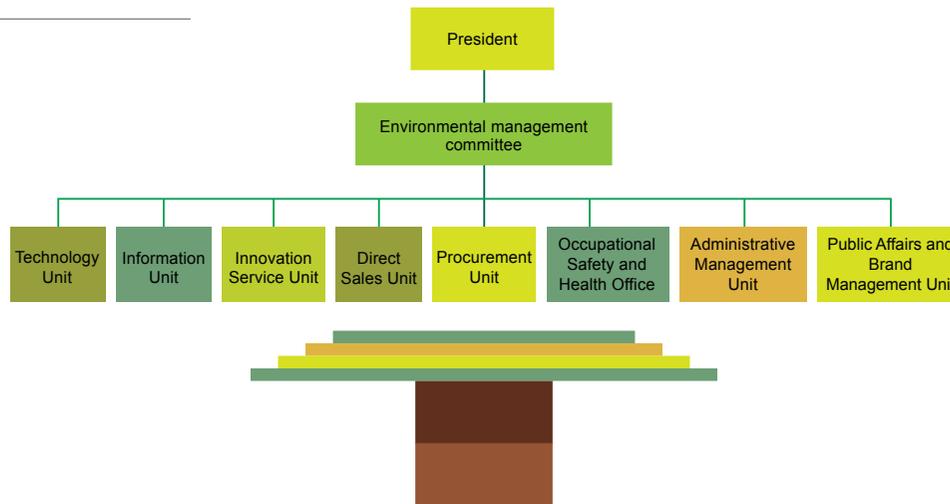


Green procurement for ecological balance
 Giving procurement priority to environmentally friendly products that are low-pollution, recyclable and resource efficient to boost green consumption and to maximize ecological benefits.



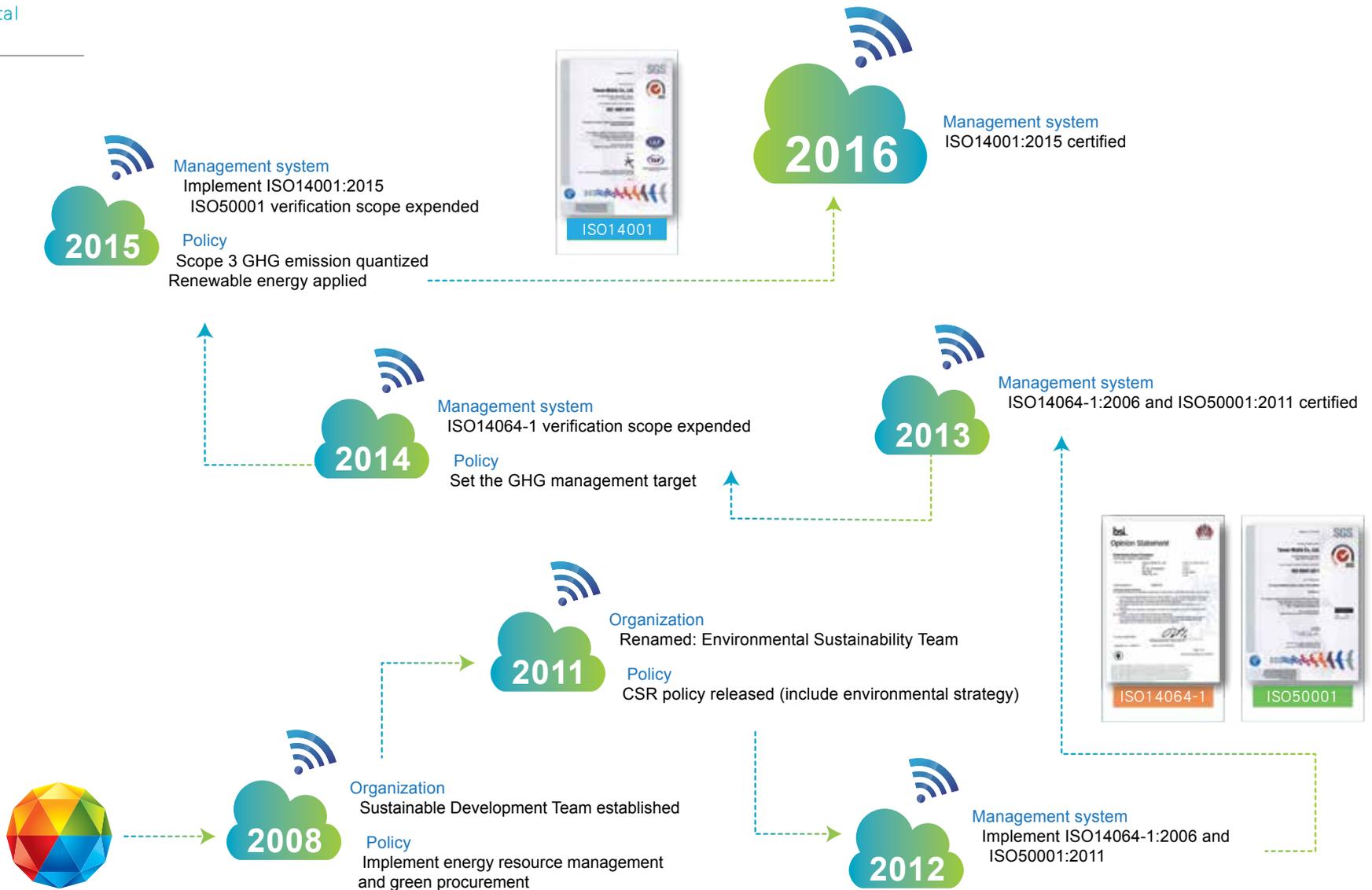
Advocating sustainability via resource recycling
 Enhancing the efficient utilization of various resources, promoting resource recycling, and applying paper, water, electricity and other resources in an effective manner. Disposing of industrial waste in a proper manner, refurbishing and reusing scrapped parts, promoting resource recycling and advocating sustainable development of the environment.

Environmental Management Committee



In 2008 we established the Environmental Sustainability Team. It is headed by the President and is responsible for planning and integrating business activities related to environmental protection with the organization. The team is convened at least twice a year to draw up environmental protection strategies and review the results of the year's energy conservation action plans. To enhance the effectiveness and expand on our smart energy conservation efforts, the CSR Committee passed a resolution in February 2016 to officially upgrade the Environmental Sustainability Team to the Environmental Management Committee. This new committee operates under the supervision of the Risk Management Committee and is chaired by the Chief Technology Officer. Members consist of high-level supervisors of relevant units and departments who are tasked with the responsibilities of developing environmental policy and objectives, as well as fulfilling the following four major objectives: integrating the administration of ISO 14001 (environmental management), ISO 14064-1 (Green House Gase Inventories) and ISO 50001(energy management) as well as promoting smart energy conservation strategies. Various tasks are carried out by separate teams, and the implementation results are reported back to the Environmental Management Committee.

History of Environmental Management



3.2.2 Carbon Emission Risk Management

Climate Risks and Opportunities

Legal risks

We closely monitor the enactment of relevant laws by the government. On July 1, 2015 the EPA promulgated the Greenhouse Gas (GHG) Reduction and Management Act, which specifies the target of achieving a GHG emission level in the year 2050 equal to at most 50% of the level in 2005. Telecommunication service providers generate less GHG emissions than high energy intensive industries such as the petrochemical and steel industries. The new law has not yet required telecom carriers to be included in the regulatory scope for controlling the inventories and registrations of emission sources. The new law currently targets only fossil fuels, such as gasoline and natural gas, and is therefore expected to have a rather limited effect on company operations. On the other hand, the indirect impact of these laws on the daily habits of the general public has a potential positive effect on virtual and mobile services and products.

Physical risks

Sudden incidents such as storms, floods, or power cuts can have a considerable impact on the stable and safe operations of telecommunication data centers or base stations. Early Internet construction planning consists of complete contingency plans to reduce potential losses generated by disasters and guarantee fast recovery. In addition, the following basic regulations governing the selection and construction of data centers have been formulated to enhance the safety of these facilities. The construction of data centers shall meet the building strength criteria specified in the building code and regulations as well as wind and earthquake resistance design requirements. Site selection for ground-level base stations must comply with the Soil and Water Conservation Act and incorporate related appropriate measures.

TWM's base stations are maintained on a regular schedule: twice annually. In 2015, 555 high weather-resistant SMR power supply units were deployed. The purchase of 504 additional SMR units and 220 high heat-resistant and low-degradation lithium iron battery units have been planned for 2016 to enhance the reliability of the back-up power supply.

With respect to data centers, in 2015 we introduced 83 high weather-resistant SMR power supply units and 170 units of high weather-resistant transmission equipment to stabilize power supply quality during power failure and loss of air conditioning. In 2016, in addition to purchasing an additional 33 SMR units, structural assessments of data centers at Optoelectronics Tower in Neihu and Zhonghe Zhongzheng have also been planned.

Industry-academia collaboration in climate change research

In 2015, we collaborated with the National Taipei University of Technology in a project to study TWM's cloud-based multimedia value-added services (including myVideo, myMusic and myBook). The objective is to establish standardized product category rules (PCR) from the perspective of life cycle to investigate the carbon footprint generated during the process of providing services. This will allow consumers to understand the differences between conventional and innovative cloud-based consumption modes with respect to environmental impact. It is hoped that this will exert a positive influence on the practice in reducing environmental impact by telecom carriers both home and abroad.

GHG Management

GHG Inventories

Every year, TWM GHG team promotes the principles and requirements of the ISO14064-1 GHG standard, which is verified by the British Standards Institution (BSI) to ensure data reliability and validity. The scope of GHG management includes Taiwan Mobile Co., Ltd.(also includes the Taiwan Mobile Foundation), Taiwan Digital Services Co. Ltd., Taiwan Teleservices & Technologies Co., Ltd., Taiwan Fixed Network Co., Ltd., Taiwan Fixed Network Media Co., Ltd., Win TV Broadcasting Co., Ltd., Tai Hsin Joint Digital Co., Ltd. and Taiwan Kuro Times Co., Ltd. Inventory categories include office buildings, data centers, base stations, and direct stores of the above mentioned companies. The GHG emissions include six different greenhouse gases, namely CO2, CH4, N2O, HFCs, PFCs and SF6. TWM operations span the telecommunication and media industries, which rely on electricity as the main energy source. According to the international GHG emission management standard (ISO14064-1), GHG emissions from electricity usage are categorized as “indirect emission” (or Scope 2 GHG emission). In 2015, 97.04% of TWM’s GHG emissions were Scope 2 emissions. The remaining emissions were Scope 1 GHG emissions generated through direct emissions from coolants, fire extinguishers, septic tanks, or service vehicles.

GHG Emissions Note 1

Unit : ton CO2e

Item	2013	2014	2015
Direct GHG emission source (Scope 1)	3,146.50	7,117.86	7,262.70
Indirect GHG emission source (Scope 2)	170,977.64	201,453.59	236,960.64
Total emission amount (Scope 1 + Scope 2)	174,124.14	208,571.45	244,223.35
Emission intensity (t-CO2e/NTD million)	1.61	1.85	2.10

Note: 1.The scope of GHG inventory was expanded to include TV system Platform since 2014.

2. Energy intensity is calculated by total GHG emission divided by consolidated revenue for the respective year.

Note 2:

1. Heating values (2010) and electricity coefficients (2014) are based on official announcements by the Bureau of Energy, MoEA.

2. Energy intensity is calculated by dividing total energy consumption (direct and indirect) by consolidated total revenue for the respective year.

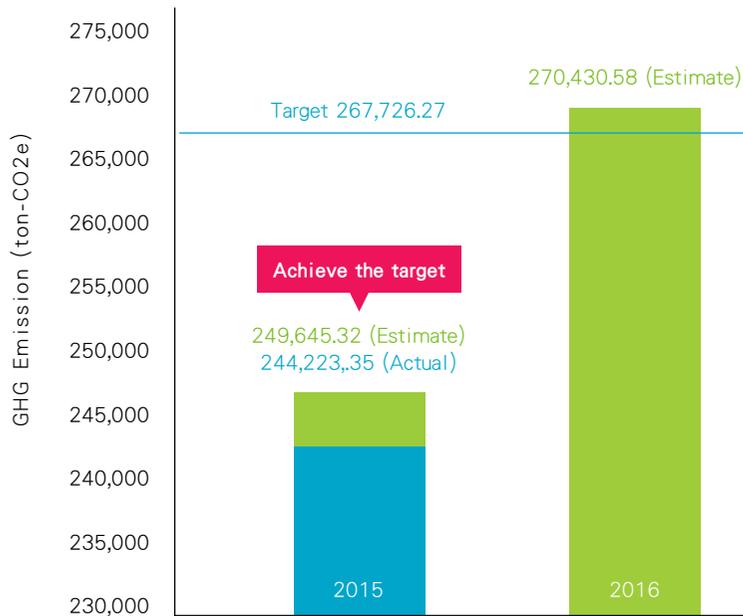
3. Only internal energy consumption is listed in the table above. We also plan to disclose external energy consumption in the future.

Energy Consumption and Energy Intensity Note 2

Consumption	Liter/Joule	2013	2014	2015
Direct energy consumption	Gasoline (Liters)	545,380.48	864,180.56	864,846.03
	Million Joules	17,811,362.94	28,222,927.37	28,244,660.56
	Diesel (Liters)	36,803.97	33,445.50	58,368.78
Indirect energy consumption	Million Joules	1,356,064.36	1,232,319.57	2,150,632.72
	kWh	327,543,376.6	385,926,420.85	454,818,894.69
	Million Joules	1,179,156,155.78	1,389,335,115.07	1,637,348,020.88
Total energy consumption	Million Joules	1,198,323,582.86	1,418,790,362.01	1,667,743,314.16
Energy intensity	Million Joules /NTD million	11,053.83	12,597.70	14,357.17

GHG Reduction Target

TWM is speeding up the construction of LTE high-speed network facilities all over Taiwan to provide consumers with superior 4G communication services. In addition, cloud IDC occupancy rate is gradually rising in response to the vigorous development of big data cloud services. In view of these developments, we expect a stable growth of mobile communication and cloud services, which in turn will lead to an increase in GHG emissions. We therefore started to set GHG management targets in 2014: “Keep annual GHG emissions 1% below the estimated values based on operational growth”. In addition, in 2015, CSR committee set its long-term target, which is to bring our emissions in 2025 back down to our emission level in 2016.



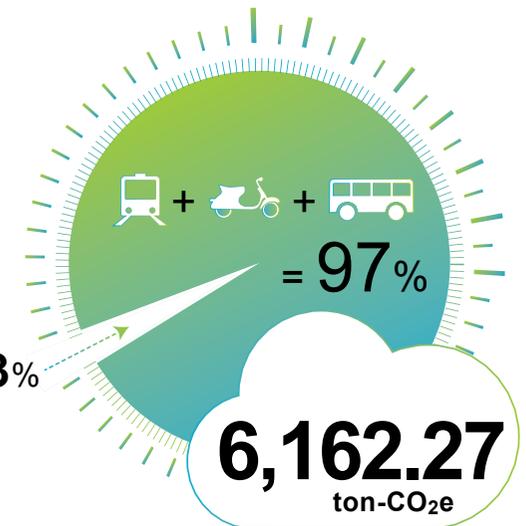
Taiwan Mobile is committed to managing carbon emissions throughout the entire organization. Furthermore, it is the company's hope that green practices will become an integral part of our employees' everyday business activities. In 2015, therefore, we began to quantify the carbon footprint of our commuting employees and those who travel on business based on the Green House Gas Protocol Scope 3 of the World Business Council for Sustainable Development's (WBCSD) in setting the inventory boundary and calculating mileage.

Employee commute (5,719.25 ton-CO2e)

- Scope of inventories: Taiwan Mobile, Taiwan Fixed Network, Taiwan Kuro Times, Taiwan Teleservices & Technologies, Taiwan Mobile Digital Services, Win TV Broadcasting, Taiwan Fixed Network Media and its system broadcast platform affiliates, including permanent employees and contract workers
- Inventory tools: Online questionnaire census (100% response rate)
- Means of transportation: Metro, motorcycle/scooter and bus make up 97%; regular train, automobile, high-speed rail and taxi make up the rest
- Future plans: Systematized inventories

Employee business travel (443.03 ton-CO2e)

- Scope of inventories: TWM, Taiwan Fixed Network, Taiwan Kuro Times
- Inventory tools: Employee online business travel system
- Means of transportation: High-speed rail, taxi, gasoline subsidy for employee's own vehicle
- Future plans: Systematized inventories, with expanded scope of inventories and means of transportation



Energy resources management and strategies

The use of electrical power is the main source of emissions for TWM. We have therefore instituted energy conservation and carbon reduction strategies for base stations, sever rooms/data centers, offices, direct stores and other business locations, including the following 9 areas of focus:

- **Chiller units in data centers**
Replacement of old equipment
- **Air conditioning for base stations**
Replacement/additional fans
- **Lighting equipment**
Replacement with high-efficiency lamps
- **Offices/stores**
Temperature control no lower than 26°C
Multi-function printers with energy conservation settings
- **ISO management systems**
Implementation
- **e-operations**
Reduction of energy consumption
- **Direct stores**
Adjusting brightness of store signs/store layout
- **Base stations**
Installation of green energy-based base stations
- **Energy resources integration platform**
Effective monitoring of data

Energy resources integration platform

To enable the effective management of energy resources, TWM completed the implementation of the energy resources IT monitoring system in 2014. The system provides online real-time query and data export capabilities as well as an anomalous data notification mechanism. In 2015 we carried further integration of existing systems to launch a smart energy conservation monitoring project. The following are the benefits and planning of the:

Strategy	2015 results	Planning
Energy Management System	Water usage: Managing 873 water accounts with 15,000 records of billing data Electricity usage: Managing 14,462 electricity accounts with 300,000 records of billing data	Expansion of existing systems to include data management for oil and paper usage as well as recycling to improve real-time data monitoring and management efficiency.
Employee commute questionnaire	The questionnaire surveys employees' commute status, with a response rate of 100%	Design of dedicated online employee commute questionnaire for the purpose of generating carbon emission analysis.
Dedicated environmental section	Electronic document management for ISO 14001 and ISO 50001	Announcement for the availability of learning materials for training courses.

Acquiring international certifications

We first adopted the ISO 50001 energy management system in 2012, and inventories encompass over 450 equipment and asset types, including air conditioning, lighting, data centers, and computer/information systems. In 2015 we implemented the ISO 14001 environmental management system, which addresses environmental concerns using the concepts of telecom services life cycle. We have also adopted relevant policies, objectives and action plans to review environmental performance and continue to make improvements so that environmental impact may be minimized. Relevant results are as follows:



Scope

Songshan Cultural Park HQ and Cloud IDC, including Telecom, Internet, Multimedia, Entertainment related services and office activities.

Targets

- Electronic bills: Reduction of the mailing of physical bills by 32.21 million copies
- Green procurement: 10% increase in 2016 over the previous year
- Environmental education: at least 30 courses offered in 2016

Results

Certified in May 2016

ISO14001



Scope

Optoelectronics Tower, Cloud IDC, 1 direct store as demonstration site, 2 new stores in 2015

Targets

- Optoelectronics Tower and store: 1% annual decrease of EUI/PUE for all locations from baseline starting year
- Cloud IDC: PUE is maintained at 1.5 when Q1 and Q2 data center usage rate reaches 80%

Performance indicators

- Offices and stores: Energy Usage Intensity (EUI)
- Data centers: Power Usage Effectiveness (PUE)

Results

- Optoelectronics Tower and store have reached the specified targets
- Cloud IDC did not reach the PUE target in 2015 as the occupancy rate was only 50%. The energy baseline was adjusted based on the 2015 PUE; reviews and adjustments are also conducted regularly to ensure that the figures do reflect true energy performance.

ISO50001

Energy Efficiency of the Data Center and Base Stations

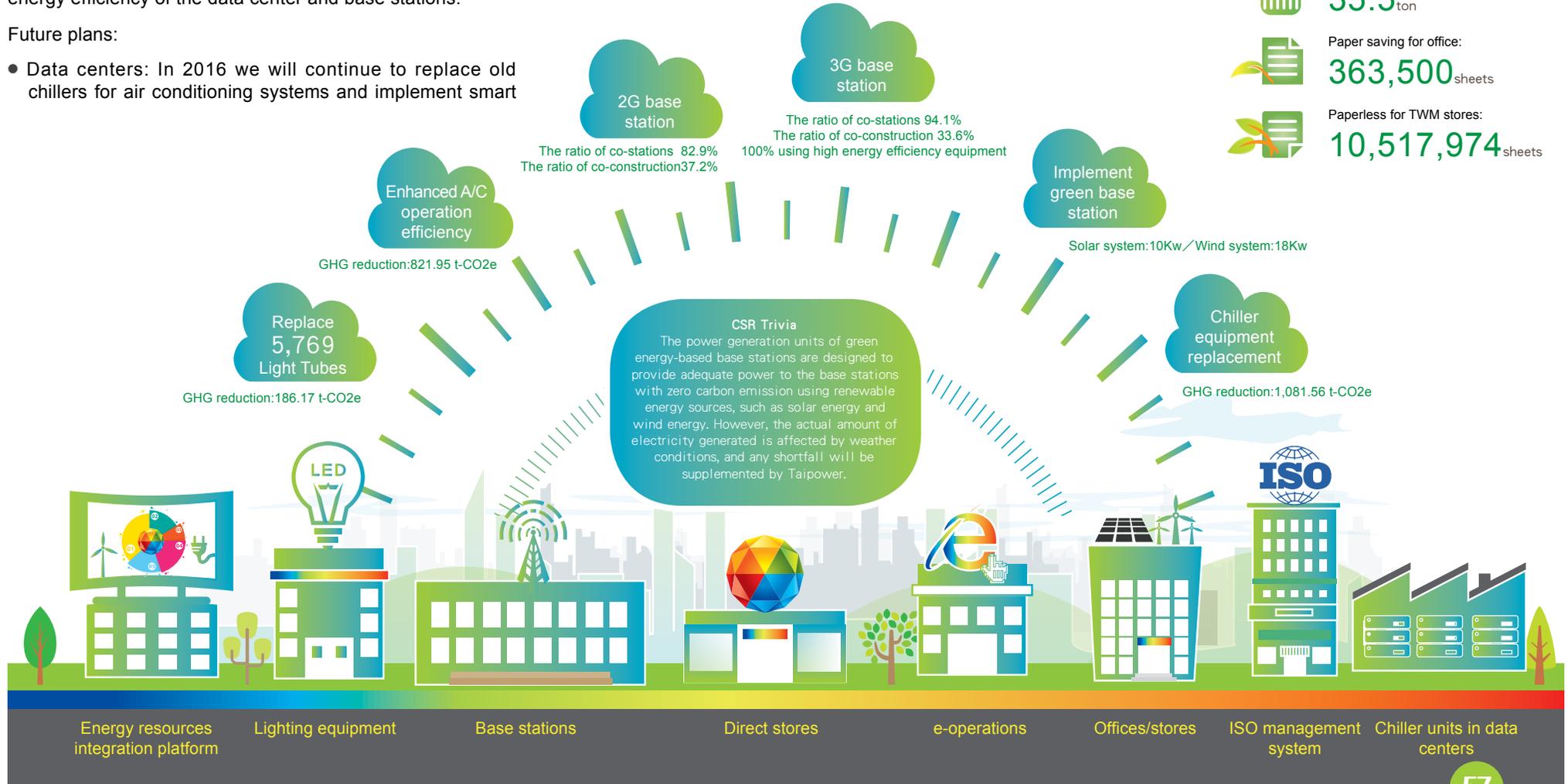
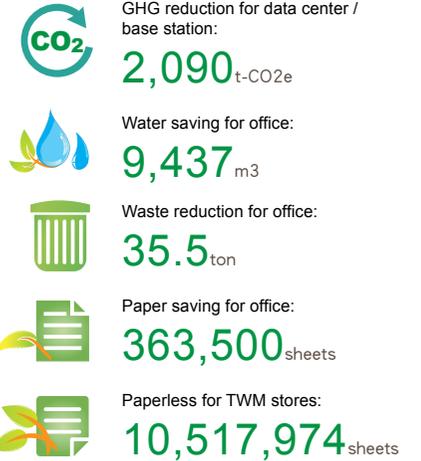
The electricity consumption is mainly from TWM's data center and base stations as we replaced the low energy efficient equipment and increased the ratio of co-stations and co-construction of base stations. In 2015, we implemented a smart cooling system, upgraded lighting with LED and infrared IR sensors on lighting systems to enhance the energy efficiency of the data center and base stations.

Future plans:

- Data centers: In 2016 we will continue to replace old chillers for air conditioning systems and implement smart

hot/cold separation energy-saving projects, and install energy-efficient lighting equipment to replace old ones.

- Base stations: In 2016 we will continue to update old equipment to variable frequency-type air conditioning systems, increase the temperature of air conditioners, implement smart energy-saving control system for air conditioners, natural cooling and energy-saving engineering method, and solar energy-powered green base stations with an expected installed capacity of 50kW.



Green office environments

Green office environments refer to workspace within this report's scope of disclosure (excluding data centers and the office space of Taiwan Fixed Network Media). The relevant energy conservation, water usage, resource and waste disposal management information are as follows:

Energy Performance

Through power consumption surveys and different energy conservation measures for lighting systems, air conditioning systems, and office equipment, detailed inventories are carried out for locations which are characterized by high energy and power consumption and concrete energy conservation projects are proposed to adjust electricity contract capacities to reasonable levels.

In addition, we are actively implementing green office environments. Apart from employing energy saving measures, we also aggressively adopt the use of green buildings equipped with renewable energy facilities. One of the major buildings that we have rented, the Tunnan Building, has been installed with 8.6kW solar and 9kW wind power generation units for use in public areas. These facilities enable us to reduce not only energy expenditures but also the impact on the environment.

In 2015 a total of 248 units of energy-saving LED lighting equipment replaced convention lighting, and this represents a decrease of about 10.4 metric tons in carbon emissions.

In view of the significant energy savings in 2014 and 2015 with the replacement of conventional lighting using energy-saving lighting equipment, TWM plans to install 1,195 additional units in 2016, which will translate to a decrease of carbon emissions by approximately 179 metric tons. The offices of the system platforms of Taiwan Fixed Network Media have also planned to adopt energy-efficient lighting.

Water management

As far as the usage efficiency of water resources is concerned, we conduct regular inspections and repairs of water supply and drainage

facilities and reduce the water amount consumed in toilets and rest areas. Taiwan Water Corporation is the main water supplier.

Taipei New Horizon, the building currently leased by TWM as corporate headquarters, and the Tunnan Tower, have been awarded the Gold and Diamond Green Building Label certification, respectively. Both building also conform to the green building water resource assessment indicator with restrooms that are equipped with toilets and sanitary equipment certified with water conservation labels. The buildings are also installed with rainwater harvesting systems, which turn the collected rainwater into irrigation water for landscaping plants after processing or for toilet flushing purposes. A significant amount of water has been saved with these systems. The amount of water used in our offices over the past 3 years ^{Note 1:}

	2013	2014	2015	Annual difference	Increase (%)
Total consumed units	37,691	46,146	36,709	-9,437	-20%

Office resources and waste management

We encourage waste sorting in all our offices to facilitate resource recycling. Recycled office resources can be divided into four categories: paper, plastic, PET bottles, and aluminum cans. After these resources have been sorted and collected by the cleaning personnel, they are recycled and treated by qualified waste disposal businesses. In addition, we encourage the use of electronic documents and promote double-sided printing and paper recycling in order to reduce the amount of waste paper. The quantities of office resources and waste produced in our offices over the past 3 years are

^{Note 2:}

	2013	2014 年	2015	Annual difference	Increase (%)
Waste (metric ton)	192.7	279.8	244.3	-35.5	-13%
Resource recycling (metric ton)	97.7	110.8	75.3	-35.5	-32%
Paper consumption (no. of sheets)	7,848,500	7,842,500	7,479,000	-363,500	-5%

Note 1:

* As the Telecom Building was idle during 2015, the total amount of water usage was lower than that of 2014.

* For the offices at Tomson Plaza at Sanchong and Boai Building in Kaohsiung, the water expenses are excluded as they are incorporated into building management fees.

Note 2:

* In 2014, greater quantities of waste and recycled materials were produced due to the relocation of the corporate headquarters. In 2015, both quantities were lower compared with the 2014 levels.

* Beginning in 2015, figures in paper usage statistics are calculated on an annual basis.

Promotion of videoconferencing systems

TWM has actively promoted this technology both within the organization and as a commercial product. Since 2009, videoconferencing has been used for the majority of meetings between Company HQ and overseas branches such as those located in Beijing and Xiamen. The company currently features five large (mobile), ten small (stationary) systems and 448 store-type systems. A total of 463 systems have been installed.

Taiwan Fixed Network launched its own videoconferencing services

in September 2010. We continue to popularize this technology by providing low-carbon services for corporate clients.

In 2016, in order to continue to improve our users' experience in online services, apart from optimizing our online services platforms (e.g. each brand's own web presence, TWM official website, and the web store) on an ongoing basis, we have also planned to revamp the mobile versions of our brand websites. Working toward the goal of a greener Earth, we will continue to optimize our online services platforms, to improve the level of convenience of our online services and to promote our exclusive offers going forward.

Energy-conservation achievements for service outlets

The energy efficiency of TWM stores are enhanced through energy survey and energy conservation programs, including the retirement and replacement of old air conditioning units; replacement of lighting equipment and the adjustment of duration for store sign illumination; maintaining indoor temperature at 26°C. In 2015 the total amount of reduction in carbon emissions through lighting replacement and air conditioning control was 18.4 metric tons.

In addition, we continue to optimize our service application processes and systems. We began the expansion of our system check and identity document equipment in November 2015. We added the ability to scan the identity documents of minors (under 15 years of age), thus allowing minor subscribers to apply for services via paperless processes. In the meantime we provided guidance to our storefront colleagues on the use of paperless operations to process service applications, which greatly reduced the use of paper-based applications. Please refer to the following table for the results of our paperless initiative over the past three years.

Year	Documents (copies)	Paper (quantity)
2013	2,969,644	4,629,949
2014	3,946,701	7,506,488
2015	4,155,799	10,517,974

* Data for 2014 in this report differs from the figures in the 2014 CSR Report as the latter contains errors.



7th generation myfone store

In response to the shifting digital trends and the changing digital service requirements of the public, TWM has designed this new outlet based on customer-oriented and sustainable concepts by proceeding in the direction of energy conservation, carbon reduction

and environmental friendliness. This project was approved by the President, planned and designed by the Marketing Communications Division, and implemented by the Channel Strategy and Management Office, with assistance from the Procurement Division. The objective of this cross-departmental collaboration project is to create a store style that is young, vibrant and reflects the development of 4G applications, allowing the overall service quality to grow by leaps and bound and to provide the public with a more innovative, environmentally friendly and convenient service venue. In 2016 we have planned to upgrade several old stores to the 7th generation style. We will gradually upgrade all stores to the new configuration if the results are positive.

3.2.3 Green Energy Applications

Green energy initiative events

Faced with the effects of uncertainties on operational risk arising from climate change and global warming as well as the advent of the 4G era, wide deployment of base stations and cloud-based services have become increasingly in demand. This will result in a gradually growing demand for electricity in cloud data centers and telecom equipment rooms. In addition to adopting a more aggressive energy management strategy and to take advantage of our core technologies to develop low-carbon smart products and services, participating in international appraisals and ranking, and joining international initiatives, TWM is also keenly aware that it is necessary to assume the role of a social responsibility advocate for promoting green initiatives and the use of renewable energy.

TWM launched the green-energy integration project in 2015, including the “Buy a mobile phone to support green energy” initiative and advocacy activity, making TWM the first telecom carrier to have introduced activities of this kind throughout the entire nation. We support the government's green energy policies by joining forces with other enterprises in the industry chain through this activity. We have also pledged to purchase green power via press conferences and taken actions to construct green energy-based base stations. With our green energy publicity videos and posters as well advocacy at our service outlets, we call upon the general public to promote the adoption of green energy. Furthermore, in this project we have also

Benefits from new outlet energy-conservation designs

Features	Benefits
LED ceiling panel lights	Energy conservation, carbon reduction, green energy lighting, low wattage and high lumen. Compliance with eco-friendly principles, reduced carbon dioxide emissions, and mercury- and ultraviolet-free.
Electronic service outlet marketing brochures	Reduced quantity of in-store printed marketing materials; less waste Lower printing and delivery costs with less wasted resources
Increased white proportion of planned colors and textures	Generous amount of bright colors and increased level of illumination Surface materials such as high-gloss melamine board, high-gloss engineered stone and glass is used to increase the reflection coefficient and improve illumination

taken full advantage of our core competencies to actively integrate external resources and continue to implement various energy conservation and carbon reduction measures, as well as participate in international sustainability advocacy, actions and ranking processes.

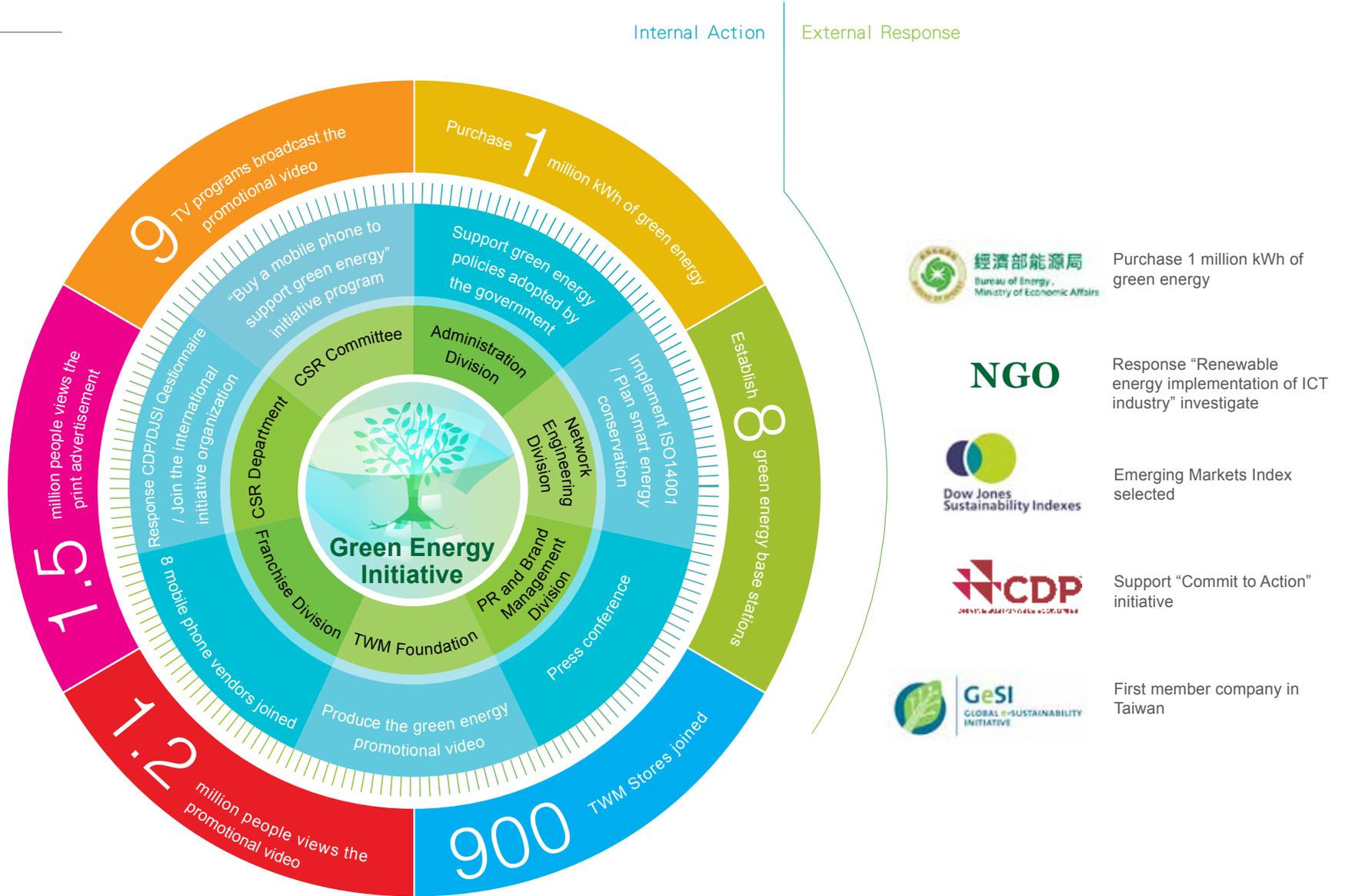
The activities of this project provide responses to our various stakeholders in multiple dimensions, enabling us to look at issues associated with climate change, energy and carbon emissions from different perspectives:

- Taiwan's first telecom carrier to spend NTD 1 million on green energy subscription in support of the government's green energy policies and advocating others to follow suit
- Providing leadership to suppliers in supporting the government's green energy policies and the construction of green energy-based base stations
- Responding to green practices - enterprise energy conservation issues that are of concern to NGOs
- Integration of internal resources to actively promote energy conservation management strategies
- Utilizing international assessment questionnaires to conduct self-checks on implementation effectiveness
- Joining international initiative organizations to realize the commitment to environmental sustainability



TWM President James Jeng (center), green energy advocacy ambassadors Yung-jan Chan (5th from left) and Hao-ching Chan (5th from right) joining forces with 8 cellphone brand vendors to support the "buy a mobile phone to support green energy" initiative

Concrete results





Green image videos

We invited eight domestic and overseas brand suppliers of smartphones or tablets (including Amazing, ASUS, HTC, Benten, Huawei, LG, Samsung and Sony) to participate in the filming of green image videos and poster photoshoots with us. We have also utilized a variety of marketing channels to expand the benefits of this green advocacy initiative. We were awarded the Green Power Purchase Label by the Bureau of Energy, Ministry of Economic Affairs.



Commit to Action

In addition, the rating organizations that we actively participate in include: Carbon Disclosure Project (CDP) questionnaires and Dow Jones Sustainability Indices (DJSI) rankings. In December 2015 TWM became the first telecom carrier in Taiwan to support CDP's Commit to Action initiative. (Advocacy website: <https://www.cdp.net/en-US/Pages/commit-to-action.aspx#form>). We are committed:



Future plans

- Setting the target number of green energy-based base stations: total installed capacity of at least 200kW by 2020.
- Planning smart energy conservation strategies, the target for 2016 is 8 million kWh in energy savings.
- In March 2016 TWM became the first corporation in Taiwan to join the Global e-Sustainability Initiative (GeSI). We engage with



international ICT industry leaders to discuss sustainability issues such as climate change, industry responsibility, human rights and supply chain management, with the goal of continuing to improve our management strategies for sustainability.

3.2.4 Product and Service Responsibility

Handling of Electrical Waste

Effective handling of waste cables

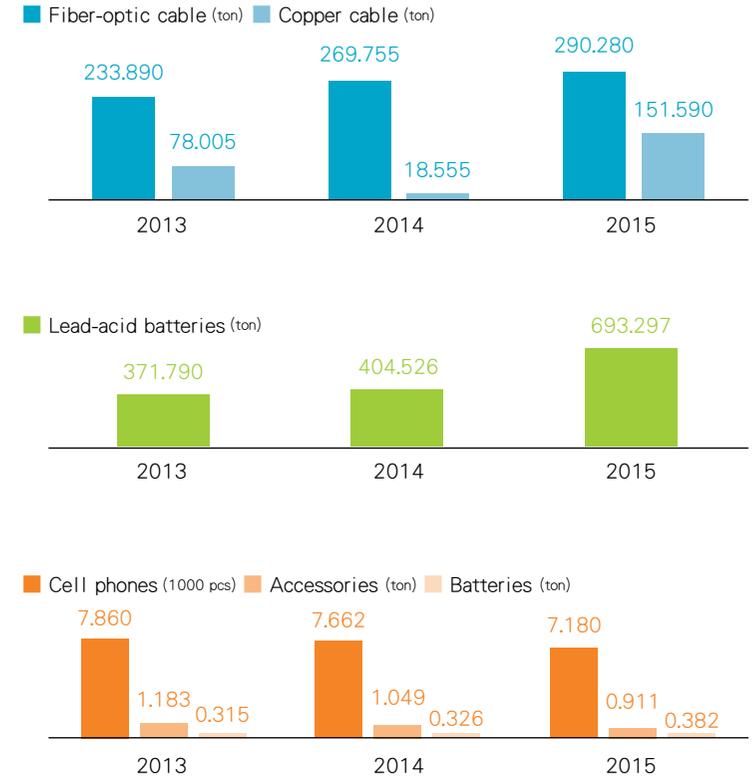
To expand the scope and quality of telecommunication services, we install cables and conduct maintenance operations on a regular basis. During the installation and maintenance of telecommunications infrastructure, large quantities of old optical fiber and copper cables have to be phased out and replaced. Starting in 2000, to prevent damage to the environment, we commissioned a qualified waste cable treatment business, which has been approved by the Environmental Protection Administration, to replace copper cables with fiber-optic cables by adopting turnkey treatment to achieve the dual goal of eco-friendliness and cost reduction. In 2015, a total of approx. 441.87 tons of waste cables were treated successfully in this fashion. Over the past three years, a total of 1042.075 tons of waste cables were treated. (Waste cable calculation included Taiwan Broadband starting in 2015)

Treatment of Waste Battery Packs

All the waste batteries are treated by an EPA qualified contractor since 2008. In 2015, the total weight of waste batteries treated by said businesses amounted to 693.297 tons. (Waste battery calculation included Taiwan Broadband starting in 2015.) Over the past 3 years, a total of 1,469.613 tons of waste batteries were treated in this fashion to prevent pollution of the environment by toxic battery fluid. (Total weight of discarded batteries=number of discarded batteries * average battery weight.)

Recycling of Discarded Cell Phones

In 2008, we also participated in the Waste Mobile Communication Product Recycling Program sponsored by the Environmental Protection Administration of the Executive Yuan. All stores in Taiwan actively promoted the recycling of mobile communication components



such as batteries, cell phones, travel chargers, charging bases, headphones, and transmission wires to prevent heavy metals such as lead, cadmium, and cobalt of the discarded components from polluting and contaminating our environment. In 2015, we participated in conferences and symposiums to share experiences and encourage businesses of the same sector, cell phone providers, electronics and household appliance businesses, and domestic retail chains to join these efforts to turn Taiwan into the country with the highest density of cell phone recycling points.

Exchange Old for New

TWM is always looking for ways to further enhance customer satisfaction. In May 2015 we entered into an exclusive partnership with Brightstar, the world's largest distributor of wireless services and a subsidiary of SoftBank, Japan's leading telecommunications brand, to launch the "Exchange Old for New" program, providing consumers with an all-new service featuring "most transparent prices", "most convenient services", "best deduction deal" and "most flexible choices". A visit to any of the 500 TWM direct stores around the country allows our customers to effortlessly complete the following cumbersome tasks with the convenience and efficiency of one-stop shopping: upgrade the phone, select a rate plan, get an appraisal on the used handset and receive a deduction.



Electronic Bill Service

With respect to reduced mailing of paper bills, we officially began the promotion of e-billing with subscribers in May 2008. We now use e-mail and text messages to notify our customers so that they can view their bills on the official TWM website, and we no longer send physical bills to customers who have elected to use this service. In the meantime, we also encourage subscribers to view their detailed call records online and to have multiple bills consolidated while adhering to our customer service principle. Customers who have agreed to consolidate their bills have helped us reduce the quantity of bills by nearly 60%. On the progress of reducing carbon footprint, apart from continuing to encourage our customers to set up scheduled bank account transfer for automated bill settlement, we also introduced cell phone QR code scanning services in 2014, which allow customers to pay their bills at convenience stores without the need for hard copies. These convenient services are popular with subscribers who have chosen

the e-billing option. To summarize, as of the end of 2015, 32% of our subscribers have opted for e-billing, which translates to 83.88 million sheets of A4 paper saved and a reduction of 177 metric tons of CO2 emissions from printing and physical mailing for the entire year.

We continue to pay attention to our customers' suggestions and provide innovative and optimized services. We take advantage of our own distribution channels to spread the message of energy conservation and carbon reduction, and we use e-gifts to provide incentive to subscribers for choosing paperless and consolidated billing. Existing customers who continue to use e-billing are rewarded with the opportunity to win prizes through our regularly held drawings. It is estimated that by 2020, a total of 120 million sheets of A4 paper can be saved and 254 metric tons of CO2 emissions printing and physical will be reduced on an annual basis, thus achieving maximum benefit for a low-carbon lifestyle.

Note:

1. Calculation of carbon emissions reduced is based on the assumption of 6.32g per bill
2. Using a different basis from that of 2014, the decrease in the amount of paper used and the reduction in carbon emissions due to the adoption of e-billing (including SMS notifications) and consolidated billing are used as the basis of calculation in 2015.

Item	2013	2014	2015	2016	2017	2018	2019	2020
Percentage of e-billing customers	24%	27%	32%	38%	42%	45%	48%	50%
Decrease in A4 -size paper used (1,000 sheets) (Note 2)	65,463	75,255	83,877	95,556	104,346	110,124	115,236	120,348
Reduction in carbon emissions (metric ton) (Note 1)	138	159	177	201	220	232	243	254

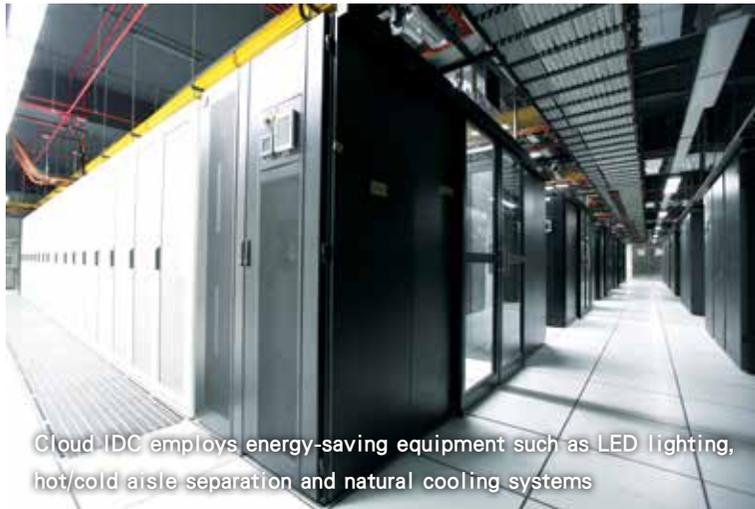
Six-star Cloud IDC

Uptime Institute, a global authority in data center administration, announced in February 2016 that our Cloud IDC was awarded the Tier III Gold Certification of Operational Sustainability (TCOS), making TWM the first corporation in Asia to have received this honor. Our Cloud IDC is also the only recipient in Taiwan of the comprehensive three-tier certifications (Tier III design and planning, Tier III implementation, and Tier III operations). The TCOS award is also the second time the Cloud IDC has been recognized by an international professional certification body following its nomination as a finalist in the 2014 Datacenter Dynamics Awards.

Uptime Institute is an advisory organization focused on improving the performance, efficiency, and reliability of cloud data center infrastructure through innovation and collaboration. As an independent certification body, Uptime Institute is also a division of The 451 Group, an international authority in data center technology and industry analysis. Recognized as an extremely important organization in the information technology sector, the Institute has established unified global certification standards focusing on the design, implementation and operations of data centers. Currently data centers in a total of

71 countries have been awarded certifications from Uptime Institute. Well known operators of these data centers include Fujitsu Services, London and American Electric Power. The fact that the TWM Cloud IDC has received three Tier III certifications from Uptime Institute indicates the confirmation of its excellence by a professional certification institution in terms of assessment indicators in the areas of geographic conditions, reliability of hardware equipment, ability to handle contingencies in a timely manner, and operations and maintenance personnel. It is also the best guarantee of TWM's commitment to providing quality and uninterrupted services to our corporate customers.

The TWM Cloud IDC, which began operations in late 2013, not only leads industry competitors in design, implementation and operations but also provides the best user experiences for cross-border telecom operators, financial services providers and Internet content providers (ICPs) as well as electronic commerce operators. TWM is committed to providing a business critical data center environment and endeavors to provide flexible and efficient cloud-based services. Together with our cloud supply chain partners, we are at the forefront of Taiwan's digital revolution!



Cloud IDC employs energy-saving equipment such as LED lighting, hot/cold aisle separation and natural cooling systems

Uptime Institute certification announcements:



Rainwater harvesting system

To be integrated with our environment in a harmonious manner, the TWM Cloud IDC has implemented a rainwater harvesting system to provide landscape irrigation water for the grass lawns surrounding the data center complex. This rainwater harvesting system consists of an 11.58-m³ rainwater sediment chamber, a 25.74-m³ central trough, and a 27.46-m³ rainwater storage tank. In 2015 the total amount of rainwater collected was 567.7 m³, which translates to a 117.5 kg reduction in CO₂e emissions.

Promoting virtual services

To maximize the efficiency of energy utilization, we have introduced the virtualized IaaS service, which converts physical services into virtual hosts. The capacity ratio of physical host machines to virtual servers can be as high as 1:25. It is expected that in 2016 we will save a total of 1,036,746 kWh in electricity through the popularization of this service, the equivalence of a reduction in 540,145 kg of CO₂e emissions.



Achievements and performance

- Telecom infrastructure costs: NT\$11,503,271,245
- R&D resources invested: NT\$764,669,000
- 4G network coverage: 99% (700MHz) and 93% (1800MHz)
- Development of mobile payment solution "Wali smart wallet"
- Launch of "Time Capsule Message App"
- Support of the government's Smart 4G Broadband City initiative
- Cloud services awarded Cloud Security Alliance's STAR certification of the highest level

Vision and planning

Mobility is at the very heart of innovation. In the next phase TWM will continue to invest in and expand the scope of "M Service", "IoT", "iCloud", "big data", "OTT", as well as other innovative services. In the future, industries will revolve around the concept of mobility in their endeavors, and mobility will no longer be the sole domain of the telecom services industry, especially in terms of integration between cloud and innovative services. This will foster the development of the core telecom network toward cloud-based architecture, which is indeed a growing trend.

3.3.1 Digital Trust

Personal Information and Privacy Protection

Guarantee of Customer Data Security

Note: The Information Security Management mechanism covered Taiwan Mobile, Taiwan Fixed Network, Taiwan Mobile Digital Services, Taiwan Teleservices & Technologies and Taiwan Kuro Times.

In 2004, TWM established an Information Security Committee responsible for coordinating of information security tasks across units, promoting information security improvement activities for relevant departments, regularly conducting internal audit, and ensuring compliance with information security related policies through independent and objective assessments. The company has successfully passed annual assessments of information security management practice by competent authorities as well as relevant administrative inspections. Regular audits are conducted by an external 3rd party in accordance with the ISO/IEC 27001 International Information Security Management System to review the implement of information security. In addition, the company has formed an emergency response task force, which handles information security incidents in a rapid manner to reduce impacts and prevent reoccurrence. Enhancing information security management can ensure that subscribers view the company as trustworthy and reliable.



We aim to ensure full implementation of our information security policies and to provide users with comprehensive and high-quality security protection. With the safeguarding of customer personal information and the protection of confidential and sensitive data at as our core strategy. We built four security shields: protection against external hackers, protection against illegal disclosure from within the organization, incorporation of security assessments into system planning and implementation, and monitoring and prevention of security incidents in system maintenance and operations (refer to the diagram below). Our goal is to provide the highest level of security for customer data with our systems and professional staff, enabling our customers to use our services with confidence and assurance.

In response to ever-increasing challenges in the form of threats from cloud security to Internet fraud, and to enhance information security, we continue to undertake various projects to fulfill the needs of our organization and to integrate information security operations into our local culture and lifestyles, with the goal of meeting the company's management guidelines. In 2015 we devised protective measures to address six security issues (refer to the following table). The results and benefits of these measures are reported regularly to the Information Security Management Committee.

Security issues	Protection measures	Results
Improper disclosure of confidential and sensitive data to external parties by company staff	We made adjustments to relevant disciplinary procedures and standards after consulting NCC's (the competent authority) penalties regarding the violation of personal information protection regulations	We amended our "Penalties for the improper dissemination of confidential and sensitive data" and continue to educate our staff on the importance of protecting customers' private data and corporate confidential information, with the aim of reducing the risks of illegal disclosure of information from within the organization
Improper use of reports containing customer personal data	We perform thorough checks of unencrypted reports containing customers' personal information on a regular basis, provide encryption to files as needed, or delete columns in the reports with sensitive information	We take the initiative to protect customers' personal information by encrypting or deleting columns containing sensitive data as it is generated to reduce the risk of improper use of personal data
Cloud services attacked by external hackers	To improve the security of the cloud platform, we have solicited the help of third-party security verification companies to inspect and fortify our system with the goal of providing more secure cloud services to our customers	We are the first cloud services provider in the world to have been certified by both ECSA and CSA



EuroCloud Star Audit



CSA STAR

Security issues	Protection measures	Results
External service websites or mobiles apps attacked by hackers	Optimization of penetration testing - employing simulated hacker attacks to identify and test system vulnerabilities as well as to propose improvement plans	Check the strength of security protection of websites and mobile apps and verify the security of the systems Amendment of development security guidelines, adoption of checklist, and reduced risks of recurrences of vulnerabilities
Internal network potentially vulnerable to unauthorized access by vendors or external servers	Control and monitoring the security of computer access to the network	Control and monitoring of computers accessing the corporate internal network to prevent unauthorized computers to gain access to our internal network resources. Blocking computers from connecting to internal and external networks simultaneously, and preventing hackers from using bridging equipment to attack the internal network, or the unauthorized transmission of confidential and sensitive data from the internal network to external parties.
Continuing to monitor and improve on information security	Implement various quantitative indicators (e.g., viruses and tracking the number of files accessed via USB) to follow up on and review security standards on a continuous basis	Compilation of critical KPIs employed for regular inspections of the strength of the company's information security systems. There have been gradual improvements on all information security indicators since statistics were first recorded.

World's only cloud services platform awarded dual information security certifications

TWM's "cloud computing" service received the EuroCloud Star Audit certification in September 2014 and the Cloud Security Alliance's STAR (Security, Trust & Assurance Registry) certification in November 2015. Having been awarded these highest levels of certification, TWM has become the world's only cloud computing services provider with dual ECSA and CSA certifications. We have thus fulfilled our commitment to customers by providing a secure and reliable cloud services platform that meets their zero-risk data protection requirements.

The CSA certification has fortified our existing ISO/IEC 27001 information security management standards. Through the use of a dedicated Cloud Controls Matrix (CCM), we are able to perform more accurate audits on the finer aspects of cloud security



TWM's cloud computing services being awarded ECSA certification. EuroCloud Europe Vice Chairman Dr. Tobias (right) traveled to Taiwan to personally award the certificate, which was accepted by President James Jeng (left) on behalf of TWM.

management. During the certification process we requested that the vendor place special emphasis on compliance with regulatory requirements and reducing the risks of security vulnerabilities or data loss, thus enhancing the levels of security requirements demanded by our customers. In contrast, the ECSA certification stresses security from the perspective of the users. The ECSA certification not only reviewing the content of the contract, but also focus on standards and specifications regarding information security, data confidentiality, regulatory compliance, hardware equipment in the data center, and process management.

TWM continues to devote significant resources to optimize our information service management processes and to enforce the implementation of security control tasks, thus providing our customers with a secure and reliable cloud services platform.

Safeguarding teenagers from cyber pornography

With the growing of mobile Internet usage, protecting minors from exposure to unsuitable information while they are surfing the Internet has become a necessity. TWM released the "Porno Guard" cyber safety value-added service on December 30, 2014. This service automatically blocks texts and photos from websites that are unsuitable to children and teenagers, including pornographic materials, nudity and otherwise erotic images. With this service data from the Internet will be filtered automatically to protect young users from inappropriate content such as pornography and violence. As the end of 2015, a total of 626 users have subscribed to the service.



Home Security

To accommodate the popularization of digital TV and bandwidth utilization and to integrate with the cloud services mechanism, TWM Broadband launched the HomeSecurity protection service in 2014, which incorporates the following four principal features: "multi-screen surveillance", "simplified operation mode", "anomaly alarms" and "remote control". Users can access these functions through their smartphone, tablet, PC and television screen, and they can also push messages via mobile apps and e-mail to send notifications to other users. Making the latest home security details and family members' whereabouts available at their fingertips anytime and anywhere. In 2015 we also added the "full-time recording" function to make our security surveillance system even more comprehensive.



Free electromagnetic wave measurement services and promotion of safety awareness

All TWM base stations have been constructed and installed compliant with relevant regulations. They have also been verified by the National Communications Commission (NCC) to be fully compliant with the standards developed by the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

To alleviate worries of the general public regarding health hazards posed by electromagnetic waves emitted by base stations, TWM provide a free hotline 0800-580010, "waves measurement for free", for the communities if their request for a measurement of the electromagnetic waves emitted at their local base station in coordination with other telecommunication providers. In addition to handling these requests, TWM also offer a free consultation and grievance mechanism for telecom services and commission reliable third-party units to conduct on-site measurements and provide professional explanations. In 2015, the company processed 174 requests by the general public for measurement services. All measurement results conformed to the standard values set by the NCC.

In 2016, in addition to providing the above service, we have also conducted a study with the National Taipei University of Technology to study the effect of green communication on the human body.

Electromagnetic wave trivia

1. Research on Electromagnetic Wave

Since 1996, important international organizations and research institutions such as the World Health Organization (WHO), International Commission on Non-Ionizing Radiation Protection (ICNIRP), and the Institute of Electrical and Electronics Engineers (IEEE) have conducted research projects on electromagnetic fields and released related reports and statements.

IEEE: A report released in 2000 states that the radio frequency power of base stations is much lower than the standard amount and is safe for the general public including seniors, pregnant women, and children.

ICNIRP: A statement issued in 2004 points out that no consistent or convincing evidence exists that indicates that radio frequencies cause any negative health effects.

WHO: Factsheet No.193 issued in June 2011 points out that a large number of studies on the potential health risks caused by mobile phones released over the past twenty years clearly indicate that no convincing proof exists so far that the use of mobile phones has any negative effect on health.

2. Green-energy communication

This refers to the replacement of existing large-scale base stations with low-power, small-footprint units. As these smaller base stations have a much reduced transmission power, electricity can be conserved to achieve green energy objectives.

3.3.2 Best Customer Experiences

Customer service commitments

TWM embraces the core values of “Integrity, Innovation, Passion, and Simplification” with the goal of creating the best customer experiences with a lifestyle based on mobility and intelligence. We continue to adhere to our five major commitments for providing a full range of services.

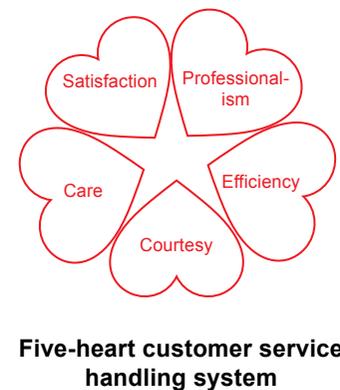
Carefully listen to customer's needs and demonstrate our professional effectiveness with thoughtful services

Handle customer complaints with enthusiasm and offer solutions that are timely and effective

Safeguard customer's rights and interests in a reasonable manner and establish a trusting, harmonious and friendly relationship

Pay attention to and respect customer's special needs and formulate refined, personalized and quality services on their behalf

Work wholeheartedly to resolve complaints satisfactorily and create a win-win atmosphere for customer satisfaction

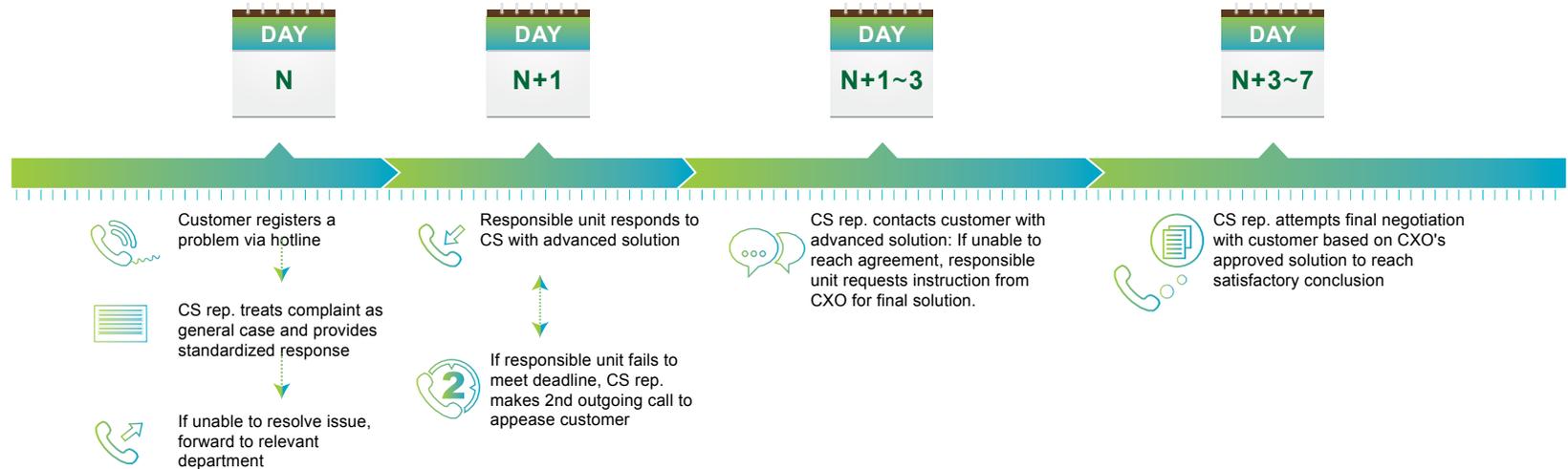


Five-heart customer service handling system

-  Clarify requirements and offer appropriate services accordingly
-  Keep emotions in check and forward complaint to relevant personnel
-  Let complaints be handled by dedicated staff and reply to customers with care

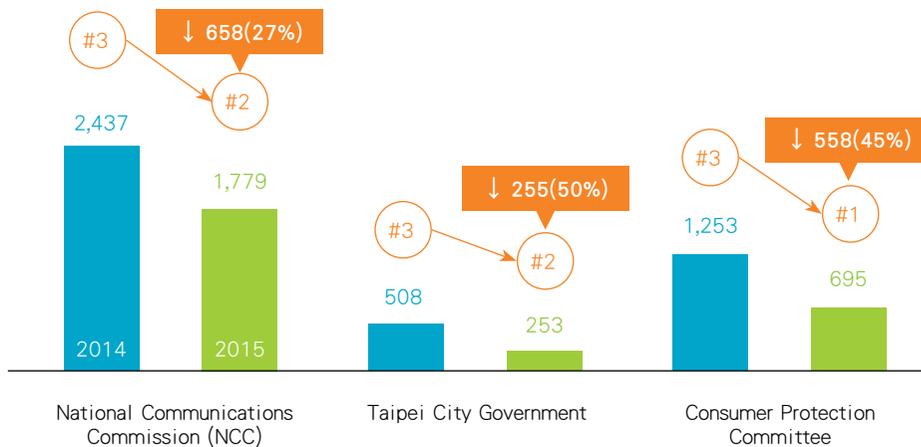
In this new era of 4G smart lifestyles, services are becoming more diversified and sophisticated. TWM has made available a number of convenient service channels and continues to provide customers with a transparent and systematic service with professional, efficient, cordial, caring and outstanding service quality.

We have a comprehensive customer complaint and dispute management mechanism. A customer may register a complaint either via the customer service hotline or by visiting one of our service outlets in person. The complaint will be immediately logged into our system and assigned a deadline. We will according to the customer complaint to provide propreate response by the deadline. Moreover, we will register all the complaint, then our customer service personnel will enter the information into the system. Marketing staff will provide the necessary assistance based on the particulars of the complaint, and are also responsible for providing up-to-date status information about the case on the system. The information from each contact with the customer is recorded in detail, which allows both customer service and marketing staff to keep track of the case and respond to customer concerns whenever necessary. If the customer pays a visit to our store, the staff will enter the information into the daily report system and seek assistance from marketing personnel. Marketing is required to investigate the complaint and provide a response on the same day, after which our service outlet staff will complete a satisfaction survey based on the customer's response. If the customer's reply is unsatisfactory, the case will be revisited and additional help will be sought.



Service handling and complaint notification

After a complaint is received, it will be handled and tracked by dedicated personnel based on its assigned category. We will review the performance of complaint solution by daily and weekly, the purpose of which is to provide a prompt response and resolve the customer's complaint properly through coordination within the organization.



To enhance service quality persistently, major customer complaint cases and important cross-departmental service improvement issues are supervised personally by the President. Meetings are held on a regular basis to discuss and identify tasks associated with service quality improvement. TWM's performance in 2015 was exemplary in this area, as all statistical data compiled by the NCC, Taipei City Government and the Consumer Protection Committee (Executive Yuan) have indicated a downward trend in customer complaints against TWM.

Service quality guarantee

In January 2013, TWM adopted an external certification system and was awarded the Qualicert International Service Quality Certification and the ISO 10002:2004 International Standard Certification (Quality Management – Customer Satisfaction – Guidelines for Handling of Complaints in Organizations) by Société Générale de Surveillance (SGS), a global leader in inspection, verification, testing and certification services. In July 2015, the company received recertifications from SGS for both Qualicert and ISO 10002. The company was given an excellent rating for professionalism and considerate services in the mystery shopping assessment conducted by SGS. It is evident that TWM's service standards and quality have been on the rise, as this was the fourth consecutive year that we have received this honor.



Periodical discussions, follow-ups and assessments



Assessment and analysis by responsible unit

proposal classification :

- P-1 Eliminate customer doubts
- P-2 Encourage customers to use automated services
- P-3 Reduce errors in operation
- P-4 Improve operational efficiency

Benefit analysis and revisions of implementation methods

- C-1 Follow up on implementation progress
- C-2 Think tank system

Outcome review

- A-1 proposal reward mechanism

Service enhancement plans

With convenience, professionalism, user-friendliness as the three pillars of our core values, our customer service are able to provide customers with the latest service details and product features via the system, allowing customers to fully understand their rights and obligations. Our customer service seek opportunities within the organization to improve themselves via the process of resolving customer complaints, and they are the ideal individuals to provide a bridge of communication between customers and the enterprise. In 2015 we proceeded to strengthen the system mechanism. Now frontline staff can provide instantaneous feedback to customers' voices and requirements via the system, thus being able to effectively collect information from multiple sources and to combine experiences and ideas from various departments. Dedicated staff is responsible for planning and executing action plans for service improvements and adjustments. Solution proposers and their supervisors can follow up on the progress and access the latest status via the system interface, so that the process can be improved continuously and the system optimized to provide customers with the best service experiences.



SGS Qualicert



ISO 10002:2004

4G service coverage

TWM has continued to expand our high-quality network infrastructure in 4G era. As of the end of March 2016, population coverage in the 700MHz band has reached 99%, while that of the 1800MHz band reached over 93%, including offshore islands such as Penghu, Kinmen, Matsu, Siao Liuciou, Green Island and Orchid Island, as well as remote or scenic areas such as Kenting National Park and Alishan National Scenic Area.

HD voice communication service

TWM launched the VoLTE (Voice over LTE) high-quality voice service in January 2016. The service utilizes the 4G network to transmit voice and video services, offering a more realistic audio and clearer voice quality. In addition, voice and video calls can be switched at any time, and voice calls do not affect the speed of Internet access. Another advantage is connection speed: calls can be connected in less than one second. Currently mobile carriers in the US, Japan and South Korea have already made VoLTE services available to their customers.

Rate Transparency

Before TWM introduces any products or services, the rate and charges must be approved by the National Communications Commission and made public before implementation as required by law. The fees and rates are also fully disclosed to the media, on the company website, and in every myfone store.

In addition, store personnel are required to explain rates, service subscription and cancellation methods in a detailed fashion when customers apply for services as well as recommend suitable rate plans in accordance with customer needs. Upon completion of the application process, subscribers are provided with a fee plan agreement and promotional materials regarding the plans for reference

purposes. Furthermore, the monthly billing statements clearly specify the service names, monthly rates, billing methods, and usage times for all charges based on different categories. The goal is to convey plan contents to the subscriber in a detailed and accurate fashion to safeguard consumer rights and interests and implement the concepts of "Trusted Brand" and "Product Liability".

Google Play payment via TWM billing

Statistics from user surveys show that around 70% of smartphone users download mobile apps or make purchases with their mobile devices. However, to use the Google Play service, one has to use a credit card or ATM card and supply the card number to the service before transactions can be made, which tends to discourage many consumers. To offer our subscribers additional convenience and payment options, TWM introduced the Google payment via telecom billing service, incorporating purchases on Google Play into TWM billing.

When users purchase a mobile app, music, an e-book, a movie, an online game virtual treasure or a graphic via Google Play, they now have an additional payment option - putting the purchase costs on their monthly TWM phone bills. To make a purchase, all they need to do is to configure their payment method to "Pay via my Taiwan Mobile Co., Ltd. account", and enter



their Google account and password to complete the authentication process. That particular purchase will subsequently be displayed on a TWM bill and can be settled accordingly. Approximately 10% of our users began utilizing this service after its launch. This complements nicely with TWM's e-billing initiative to convert physical paper bills into their electronic versions, which not only provides our users with an added layer of security but also enhances the payment integration capability of the e-billing system.

Going forward, our main objective is to optimize this service further and continue to provide users with secure payment methods. We will also strengthen personal data security protection in the transaction process, and we will make the user's entire transaction history available via mobile apps and other virtual channels, thus allowing existing customers to use the service with confidence. Our goal is to attract more users to join the Google payment via telecom billing service.

Super MOD IPTV

In response to the convergence of the Internet and TV media, and the integration of Internet video and Internet TV as well as other platforms, TWM Broadband has introduced the IPTV SuperMOD service, which provides a digital set-top box with built-in Internet-enabled software. It allows users to access online video, video on demand, digital e-learning, karaoke and information for everyday living. With the remote control users can also effortlessly connect to the Internet via the user-friendly screen interface to enjoy the great convenience of Internet-TV integration. Parents can also use this system to manage the amount of time children spend watching TV and accessing the Internet. This offers our users a more diversified, innovative and convenient IPTV experience.



Win TV HD digital channels

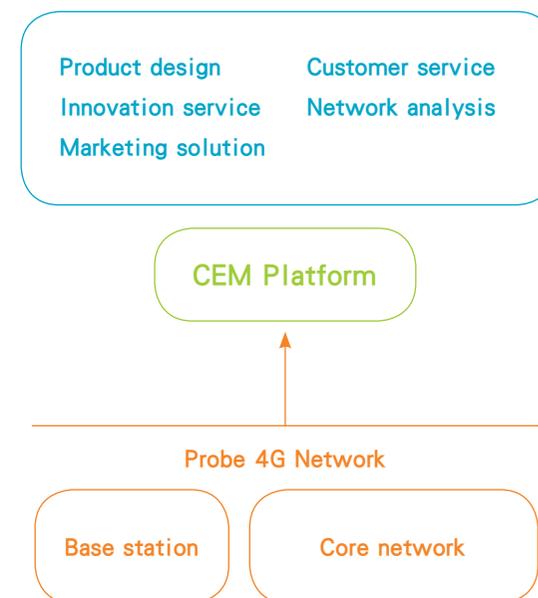
In addition to importing digital channels with quality programming from abroad, we are also actively involved in supporting many domestic HD channel operators. Among them is Win TV Broadcasting, the first digital cable channel that emphasizes "High Definition, HD" as one of its business objectives. Channels offered by Win TV include Taiwan HD General, Taiwan HD Drama and Taiwan HD Children. Locally produced HD programming covers recreation, entertainment, children and preschool education, sports and finance, world news and other genres. Win TV supports TV digitization objectives by developing Taiwan's homegrown digital cultural and creative as well as high-definition content.

3.3.3 Innovative Technological Applications

User Internet CEM platform

For providing better 4G user experiences for TWM customers, we began the implementation of the Customer Experience Management (CEM) platform in 2015. In the past when users call customer service hotline to report a problem regarding mobile Internet access, the dedicated staff could only attempt to clarify and resolve the issue based on the service outage descriptions and scenarios provided by the users. However, as the dedicated staff often lacked complete information and clarity regarding service outages and interruptions, many issues would have to be forwarded to technical support engineers to identify the major problem. This usually translated to lack of timeliness in resolving the issue, and the result was often poor customer experiences.

The CEM system collects the user's signal strength data provided by 4G network equipment, volume of Internet traffic generated, application programs utilized, and compiles user profile data from existing systems, engineering customer complaint records and other information. The system keeps a complete record of the user's Internet experience history. When the user calls customer care to report a problem, frontline staff will now be able to obtain from the CEM system detailed information from relevant network system records regarding the time and place where the customer's problem is supposed to have occurred. The chance that they will be able to resolve the issue in a timely manner is now improved. For a complaint that requires further technical analysis, since the context in which the problem has occurred can now be clearly defined and made more specific, the system's advanced analytic capabilities will help technical staff to pinpoint the source of the problem more efficiently, which will lead to shorter issue resolution and response times. In addition, network quality assurance (NQA) and network technology staff regularly perform analysis on the CEM system. Using the interface of the geographical information system to mapping various KPIs and locations where customer complaints have occurred and also the quantitative correlation analysis of base station constructions and equipment tuning as the basis for network quality optimization. User mobile Internet experiences will be



enhanced further as network quality continues to undergo optimization.

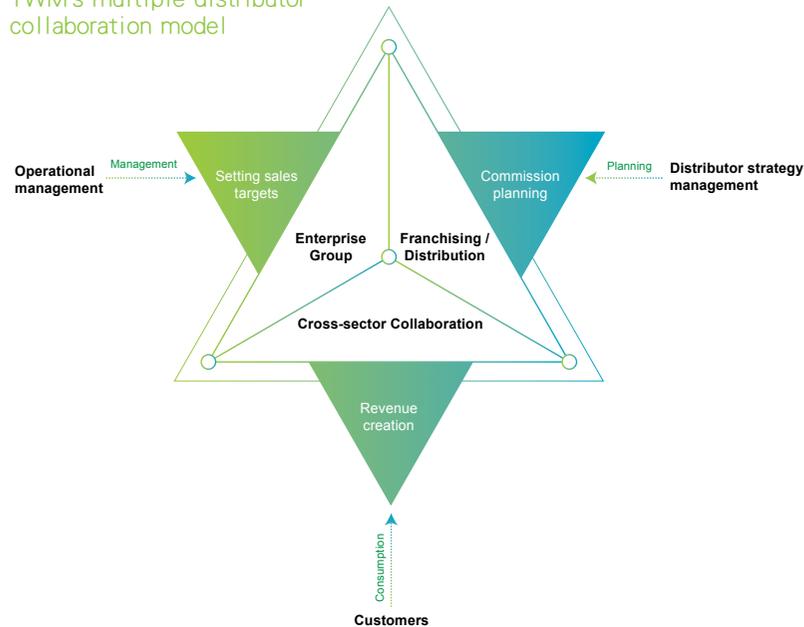
The user Internet experiences data captured by the CEM platform can be used to analyze users' online behavior and preferences, mobile apps that they use, and their mobility characteristics with advanced big data analytics technology. Accordingly, TWM's marketing will be able to identify users with less favorable Internet experiences and contact them to express our concern and show our care. The data can also be used to assist in the development of innovative services, analyze user behavior, recognize potential customer segments, cross-sell services, and so on to expand the company's revenue.

The planning stage of the CEM system began in early 2015 and implementation followed soon after. The system is expected to go online in 2016 over several phases. The functions provided in each phase will be used to help our customers improve their user experiences.

Flexible Commission System

Under the severe competition of the telecom market, traditional voice products are now no longer viable as instruments of competition. As TWM continues to expand its product offerings and partnerships among group affiliates intensify (e.g., mobile Internet, value-added services, 3C, accessories, home appliances, innovative services, Fubon insurance products, and restorer insurance etc.), a marketing strategy with a diversified product profile is necessary to meet market demands. Awarding commissions is an effective means for TWM to collaborate with distributors. Apart from the basic commissions paid for the activation of subscriber accounts, special commissions are also employed to utilize resources in a flexible manner and to provide incentives for improving sales performance at our stores. The Flexible Commission System has evolved over a period of time from a few special arrangements in the early days. Now there are close to a hundred different schemes that require as many accounting modules to handle. These different modules lack flexibility and are completely independent from one another. In order to address the fierce competition in the marketplace and to be able to accommodate

TWM's multiple distributor collaboration model



the company's changing marketing strategies on a moment's notice, we began to implement the Flexible Commission System in 2015.

With the centralized management, resource sharing, integration of logical rules and reconfigurable flexibility of the project's design, we now have the ability to incorporate special and complex commission structures from different business requirements into the system. Manual operations are replaced with the new system's automated accounting procedures, thus providing transparency for setting system parameters and facilitating users' information search. It also offers an added layer of security and stability for handling commissions.

Phase 1 of the system implementation project began in 2015 and became operational at the end of the year. Estimated benefits include a 20% reduction in annual budgeted cost. New commission structures or changes to existing ones can be implemented quickly through the system. In the future the system will also allow personnel responsible for distributor strategy management to assess the feasibility of various commission schemes in advance and to perform benefit analysis. With the system's efficient administration and assistance, users are able to calculate the monthly amounts of commissions and their distribution, which contributes to a win-win scenario: better distributor performance and increased revenues for TWM. In 2016 we will continue with the project's Phase 2. An estimated 50% savings in budgeted cost is expected after its completion.

Comprehensive user interface design facilitates the setting of commission structures, auditing, verification and downloading of reports
Provides users with well-designed functions to conduct feasibility and benefit analyses

Management

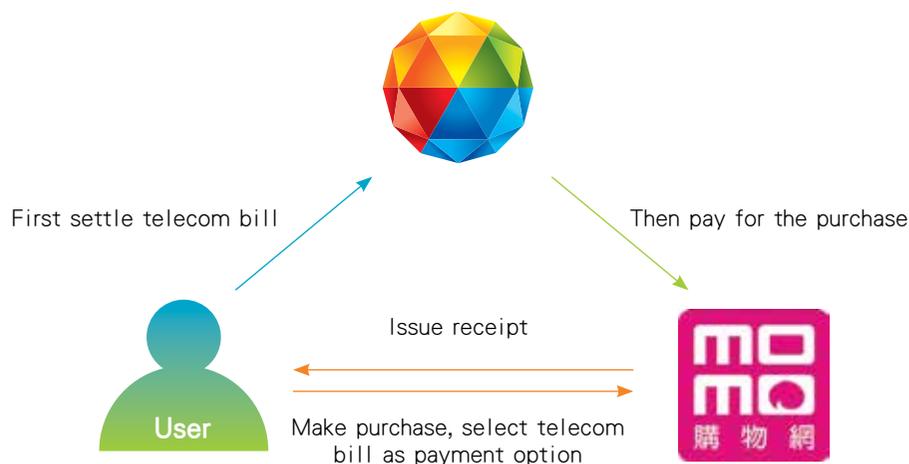
Reduced monthly development costs for new requirements and modifications
Improved commission productivity and accuracy
Shared and integrated resources to enhance system performance

Technical Dept.

20% annual savings in system development costs

Quantified Benefits

As the Internet continues to develop at a rapid pace and mobile devices become increasingly ubiquitous, smartphones have become the primary battlefield for e-commerce. When mobile payment solutions began to spring up on the market in 2014, TWM also started to contemplate how to expand upon the existing channels of mobile payment. We have since combined our core telecom resources (basic subscriber accounts and third-party collection) and collaborated with external e-commerce operators to provide users with access to e-commerce websites. Payment options for mobile app purchases include not only credit card but also TWM third-party billing. These arrangements offer our customers a wide range of payment options in e-commerce and expand our third-party billing customer base, thus paving the way to the development of third-party online pa



This project is mainly to create an innovative application service in payment flow to support the various types of transaction modes on e-commerce websites. We have expanded our third-party billing service to include other merchants, which can now utilize TWM's billing mechanism to accept payments for merchandise or services provided. The total budget for this project was NT\$3.5 million. The project was initiated in 2014. In compliance with current regulations, we entered into an e-commerce partnership with MOMO. The service began operation on July 6, 2015. TWM subscribers can now make

purchases from MOMO by using the company's website designed for mobile devices or with the dedicated app. When TWM third-party billing is selected as the payment option, these purchases will be listed on the TWM phone bill subsequently. It is no longer necessary for users to enter credit card numbers and other information, which greatly simplifies the process of online mobile shopping, not to mention the information security benefits that come with it.

Expanding our third-party billing and collection option to include everyday services has many advantages. Apart from the obvious added payment option to the consumer, as well as the consolidated bill for easier personal financial management and bill settlement, the greatest effect is that subscribers will now be encouraged to treat the creditworthiness of their identity as a telecom service subscriber the same way they handle their credit ratings associated with credit cards. They also have the added incentive to manage their purchases and the settlement of their phone bills properly. In other words, personal credit has now been extended to the domain of telecommunications.

Between July and December 2015, over 10,000 transactions were made on MOMO with this new service, with a combined transaction amount of NT\$9.2 million. The total transaction amount for the first two months of 2016 has already exceeded NT\$6 million. It is estimated that the number of transactions in 2016 will reach 50,000 with a combined purchase value of NT\$48 million. Going forward, we will continue to expand our partnerships to include other merchants and to reduce the age of merchants' accounts receivable.

Convenient and fast transaction payment option, consolidated phone bill

User Benefits

Third-party collection via telecom bill to boost non-credit card transaction rates

Merchant Benefits

Total transaction amount of NT\$9.2 million between July and December 2015; over 10,000 transactions

Quantified Benefits

Industrial IoT helps enterprises to adopt IoT applications painlessly

TWM welcomes the advent of the Internet of Things (IoT) era. In 2015 we joined forces with Advantech Corp. and took the first step as pioneers into the world of "Industrial Internet of Things". The project plans to link the IaaS cloud computing platform with WebAccess, Advantech's core IoT software, to enable businesses to painlessly deploy "Industrial IoT" applications into their systems, which will enhance their competitive advantages significantly.

TWM's cloud computing platform provides online rental and managed cloud hosting services. This will not only allow businesses to utilize rental space to host their hardware equipment in place of the purchase service model, but also provide system implementation in the most cost-effective manner. The high-availability dual-standby architecture

Plug-free! No need to replace SIM card! Embedded SIM, your passport to the world

Taiwan Mobile is a founding member of the Bridge Alliance. At the 2016 Mobile World Congress (MWC), we partnered with the members of two major telecommunications alliances, the Bridge Alliance and the Global M2M Association, to showcase the latest in IoT applications, including Global eSIM (eUICC) and the SIM management platform. As the first mobile carrier in Taiwan to have demonstrated this capability, TWM is in a strong position to develop and provide IoT-based services and applications!

Equipped with Global eSIM (eUICC), devices will be able to choose any carrier from its current location regardless of the stage of its life cycle: whether during manufacture, delivery, distribution, or use as a terminal device by an end user. The device will be able to connect to available networks without being plugged and unplugged or having the SIM card replaced, which will dramatically reduce international roaming costs and allow the user to enjoy local rates. This is made possible by the collaboration of mobile operators in 77 cross-border telecom markets around the world - the markets served by 35 members of the Bridge Alliance (leading operators) and also the 42 markets covered by the members of Global M2M Association (GMA), Europe's largest telecommunications alliance.

provides a service level agreement (SLA) of 99.9% uptime, professional SOC technical support staff providing 24/7 monitoring 365 days a year, administration, maintenance, and system backup services. In addition, TWM's cloud computing IDC has been certified with the ISO 27001 and ISO 27011 international information security standards. Our services also received the EuroCloud StarAudit (ECSA) certification, making TWM the first provider of IaaS cloud services in the world to be awarded this honor. This indicates that our capabilities in maintenance and operation, information security and stability are recognized internationally, and our corporate customers will certainly be venturing into this new world of cloud computing securely and with confidence.



Tens of thousands of devices can be networked through Global eSIM, and therefore managing the IoT mechanism in an efficient manner has become a crucial issue. In the future TWM's SIM management platform will provide corporate customers with the ability to gain access to information on the rate plan, data traffic and location of any device in the network through a single interface, thus allowing them to manage the connections of the devices, flexibly change their rate plans, and monitor their traffic with ease. This will reduce administration costs and increase management efficiency. Currently the platform is approaching commercial operation.

The emergence of Global eSIM (eUICC) is particularly important for products of OEM manufacturers that require cross-border access. In the future any device can be managed more efficiently via Global eSIM (eUICC), which will help shorten logistics management processes and allow users to enjoy even more flexible telecom services. According to a brand new research report published by McKinsey & Company in 2016, the eSIM industry may expand by as much as 100% over the next eight years. TWM has been in active negotiation with international manufacturers on collaboration projects. We expect to develop more concrete business models in the third quarter of 2016.

Smart video, micro
e-commerce applications
Creating new mobility value

As 4G services began to take off in Taiwan, TWM became involved with the government's "4G Smart City" project in order to be in a better position itself to enable our subscribers to access information and entertainment as well as conduct daily business with speed and convenience. We have introduced "Smart Video" and "Smart Micro e-Commerce" applications and also partnered with vendors in the industry chain, such as those who offer agricultural and specialty products, tourism and digital content, with focuses on entrepreneurial guidance for young people, coaching new farmers, guidance on local cultural and creative endeavors, innovative live broadcast and interactive applications, and big data-based smart technology applications. Our goal is to foster the industry chain's upgrade and to improve and create new value for mobile communications.

TWM has signed memoranda of cooperation with several local governments, including Kaohsiung City, Pingtung County, Tainan City, New Taipei City and Taipei City, to jointly develop "smart video" and "smart micro e-commerce" service platforms and to help local industries and business ecosystems upgrade and become more prosperous. Brand new mobility value for creating a smart city of tomorrow.



The signing ceremony of Kaohsiung government's "4G Smart City" project

Smart video

We have developed an intelligent video platform that allows government institutions and private organizations to develop innovative applications via collaboration, thus enabling consumers to enjoy 4G live video broadcast and helping government agencies to establish a more direct and immediate interactive communication channel with the public. The platform offers the following features:

- Offer high-quality music, video service or live performances any time and any where. Users no longer need to rush back home to catch on their favorite shows or programs.

Users can participate in instant opinion polling and express their views via a mobile device. The interactive statuses can also be shared on social network.

- Local governments can use this service to live broadcast major events to interact more directly and instantaneously with the general public.
- Recommended video sections can help for promoting local content and rewarding the best creations.
- Enhanced marketing and sales aspects to reduce the costs of video production and publication, which helps the artists to boost the sales of shorter works and newcomers to generate higher revenues with greater profitability.

Wali smart wallet App



As the smartphone has become a carry-on communication tool with people in anytime and anywhere. As a leader in mobile communications and mobile value-added services, TWM endeavors to not only meet consumers' increasing requirements for their mobile lifestyle but also bring better business opportunities to merchants by providing them with a customer service and marketing platform that best suits them in terms of timeliness, location and relevance with our innovative mobile payment-based business models. TWM officially launched the Wali smart wallet app in January 2016. The traditional

Smart micro e-commerce

With our expertise in mobile shopping and mobile advertising, TWM is in an excellent position to develop comprehensive applications based on beacon technology, including advertising, marketing, shopping, and payment. We have also joined forces with local governments, with the goal of contributing to the prosperity of local communities, to create innovative and intelligent mobile shopping districts with local characteristics. Even less established merchants can now be involved in mobile commerce quickly and effortlessly. The platform offers the following features:

- Messages regarding products, services and merchants that are relevant to the users are instantly sent via smart devices based on their past purchase patterns and the specific shopping districts where the users are located. The value of such information is therefore upgraded in the process.
- Users are provided with all the information required for making purchases: products, merchants, promotions and discounts, maps, wallet and bonus points, which is a smarter way to shop.
- Big data technology is employed to analyze users' behavioral patterns and habits, and based on this information functions such as advertisements, marketing information, comparisons and recommendations, transactions, payment and bonus point management are activated to enhance the operational efficiency of merchants to thrive the local businesses.
- Local businesses, such as vendors of gifts and souvenirs, and agricultural and fishery specialty products, as well as hotels and restaurants, can take full advantage of the mobile business opportunities generated by this service.



wallet or purse is replaced with its digital incarnation, which allows users to enjoy the essentials and luxuries as well as achieve the goals of a digital lifestyle at the touch of a smartphone.

Wali is the first mobile app in Taiwan to combine the functions of EasyCard, iPASS (public transit passes), and electronic ticket storage. It provides a complete solution for micropayment, payment of ordinary purchases, and storage of electronic tickets. Once subscribers can download the Wali app, their smartphones will turn into an electronic wallet in instant. We estimate that by the end of 2016 there will be 300,000 users registered for Wali, combining EasyCard and iPASS as well as mobile payment capabilities, special offers and electronic discount coupons at a number of shopping districts in Taipei, New Taipei and Kaohsiung in collaboration with these local governments. Detailed features and outcomes of this service are as follows:

NFC EasyCard

The Wali app offers an integrated NFC EasyCard/iPASS service, allowing consumers to experience the convenience of making payments with a smartphone. A simple tap-and-pay with the NFC device enables consumers to take the metro, the bus, or shop at designated convenience stores and supermarkets with perfect ease. Beginning on February 1, 2016, consumers can apply for NFC SIM cards and also register for NFC EasyCard/iPASS service at all TWM stores. As of the end of April 2016, 30% of all new applicants of special 4G mobile Internet access rate plans bundled with specific smartphone models have applied for NFC SIM cards each month. Our target is for this proportion to increase to 50% per month by the end of 2016.

Electronic ticket storage and usage



Consumers may store tickets purchased from the Wali smart wallet app's special promotions, discounts and recommendations section or from myfone shopping inside the Wali app itself. When ready to use a previously stored ticket, simply enter the Wali password, show the ticket's QR code to the merchant, and then scan for system validation. Consumers never have to worry about leaving tickets at home again.

O2O Coupons

In order to help the local economy grow, and to provide additional locations where the public can take advantage of the convenience of mobile payment. TWM solicited the help of local governments and merchants from famous shopping districts in the northern and southern metropolitan areas to provide O2O coupons and tap-to-pay via EasyCard/iPASS. Merchants participating in the pilot projects include those from Taipei Expo Park, Gongguan, Ningxia, Qingguang, Ximen and Yongkang shopping districts in Taipei City and Kaohsiung Arena in Kaohsiung. Plans are underway to expand service coverage to New Taipei, Tainan, Pingtung and other areas in Kaohsiung. TWM hope that the adoption of the Wali smart wallet will give consumers more options in everyday conveniences and special offers.

Wali is not merely a tool for making payments. It is intended as a means to provide high value-added applications designed to offer additional conveniences in life as demanded by the market and with regulatory approval. Our goal is to change the habit of how consumers pay for their goods and services as well as to bring better opportunities to local businesses. Applications and value-added services that are being planned include the following, with more to be added in the future:

1. Mobile Credit Card: To pay where EasyCard payments are not available by just a simply "beep".
2. PSP Transfers: Convenient, expedient allocation/transfer applications eliminate the need for cash transactions.
3. Bill payment: Mobile QR codes and pre-authorized automatic payments enable consumers to conveniently pay bills, fees, and parking charges.

myfone Shopping App



myfone Shopping App is a mobile shopping platform developed by TWM, offer over 200,000 products. In addition, TWM is also actively helping local small-scale farmers to join TWM's supply chain by making their products available online to reach larger market. In particular, TWM's New Farmers project team has provided support to local farmers with our professional, coordinated one-stop assistance, from product identification, discovery of marketing stories and help with upgrading the industry. Many farmers have since created their own legendary success stories. Take Yang Chia-ming's story for example, Yang returned to his hometowns to become a farmer, he insisted on not using herbicides or agricultural pesticides to grow black tomatoes. After the TWM New Farmers team provided Yang with the necessary assistance, he was able to identify his market position within local food culture and focus primarily on the pursuit of health in his new farming career. In September 2015 TWM launched the Gourmet Taiwan section, bringing together products from Taiwan's local small-scale farms and quality homegrown specialty foods to provide consumers with a large variety of selections and convenient shopping experience. With an integrated production and marketing approach, we have set an amazing record on the myfone shopping platform by selling 260 cartons in only 90 minutes!

The partnership that myfone Shopping offers our small-scale farmer consists of following three aspects: (1) Assistance with stocking merchandise online: Dedicated trainers are available to coach our partners on basic e-commerce know-how, including back-end operations, order processing, designing product web pages, copywriting, and stocking products online; (2) Marketing guidance: myfone Shopping helps to create all types of precision and specialized themes and marketing activities, providing partners with an effective sales platform; (3) Business operation guidance: Merchants gain the ability to market their products and conduct order data analysis through training provided by our product consultants.

According to above three features, myfone Shopping App uses the e-commerce distribution channel and brand-shaping strategy to create brand value for small-scale farmers and help them generate revenue for local communities. Not only offer safe and agricultural products of great value to consumers via our partners, but also help independent farm owners achieve reasonable profits. TWM are glad to do our part to contribute to environmental sustainability by showing care for the land upon which we live.

Time Capsule Message App



A pioneering cross-carrier platform that defies the limitations of space and time, allowing our love and care to reach out to the future.

TTWM is committed to the use of technology to bring people together to create pure joy and more touching moments, allowing everyone to delight in better communication and fun with one another anytime, anywhere and with greater mobility. From September 3, 2015 to March 31, 2016 we released the Time Capsule Message App, a service never before conceived of in the industry and which spans across time, space, formats, and mobile carriers. It lets users schedule text messages to be sent at a future date, allowing communication to escape the confines of the present so that we can seal our feelings and emotions for safekeeping and reopen them in the future, hopefully as a positive power and influence that will change the future. There

were over 100,000 downloads during the first three months, and many celebrities from the world of sports, music and entertainment industries also supported this initiative.

The core concept of the Time Capsule Message App has also been recognized by a world-class award panel and was a recipient of the 38th Times Asia-Pacific Advertising Awards: Finalist in Digital Media - Mobile Marketing. TWM was the only winner in this category. Taiwan Mobile will continue to adhere to our original principles and strengthen our conviction, and together we and each consumer will live together in this society with mobile technologies and creative methods of communication that realize our goal of building a better tomorrow: "Change 4 the better"!

myBook Book Town



myBook App is committed to promoting digital reading. It mainly provides digital content including e-books, e-magazines, and audio learning materials. Mobile devices allow readers to enjoy the pleasure of reading anytime and anywhere. This platform satisfies the needs of readers of all ages and levels without taking up any physical space.

In 2015 myBook App remained stable with 160 available electronic magazines, and the accumulated number of members reached nearly 100,000.

Assuming each active user downloads on average 6.2 magazines per month, a total of about 7.74 million copies of magazines can be saved each year with respect to resources associated with printing, paper, logistics and warehousing. In addition, our "new hire paperless training" initiative has digitized all training materials for store personnel, and has so far compiled 12 volumes of training manuals for our digital bookshelf. This project will start in 2016 and resources equivalent to printing 2,000 sets of paper handouts will be saved during the year.

To encourage the general public to read for fun and pleasure, myBook will introduce a series of smart interactive applications in 2016. Currently two modules have been included in our development plans for the year: "Smart Reading List" and "Reading Contest".

- Smart Reading List: Based on the genres of books that readers have purchased in the past and also their reading preferences, the system makes automatic book recommendations in the form of a reading list presented on book information pages and the checkout page.
- Reading Contest: In the reader app, information about a reader's reading habits is routinely recorded: time and date accessed, the number of books read, and the number of shares. Readers may participate in reading contests based on their reading status and be rewarded. The details of the contests are determined by myBook and partnering publishing houses, and there are different themes each month. To encourage digital book reading, winners are selected from readers whose reading profiles match the requirements of the contests.



myMusic App



We continue to promote online music through the myMusic App. As of the end of 2015, the service has placed a total of more than 3 million songs online, and the number of members has exceeded 300,000. In order to develop the 4G Smart City streaming music no longer suffers from large file sizes and the limitations of 3G bandwidth. With streaming via the 4G network now smoother than ever, myMusic is able to bring music with recording studio and concert hall quality to listeners, who will no longer miss the music's acoustic details in high or low frequencies. This is a seamless and high-quality multimedia service for all.

Although in the era of the Internet listeners are presented with a

tremendous selection that meets the diverse interests of different groups, as online video platforms become widely available, sifting through millions of choices in audiovisual content to locate the desired music is not a simple task. myMusic utilizes big data analytics technology to provide music selections that cater to users' listening preferences and usage habits. Based on their music selection history and listening habits, which have been collected over many years, we are able to provide personalized channels with four criteria: musical style, language, era and situation, which allows users to assemble their own playlists from thousands of choices in order to exhibit their personal tastes and musical interests.

In the future we will collect additional data, e.g. each user's age, gender and location, to make even more precise recommendations that best suit their current situations and scenarios. TWM will also analyze and understand what people currently tend to listen to, where, and in what circumstances from the collected listener behavioral data,

myVideo App



With the 4G mobile Internet access market growing at a rapid pace, a number of new ways to enjoy entertainment have become available, and customers are always demanding superior quality in their viewing experiences. There have been over one million downloads so far on TWM's myVideo App, now entering its fourth year and attracting a million views from our users each month. TWM have invested heavily in bringing quality domestic and international content to our platform. Users not only can enjoy the video by smartphones or tablets at anytime, but also view the videos on large TV displays at home via devices such as Google Chromecast and Apple TV, making myVideo the first choice in home video entertainment for users.

myVideo endeavors to promote digital content and provide viewers' feedback to content creators, with the goal of producing more content that caters to the needs of the general public. TWM also employ big data analytics to make recommendations that are relevant to viewers' personal preferences. The information derived from big data analysis provides us with benefits, that can enhance our decision support capabilities and is valuable as business intelligence, which also helps the market of smart video more successfully, improve business management and provide better support to customer care.

In 2015 the platform recorded a total of 3.5 million views, which translated to a considerable reduction in the manufacture of physical video discs, paper printing, logistics and warehousing resources, which helped to protect the environment and contributed to carbon reduction and energy conservation as part of TWM's corporate social responsibility efforts. Meanwhile, local governments as well as private organizations were able to utilize the myVideo to provide live coverage of forums on current trends and other events to the general public, thus facilitating the public participation and improving their awareness of various social issues.

with the goal of creating alternative audience-specific music markets, helping users to locate their favorite music with the least amount of time, and providing the best possible personal listening experiences for a new generation of music listeners.



In 2015 myVideo provided live coverage of several major events, such as the Hito Music Awards and the Zhongli Rock 'n' Roll Festival. In an unprecedented move, our video platform also hosted simulcasts of new year's eve concerts in three major cities: Taipei, Tainan and Kaohsiung, which were available for free. The events attracted a total of 600,000 views. Our service helped reduce traffic that would otherwise have been generated by members of the public flocking to the concerts and also expenses associated with crowd dispersal, cleaning up of the venues and other costs to the society. The official websites, fan pages, advertisements, text messages and press releases connected with these musical events attracted as many as one million views, which helped to raise the profile and improve the visibility and exposure of Taiwan's cultural and creative industry.

myVideo provides a comprehensive digital product display and delivery platform and utilizes the publicity mechanism to enhance the visibility of creative works. Domestically produced flicks are placed side by side with Hollywood films to encourage and stimulate the creativity of micro-film artists so that they can gain a foothold in the local communities and look toward the world for future success.

myPlay1 App



myPlay1 releases mobile games and allows gamers to play these games online via their portable smart devices. Compared to PC games which were popular in the past, mobile games consume less energy and the integrated direct payment systems allow gamers to directly purchase in-game credits via their cell phones. It is no longer necessary to purchase physical game cards in convenience stores as required for computer games in the past. With mycard as an example, in 2015 the number of transactions associated with the purchases of gaming unit cards represented 20.5% of all transactions for the entire year. In the future the proportion of gaming units from virtual cards will certainly increase as online payment becomes increasingly popular. In 2015 myPlay1 was downloaded 550,000 times with an accumulated membership of 60,000 active users. It is expected that at the end of the year the number of downloads will grow to 1.6 million with a membership expanded to 300,000.

Focusing on the tremendous potential business opportunities in the mobile gaming market, TWM launched the Android App "Earn Daily Reward Points" in August 2015 and established the comprehensive "mobile game download center", a platform that offers more than 200 best-selling mobile games. The app emphasizes both entertainment and concepts in smart savings, and our users are rewarded with the finest, most innovative and largest variety of gaming experiences!

By incorporating the wall of missions, the service offers a large variety of merchandise redeemable with reward points by users who lead an otaku lifestyle and the best deal in stored-valued feedback in the industry, which is highly popular with our users. We also pioneered the benefits of converting reward points to discounts that apply directly to TWM phone bills.

mySports App



Encourage the public to take advantage of their smartphone's many features and to embrace a low-carbon, healthy lifestyle! mySports focuses on the concept of personal health manager, providing users with the ability to record 23 exercise activities on their smartphones, including running, jogging, walking and cycling. The service also supports data transfer from multiple brands of GPS sports wearable devices, which enables the management of data and information with a centralized platform. Since November 2014 TWM have partnered with SPORTS BANK to provide an "exercise bank" service platform, where users can convert records of their exercise activities into reward points. This enables users to redeem the health energy that they have saved (in the form of bonus points) for prizes from SPORTS BANK. As of the end of 2015, users have accumulated a



total of 80,000 points. In addition, the service also provides over two thousand recommendations on local sports and exercise routes as well as more than one thousand pieces of the latest and up-to-date information on domestic and overseas sporting events on the website and on the mobile app. We are also involved in the promotion of more than 20 sports competitions, including the Taipei International Marathon. We encourage the public to enjoy a life of exercise and sports with our wide variety of service features and concrete actions.

mySports first became available in September 2013. By the end of 2015, the service already boasted a membership exceeding 270,000, with a total of 2.74 million uploaded records, making it one of the best exercise and sports community platforms in the country!



M+ Messenger Enterprise Solution



In this age of technology and ease of information access, using messenger software on a cellphone has become the norm in corporate communication. As a result one cannot ignore the importance of mobile information security. The M+ Messenger Enterprise Solution (M+) developed by TWM has been designed specifically for requirements in the workplace. There are three versions available: public cloud, private cloud, and hybrid cloud, each of which is tailored made for the enterprise. M+ also offer the following four major security features: transfer, storage, audit and control, which effectively enhance users' operational efficiency and management performance. It is the ideal messenger solution everyone can use with confidence in the workplace. As of the end of 2015, 59 corporations and organizations in Taiwan have applied for M+ enterprise accounts, including government agencies and public hospitals. The service allows users to communicate work-related information more directly and effectively with the enterprise version, which helps them solve problems faster and more efficiently!



M+ uses advanced standards, such as https, AES encryption and session key for data transfer and has been certified as compliant with the government's Basic Information Security Guidelines for Mobile Applications.



The data is stored at TWM cloud IDC, which is certified with the ISO 27001 and ISO 27011 international information security standards. Data is retained for at least 3 to 6 months, and enterprise data is separately encrypted.

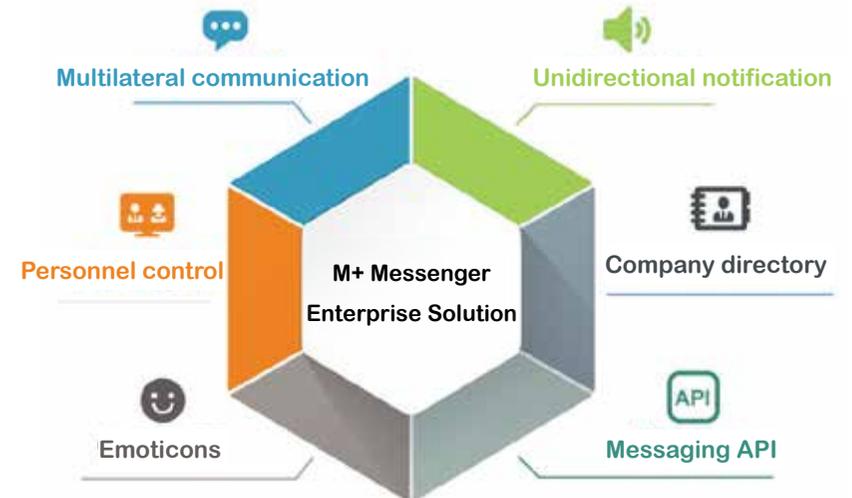


Protected with the cloud IDC's data processing procedure; information is accessible only to authorized personnel. Business users can access the required communication details by following standard procedures.



For specific projects or for certain departments that allow only particular members to participate, employees will receive information on a need-to-know basis; for group-level settings, two types of control mechanisms are provided: password and approval, allowing the group leader to filter users by their identity.

The public cloud version of M+ offers the employee directory feature. All contact information is built into the M+ application and can be accessed by all employees on the go. The company can send out important messages to all personnel, or just a specific group of employees, via the M+ enterprise account to ensure that no one misses any critical information. In addition, the company can create different groups based on its organizational structure or special purposes. Members can join the groups by simply searching, and for



added convenience the sender of a message will also have access to the list of members who have not read the message. The enterprise user can also integrate M+ with the company's directory service (AD) via the application programming interface (API), so that directory data on M+ will automatically be in sync with the latest updates. The company can also send system alarms, customer complaints and other automatically generated messages to employees in charge of responding to these events, thus making M+ the corporate message hub. For enterprises wishing to take full control of the entire system, we offer the private cloud version of M+. It allows the company to operate and maintain its own servers and data with complete control over all aspects of communication within the organization. This version of M+ is also equipped with the public cloud version's communication functions exclusive to the enterprise. If strict control of information security is required but the company does not have the IT resources to maintain its own system, M+ has been designed with a data separation and storage architecture, where all communication contents are separated and stored within the enterprise with backups to facilitate supervision and audit. In the meantime, M+ is responsible for sending messages, notifications, graphics, and general communication. This specially designed hybrid cloud option is available to enterprises that require a balance between control of information security and the costs of operation and maintenance.



TWM Customer Service App



Beginning in 2015, TWM Customer Service App focus on service development to be driven by user requirements. In order to provide users with an even better service experience, we have redesigned the app after considering all user feedback and suggestions, and released a new version of the TWM Customer Service App in April 2015. The app's brand new interface features a simple, brightly colored appearance. The most popular and important functions, "billing", "outstanding charges" and "rate plan" are available right on the app's first page, allowing users to locate the desired information and functionalities quickly on this more intuitive and user-friendly interface.

Users can easily manage their account and usage anytime!

Most users are often concerned about billing information and the rate plans under the service contracts. The new 2015 version of the TWM Customer Service App now offers graphical e-bill and micropurchase query features. The online bill payment process has also been enhanced and streamlined. Reminders of expiring promotions and discounts as well as a complete history of rate plan changes will ensure that users never have to worry about missing any information regarding special offers again. To reward our users for

their support of the TWM Customer Service App over the years, we introduced a number of special offers in the fourth quarter. Any users who downloaded or upgraded the app were eligible for \$100 Sogo gift certificate drawings every time they log into the app. Users also received a special edition of the Mobile Doctor App (limited supply) as a token of our appreciation! As of the end of 2015, the accumulated number of downloads of the TWM Customer Service App was 2,319,043. The number of members with unrepeated uses in a single month was 410,000.

Features:

- Locate three major functions from quick access bookmark
- Billing: Look up information regarding the current and 6 previous bills / micropurchase bills / data usage. Making online payments is both convenient and eco-friendly!



- Outstanding charges: Outstanding charges/ data usage information is updated continuously, allowing users to manage their account usage and to make additional data purchases if necessary.
- Rate plan: Provides information about rate plans and usage analysis of rate plan combinations; suggests the best rate plan based on subscriber's usage patterns. Users can change their rate plan right from the app.
- Slide menu to access more great services
- Subscriber services: Provides subscriber account application and query functions, service outlet locations by city/county and information about Wi-Fi hotspots, offering users a more fulfilling digital lifestyle.
- Special offers: Provides the ability to search for personalized offers and special promotions. The "Popular recommendations" feature introduces users to the latest and most popular mobile apps and value-added services. Users are encouraged to apply immediately for a more enjoyable life.

- My VIP: This is the special section for VIP users, providing them with exclusive offers and benefits.
- Going abroad: Before leaving the country, apply for mobile Internet roaming services and special packages, and check out the applicable roaming rates to ensure worry-free internet access while abroad!
- Prepaid user section: look up usage and amount balances and top up online!

3.4 Social Care

Core Concept

“Actions of corporate responsibility are started by true concern!!”
TWM Foundation was established in 1999 to uphold the spirit of local roots and support the local community. The Foundation responds to the different needs in society through the long-term investment of manpower and resources for disadvantaged groups, helping the physically and mentally handicapped, the character development of teenagers, and the prevention of social problems. It also integrates core corporate resources to promote digital fusion and enhance domestic soft power in digital cultural creativity. TWM has continuously made its mission to serve society and give back to the public. Moreover, we strive to join people in building a more harmonious and sustainable society.

Commitment and Action

We make the best use of our four core resources of voice services, network bandwidth, digital content and innovative services to help charity groups enable technicalization, expand into digital applications, cultivate talents of multimedia and digital marketing, and support various local artistic and cultural activities. Furthermore, a comprehensive corporate volunteer system has been established to internalize CSR thinking with top-down corporate responsibility promotion and social engagement from bottom-up.



100 Volunteers x 100 Seniors Year of the Monkey NYE Banquet



Achievements and performance

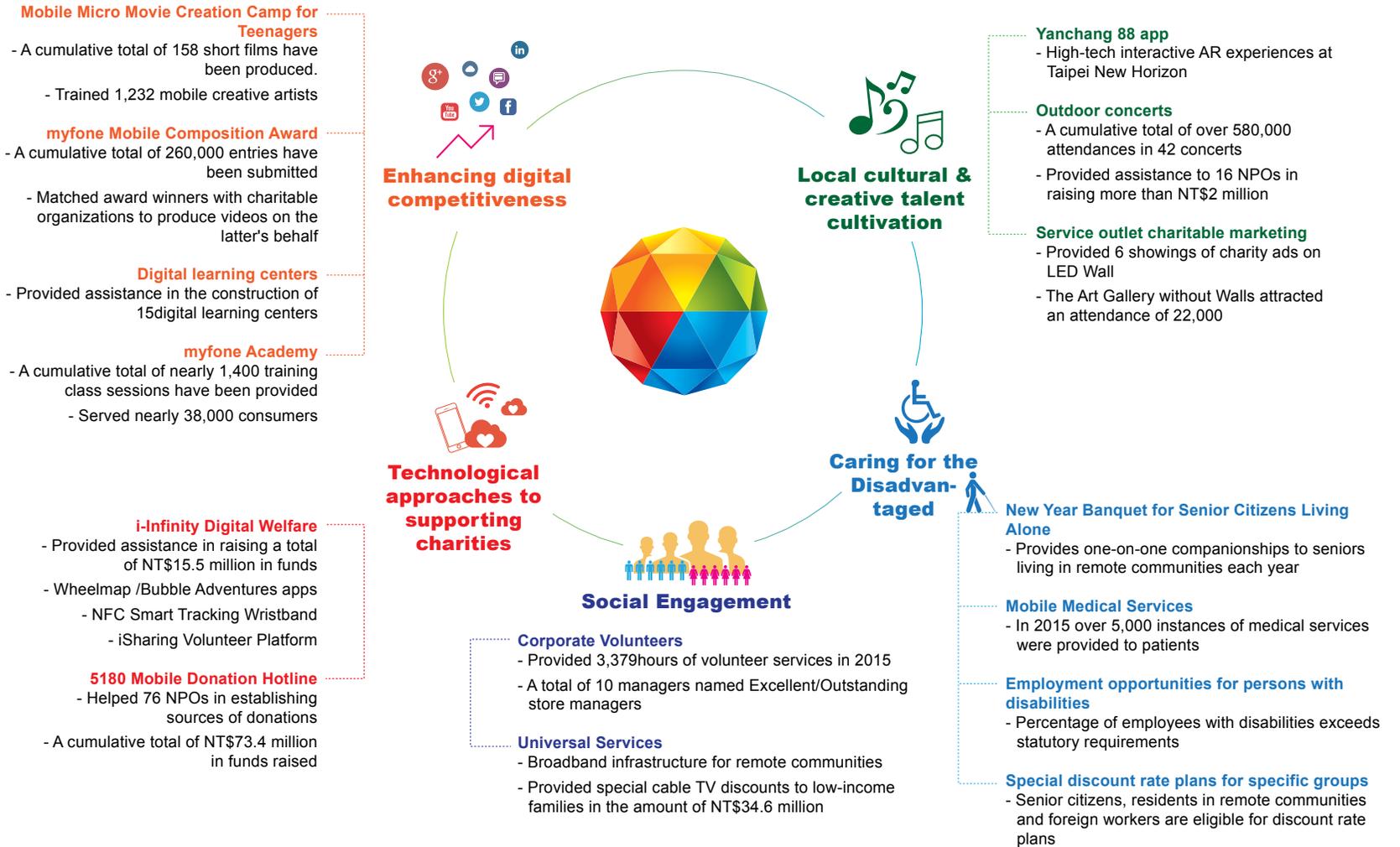
- Over 20 public welfare projects
- Total social investment costs: NT\$150 million
- Assistance provided to NPOs to raise NT\$16 million
- Amount of time contributed by corporate volunteers: 3,379 hours
- Average amount of training time received by each employee: 22.6 hours

Vision and Plan

TWM strives for balanced economic, social and environmental development. As a pioneer in digital convergence, we will continue to apply our core corporate resources to care for and serve society. Apart from sponsorships, we must also help disadvantaged groups improve their digital skills, popularize CSR education, promote social harmony and establish the basis of sustainability. With 4G's greater speed bringing a new era of superior video quality, we will pay particular emphasis to the cultivation of digital content production talent to enhance the soft power in cultural creativity in Taiwan. We will also match digital talent with charity groups to enable charity technicalization and maximize their social benefits.

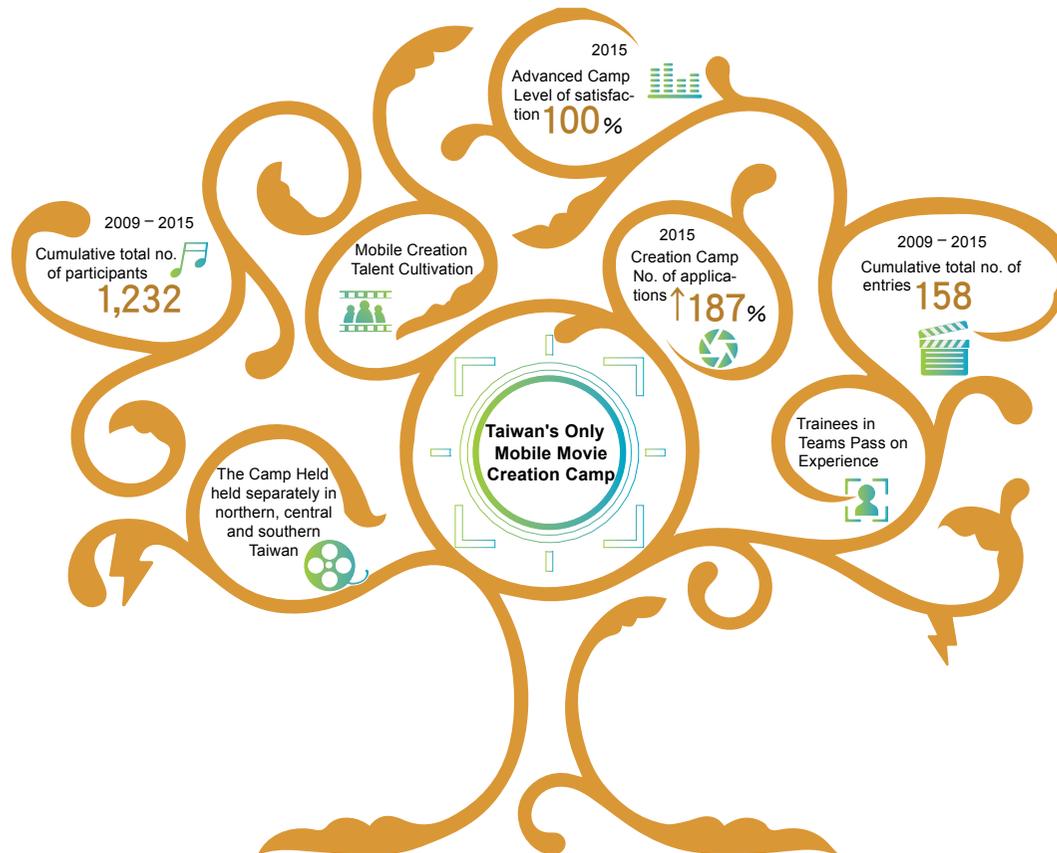
- Assistance provided to NPOs to raise at least NT\$10 million annually
- Social Engagement: at least 500 participations per year

3.4.1 Social Inclusion



Mobile Micro Movie Creation Camp for Teenagers

As the Internet continues to develop at a rapid pace and mobile devices are becoming ubiquitous, smartphones have become the primary medium for recording images among the general public. With the goal of cultivating future talent in multimedia production and enhancing the digital competitiveness of young people. The Taiwan Mobile Foundation joined forces with the Public Television Service since 2009, utilized TWM's core telecom resources to organize workshops on film creation. Each year we propose a



different theme for our cellphone short film creation camps, held separately in northern, central and southern Taiwan and taught by professional directors. We encourage young people to create works of art with their mobile devices anytime and anywhere to enhance their mastery of images and competitiveness. Film creation is no longer the exclusive domain of the professionals. The following creative projects have been produced over the last few years: "Take Actions · Love the Planet", "Show Taiwan on the Mobile Phone", "My Trend Dictionary", "Mobile Ticker" and "After-School Skies", and "The Little Joy in Life" and "My Daydream Adventure". In 2015 the theme was "No School Today" as we encouraged teenagers to explore the world that lay beyond their campus walls. The number of participants grew by 187%, and many students indicated that they decided to join the camps because of the highly appealing topic.

To enhance students' learning objectives in imagery diversity, we



2015 Mobile Micro Movie Creation Camp for Teenagers

began to offer advanced classes in 2012. Courses on new media are developed each year to further upgrade students' digital editing skills. Participants from past events are invited as camp counselors so that they can become the seeds of future creative camps and pass their experience onto students of future generations. In 2015, we offered for the first time an advanced camp that lasted four days and three nights instead of the usual one-day event. The theme was "Practice Saying Good-bye". Golden Bell Award winning actress Wang Chuan was invited to deliver body performance lectures, help students

analyze the scripts and create appropriate roles. Students were then enrolled in directing, screenwriting, cinematography and editing classes based on their skills or interests. They went through solid training in various specialized areas of filmmaking and gained comprehensive knowledge and skills in media production. A student survey conducted after the completion of the camp indicated 100% satisfaction.

Students from previous years not only shot amazing works during the camp but also continued to apply as a team the power of imagery to all aspects of life. For example: "New Journey to Danshui" filmed by the Huilin After-School Mentoring for Disadvantaged Children team was nominated for the "Taiwan Award – Taiwan Kids' Production" at the 4th International Children's TV and Film Festival; "No. 73 Dashujiao" that was shot as part of a series by the Taipei Beitou Elementary School team was recognized at an international film festival; the Taichung Longgang Elementary School continued to work on the 10-minute "Crab Climbing the Tower" video after the camp while the school principal and teachers also introduced imagery education to all 5th and 6th grade students; many of the students went on to join imagery-related clubs in high school or furthering their studies by enrolling in mass media and visual design-related programs.

Between 2009 and 2015, a total of 158 mobile short films were created over the seven years that Mobile Micro Movie Creation

Camp for Teenagers was held. A total of 1,232 students from more than 520 schools around the country participated. Apart from being the only digital media camp in Taiwan that focuses on movie creation with mobile devices, it has also become an important cradle for the cultivation of mobile creative talent in Taiwan.

We will continue to follow up on the developments and evolution of the video and multimedia industry, including animation production and mobile games. We will also continue to organize digital media camps and plan courses that reflect dominant technology trends and satisfy manpower requirements. We endeavor to provide a solid foundation in visual imagery education and to enhance the visual capacity of young people so that the goal of "power of image = influence".

Junior News Anchor camp

The cable TV system platforms of TWM Broadband play host to the "Junior TV Host" program continuously. Schools and organizations are invited to visit the camp, where children are introduced to the production and broadcast of cable television programs. They are also given the opportunity to play the role of news anchor and experience what it is like to deliver a news broadcast. We continued to support this project in 2015 and dedicated investments of approximately NT\$384,000.



2015 Junior News Anchor camp



The Ninth myfone Mobile Composition Awards underway with total prize money of NT\$4 million. Taiwan Mobile Foundation CEO Iris Liu (4th from left) and Vincent Fang (far left), Eric Chen, Chris Hou, Hsiao Yeh, writer S. P. Tsai, and FJU Monkey

myfone Mobile Composition Award

In 2007, TWM Foundation created the myfone Mobile Composition Awards in response to the popular idioms used in cyberspace, the music market shrinking, and the lack of outstanding creative talent, with the goal of furthering creativity in the field of digital technology in Taiwan and encouraging the general public to use cellphones which are an indispensable part of their daily lives to be creative anytime and anywhere. The rules include a 70-character limit for texts and a 45-second limit for ringtones. The objectives of the award are to identify creative talent in written language, music, image and video content by providing them with a creative platform. This award can enhance the connection between digital content and cultural creativity. After nine years, the myphone Mobile Composition Awards have gained great prestige and reputation, and continue to inspire new waves of mobile creativity.

"myfone Mobile Composition Award" competition categories are continually reconfigured based on developments in technology

and the latest tools to reflect the current trends. We introduced the category "Micro Movie" in 2012. In 2014 we added "Dialog Messages" and "Original Stickers". For 2015, we solicited the public for the creation of a theme song for myfone Mobile Composition Awards. The first-prize winning entry, A I Daa Ni, received unanimous commendation from all members of the judges' panel. In addition, a special quota is reserved for students who are encouraged to join the ranks of movie makers. This has provided a great impetus to the cultivation of movie-making talent. The year 2016 signals the 10th anniversary of the awards, and the theme has been designated as "Ten". We hope contestants will provide interpretations from many different perspectives. The number "10" may represent the revolution of digital technology, or it could be the best decade of a person's lifetime. We encourage all our creative artists to be "perpetually inspired, constantly creative".

Our philosophy of being in sync with the times and encouragement of artistic creations resonated with the distinguished panels of judges. For the 2015 Awards, the panel for the SMS category consisted of prominent writers Yu-hui Liao, Hung-Tze Jan, Ping Lu, Kuang-Tsai Hao, and Vincent Fang; the ringtone category was judged by Eric Chen, Chris Hou and Summer Lei; the micro movie category by Hsiao Yeh, Leon Dai and Li-Chou Yang; and the sticker category by Ron Chu, Mickey Huang, FJU Monkey and Mr. H.H. All judges were in agreement that the quality of the submissions was improving with each passing year.

Influence 1: Nationwide participation, quality and quantity in entries, exponential growth in influence

- The myfone Mobile Composition Awards held between 2007 and 2015 attracted the participation of 252,514 SMS, 4,054 ringtone, 826 micro movie and 2,000 sticker submissions, bringing the total number of entries to 259,394. The contest represents an important indicator for art and cultural competitions in Taiwan.
- Winners' age distribution for the 9th annual Awards: The youngest was 16 years old and the oldest was 61. The age distribution of all competitors was even wider, with the youngest being just 10 and the oldest 78. Diversity of winners: The winners' back grounds was diversified and provided a detailed look at the voice of the average citizen. Their entries offered a microcosmic view into



2015 myfone Mobile Composition Awards Ceremony

		2007	2008	2009	2010	2011	2012	2013	2014	2015	Cumulative Total
Submissions	SMS	5,232	4,745	22,512	39,494	48,279	44,497	40,562	25,859	21,334	252,514
	Ringtone	138	331	424	427	660	470	425	577	602	4,054
	Micro Movie	-	-	-	-	-	201	100	215	310	826
	Sticker	-	-	-	-	-	-	-	1,168	832	2,000
Total Entries		5,370	5,076	22,936	39,921	48,939	45,168	41,087	27,819	23,077	259,394
Votes for popularity award		-	-	49,674	54,370	65,260	159,399	123,530	147,235	-	599,468

Taiwanese society and reflected its development over an entire century! The rise of the Internet means that the "myfone Mobile Composition Awards" has made a large impact online. The online voting on the finalists each year has garnered much attention from social media. Winners from past events can be found on www.myfone.org.tw under the "Past Winning Entries" section.

Influence 2: The entries reflect contemporary social consciousness and represent a projection of the new era

- The works reflect the latest topics of interest: While the quality and quantity of entries have continued to build up, the "myfone Mobile Composition Awards" has also progressed from merely a creative competition to something more significant. Judging from the works that have been submitted over the years, the creative works have in fact become a microcosm that reflects and documents our contemporary life and society.
- The popularity of smartphones has resulted in the widespread reality that users are constantly looking down on their phones texting or reading social media content. The 2015 edition of the myfone Mobile Composition Awards featured the theme "Eyes Down", which alludes to the contemporary lifestyle of building one's relationships over the Internet as well as overdependence on mobile devices and even confinement by social media. The positive side is of course the rapid access to a vast social network and a technologically enhanced lifestyle.

Influence 3: Creative platform for cultivating talent

The myfone Mobile Composition Awards provides a platform where participants utilize digital tools as the new creative media to reflect contemporary needs and technological changes, as well as to expand the influence of the event and provide a stage for public exposure, finding clients and incubation.

- TWM's corporate commercial resources are leveraged to make the winning entries publicly and freely available for download on the Group's affiliated platforms (SMS Expert, myMusic, myVideo, and the M+ Messenger communication software).
- Funding winning teams to produce videos for charities: Productions of charity micro movies were commissioned through the Foundation's i-Infinity project. Proposals were limited to past winners of merit awards or higher in the myfone Mobile Composition Awards. TWM Foundation funded and commissioned the composers to produce short fund-raising videos for NPOs; a total of 19 micro movies were completed in 2015.
- Physical film exhibitions and online publication: The winning entries from the "myfone Mobile Composition Awards" were



provided with a variety of channels for publication through digital convergence value-added broadcasting services such as Kbro, TWM Broadband and myVideo.

To encourage interactions between judges and composers, the tradition of organizing a face-to-face gathering was held for the 4th consecutive year after the award ceremony. This gathering of over 100 participants turned the myfone Mobile Composition Awards into an interactive platform for creators and gave the judges an opportunity to answer questions from the contestants regarding individual entries providing an opportunity for close two-way interactions.

The "myfone Mobile Composition Award" hosted by TWM makes use of handheld devices as a new creative tool in response to changing times and technologies. It encourages people with talent to become involved in creative endeavors and fosters quality cultural digital content. This will promote the cultivation of digital content and creative talent, forming a positive feedback loop for core operations.

Digital learning centers

According to the "2015 Individual & Household Digital Opportunity Survey" published by the National Development Council, 82% of all households have access to the Internet, while the difference between Level 1 and Level 5 digital development areas amounts to 21.7%. Among citizens aged 65 and above, 21.7% are Internet users. On the other hand, the "2015 Survey on Digital Opportunity & Digital Life Requirements for the Disabled" indicates that only 35.2% of all the disabled are Internet users, which is over 40 percentage points below the national average. In an effort to improve upon this state of affairs, we have been monitoring the statistics every year since 2007 and have continued to utilize our core telecommunication technologies and integrated our mobile, fixed network, and cable TV resources to establish digital learning centers for the benefit of disadvantaged groups and individuals living in remote areas.

TWM rely on written data, field investigations, and preparatory courses to gain a full understanding of actual demands and provide computer hardware facilities and maintenance, and broadband

internet services to avoid waste and redundancy of resources. We also plan courses and activities that are tailored to the needs of community members in cooperation with local NPOs to make optimal use of mutual resources and increase the number of digital opportunities for community members. The digital divide is due to not only a lack of hardware but also a shortage of qualified instructors. We assist and guide local organizations in the use of e-learning resources so they can achieve independence and learn how to apply digital technology. And, in turn, they can then pass along that knowledge and help others. In addition, we employ IP-cameras to strengthen contacts with local organizations in order to gain a firm grasp on actual usage conditions and be able to provide immediate assistance. This also allows mutual observation and acquisition of valuable experiences through the digital learning centers.

A total of 15 digital learning centers set up in cooperation with local organizations have been in continuous operation since 2007. These include Danshui, the First Development Center of First Welfare Foundation, Ai Zhi Development Center, Heng Ai Development Center and the Development Center for Spinal Cord Injured in Taoyuan, Carpenter's House Caring Center in Zhongli, Puli in Nantou; Dongshi in Chiayi; Niaosong and Dashu in Kaohsiung, Su-ao in Yilan; Shoufeng and Yuli in Hualien as well as Daren and Taimali in Taitung.

In the future we will continue the partnership between our corporate enterprises and local communities to provide remote communities with broadband Internet access and computer equipment in digital learning centers, mobile devices such as tablet based on requirements, practical online multimedia teaching resources on computer basics, Internet applications, social media, multimedia production, word processing and graphics editing, online multimedia teaching, and e-commerce. Our goal is to provide disadvantaged groups including impoverished children, foreign spouses and senior citizens as well as children and adults with multiple disabilities with the opportunity to become active participants in the society, receive equal opportunity to learn in a cloud environment, share the benefits of a quality networked community and connect with the entire world via these resources.

myfone Academy - Free in-store digital learning services

In 2015 myfone Academy conducted 1,376 sessions of in-store digital skills courses at our service outlets around the country, serving a total of 37,674 customers. As 4G services were launched 2015, the pace of the evolution of mobile digital life has accelerated, and consumer demand for smart devices have escalated. We expanded our free consumer course offerings to include smartphone operations, mobile applications and Internet applications to help customers deal with all kinds of difficulties and problems with their devices.

myfone Academy offered introductory courses on smart devices, such as "iPhone No Worries! Learning All the Basics" and "Super-easy Android Phones" effectively lowering the barrier for users who are trying smart devices for the first time. The Academy has also made available lessons on software applications used in daily life, "Essential travel apps in one lesson", "How to take great photos" and "Save with shopping apps"; advanced mobile office apps such as "Keep all your notes on the Cloud" and "Maximized storage & mobile office tips & tricks"; and daily essential value-added services for a mobile lifestyle, such as myVideo, myMusic, mySports and M+

Messenger). The diverse range of 3C classes on offer help satisfy different requirements such as "Building your own personal micro-theater" and "Instant listening and close-up musical experience". These help users better appreciate the applications of the digital lifestyle. With our "Sending personalized greeting cards through the Cloud", "Parent-child digital coloring book - Give me a bite" and other courses, we bring family members closer together using digital technologies and mobile networks, so that smart devices are no longer impersonal and cold but are capable of bringing warmth and feelings to their users.

Through myfone Academy's services, users are able to not only purchase smartphones that bring them greater convenience, but attend a wide variety of 3C classes offered at our myfone stores through the Academy as well. Our stores are no longer simply outlets for commodities and mobile telecom services are no longer limited to just voice communication. They are now the venues for a variety of innovative digital activities such as reading, listening to music and watching movies online, all of which enrich our lives and bring us greater convenience.



A myfone Academy class in session



i-Infinity Digital Welfare

TWM Foundation assists NPOs to adopt digital services and digital trends by pioneering an "i-Infinity program" featuring a concentration of digital projects. We integrate our core capabilities and resources to provide NPOs with digital applications and employ our digital leverage to improve the capabilities of NPOs in the field of digital applications and cultivate digital talent as well as enhance operational efficiency of the internal structure of NPOs and improve external fundraising ability.

To enhance the digital capabilities of charitable organizations, the TWM Foundation hosts annual digital technology lectures to provide these groups with the latest knowledge on digital applications and technology. In addition, the Foundation helps charities develop their own devices for digital services or software, such as mobile apps and wearables. At the same time we provide support to their incubation programs, and the apps or wearables will be donated to the organizations when the technology proves to be mature. Thus far the Foundation has provided assistance to 5 charitable organizations in the development of 4 mobile apps and one NFC smart tracking wristband. In addition, 2 mobile apps have also been donated to our supported charities. The i-Infinity Digital Welfare initiative is also helping charitable organizations in the area of digital marketing. Since 2012 we have successfully assisted 9 charity groups in the production of micro movies, and these organizations have also been able to raise substantial funds with our collaboration. The total accumulated increase in the amount of funds raised was NT\$15.5 million as of 2015.



2016 無限



NFC Smart Tracking Wristband

It is not uncommon to hear of incidents where individuals with dementia go missing. To help elderly citizens who may become lost to find their way home as soon as possible, the Taiwan Mobile Foundation, Bjorgaas Social Welfare Foundation and the Federation for the Welfare of the Elderly have joined forces to introduce the country's first smart tracking wristband with a built-in NFC (Near Field Communication) chip. It allows senior citizens who have lost their way to return home in the shortest possible amount of time.

Compared with conventional steel tracking bracelets, the NFC smart tracking wristband offers advantages such as prompt notification and precise location positioning. If someone wearing this device appears to be lost, you can use a smartphone or tablet equipped with NFC to scan the wristband to quickly access the missing persons report webpage; there is no need to download a mobile app. Simply enter your phone number and the missing individual's data and location will be immediately uploaded to the 24-hour missing persons assistance center. The system will also display on your phone the address of the nearest police station based on your current location, to which you can use to guide the lost person. Alternatively, volunteers

Mobile apps and wearables developed via the i-Infinity Digital Welfare program:



The Wheelmap app

Partner: Taiwan Access for All Association
Provides an integrated nationwide database containing 4,000 records of accessibility features, low-floor buses and other barrier-free location information, benefiting four million people with disabilities as well as senior citizens and baby carriage users.
(Donated in 2015)



Bubble Adventures app

Partner: Kuang Jen Social Welfare Foundation/Cardinal Tien Hospital
The country's first game for early intervention and rehabilitation. It is also useful for stimulating the development of young children's potential. The app is expected to benefit 1.17 million young children and 37,000 children requiring early intervention and their families, as well as 200,000 senior citizens suffering from dementia.
(Donation planned for 2016)



NFC Smart Tracking Wristband

Partner: Bjorgaas Social Welfare Foundation/Federation for the Welfare of the Elderly
The country's first smart wristband with built-in NFC-based electronic tagging capability, which can help over two million citizens living with dementia or mental disorders to find their way home.



iSharing platform

Taiwan's first cross-platform volunteering service. Since its introduction in 2014, a total of 197 social welfare organizations have joined the initiative, while the platform serves to enable 17.3 million potential volunteers to offer their assistance quickly and at the same time address the problem of mismatch between supply and demand for volunteer services.



Just Beep It - to accompany elders home

from the assistance center can also be dispatched to your location to render help or alert the authorities to your situation.

In the future we will continue to promote this service to more members of our community and to encourage organizations or individuals who may benefit from this service to apply. Members of mid- to low-income families with proof of disability or police records of having been reported missing may apply for the service free of charge.

[Happy and Warm Little Hearts Fulfilling Angel's Wishes](#)

TWM partnered with World Vision Taiwan to organize a Christmas toy drive, entitled "Happy and Warm Little Hearts", in late 2015. Videos from 26 celebrities urging the general public to donate gifts were aired on the iSharing volunteer app platform. The event lasted merely 19 days before the Christmas wishes of 300 children from underprivileged families were fulfilled.

TWM's iSharing platform is the first charitable service matchmaking platform in the country to have an Internet presence in both website and mobile app formats. It takes only three seconds to complete the matchmaking and registration procedure, allowing volunteers to quickly locate charitable events that appeal to them the most. Charitable groups can also locate the most suitable volunteers on



TWM President James Jeng (3rd from left), World Vision Taiwan Chairperson Victor Kung (3rd from right), volunteer Wei-chung Wang of Gin Star Entertainment (2nd from right), Taiwan Mobile Foundation CEO Iris Liu (2nd from left), World Vision Taiwan Senior Director James Fang (far right), Administration Division Chief Chun-hui Chen (Taipei New Horizon) (far left)

this platform. As of 2015 more than 200 organizations have joined this service. There have been over 16,000 downloads, and 1,200 successful matches have been made. Apart from the volunteer matching functions, this year iSharing will be upgraded with all-new features, including the donation of supplies and money. Anyone can participate in charitable contributions anytime, anywhere with their mobile devices.

In 2015, the i-Infinity Digital Welfare platform also underwent the digital empowerment program. We organized mobile payment-

related seminars to offer charitable organizations different solutions for fundraising methods and platform design. At the same time, we assisted Ganlin Foundation, A Skin-Graft With Love Foundation, Taiwan People's Food Bank and the Bornanew Youth Caring Association in the production of public interest micro movies. They are, respectively, "Delivering Meals", which describes the friendships between Ganlin Foundation volunteers and the seniors to whom they deliver meals; "Memory Loss", which depicts the life of a senior citizen with dementia after she has suffered loss of memory; "Temperature", a story about a little girl who befriended an elderly scrap collector; and "616 Youth", which serves to remind all of us through the story of a rehabilitated young man that it is never too late to reconcile with oneself, leave the past behind and live the life one wants.

Each year we carry out online marketing for charity micro movies, and during the event (within 3 months from the time the videos are uploaded to Youtube), each view of the video on Youtube will earn NT\$ from the Taiwan Mobile Foundation in donation, up to a maximum of NT\$100,000. The goal is to bring awareness concerning different social issues to the wider Internet user community and urge the public to participate in charity events by sharing videos that depict these topics. Micro movies produced for charity groups through the i-Infinity Digital Welfare project are wholly funded by Taiwan Mobile Foundation. We have also solicited the help of winners of myfone Mobile Composition Awards to take charge of the photography. While contributing to charitable causes, we also provide young creative artists with opportunities in the industry.

As Taiwan is gradually becoming a society with a high proportion of elderly citizens, the i-Infinity Digital Welfare project in 2016 will pay special attention to the smart digital lifestyle of senior citizens. The Taiwan Mobile Foundation will encourage senior-centered charitable organizations and enterprises to develop more mobile apps or wearable devices with digital applications with a focus of caring for the elderly and to make their lives easier and more enjoyable.

Charity micro movies produced in 2015



Delivering Meals
GanIn Foundation

Director
Li-chieh Chia

The 7th Annual Awards Micro Movies: 1st place
The 9th Annual Awards Micro Movies: 1st place

Memory Loss
A Skin-Graft With Love Foundation

Director
Che-yuan Yeh

The 8th Annual Awards Micro Movies: 3rd place



Temperature
Taiwan People's Food Bank

Director
Wen-tang Lin

The 7th Annual Awards Micro Movies: 3rd place

616 Youth
Bornanew Youth Caring Association

Director
Jong-chieh Hsu

The 8th Annual Awards Micro Movies: Best Documentary



5180 Mobile Donation



台灣大哥大 5180 即時捐

手機直撥，完全免費，幫您把愛送出去

In December 2005, TWM introduced the "5180 Mobile Donation" platform which allows users to make small monetary contributions. The platform takes advantage of the convenience of the mobile phone to allow busy individuals of contemporary society to demonstrate their love and care for their fellow citizens without being constrained by time or space. It also helps to establish a sustainable fundraising mechanism for social welfare organizations. 5180 Mobile Donation fully utilizes Interactive Voice Response (IVR) service, a core technology of the telecom industry, and associated back-end services. TWM subscribers are able to select donation amounts ranging from NT\$100, \$200, \$300, \$500, \$1,000, \$1,500, \$2,000, \$3,000 to \$6,000. 5180 Mobile Donation also leverages the back-end payment and information flow systems to allow users

to make donations as part of their monthly telecom bills. Receipts can be retrieved online when making a donation in a safe and convenient fashion.

From December 2005 until the end of 2015, a total of 76 social welfare organizations joined the 5180 Mobile Donation service. In 2015 we also successfully assisted our partnering social welfare organizations in raising NT\$10,811,400 in donations.

Small donations are the primary sources of funding for most social welfare organizations, but this type of contribution, made via credit card donations, postal transfers and mobile donations, are usually charged a fee between NT\$7 and \$100, which is disproportionately high compared with the donated amount. Service fee charges not only possibly turn potential donors away but also reduce the total amount of contributions that charitable organizations receive. As TWM is keenly aware that it is not an easy job for a social welfare organization to raise funds, beginning in March 2016 we no longer charge third-party collection fees as a gesture to express our determination to help the underprivileged and disadvantaged groups of society. We enable the recipient organization of each donation to receive 100% of the donor's contribution and love.

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Donated Amount (10,000 NTD)	289.9	420.4	701.3	784.7	722	779.1	745.2	861.5	955.5	1,081
Number of Donations	7,177	11,448	16,286	17,662	16,391	15,557	15,605	19,815	20,689	22,302

Local cultural & creative talent cultivation

Yanchang 88 App

TWM Foundation continuously support the cultural creative industry. We seamless bring together innovative technological applications with arts and culture. In 2015 we invested NT\$1 million in augmented reality (AR) and beacon technologies to set up four camera locations at Taipei New Horizon. We have incorporated famous illustrator and picture book writer Jimmy Liao's latest work, "Kiss & Goodbye", to create the first mobile app in the country that

combines digital technology, cultural and creative content, and tour guide features: Yanchang 88 app.

Visitors simply download the mobile app with their smartphones to trigger the interactive content inside the Park at any time. They can take interactive, unique AR photos with the nine cute 2D animated figures in Jimmy Liao's latest book, and also utilize the electronic guide's push notification function from the app to understand the history of the Taipei New Horizon building, its architecture, and the chronology of its construction, as well as architect Toyo Ito's design



Yanchang 99 App-Augmented reality (AR) interactive photo event with Jimmy Liao animated figures

concepts and the large artworks on display in open space. Visitors will also be able to enjoy the beauty of the building from different viewing angles day and night.

We will also be working with other cultural and creative workers in the country in the future to provide new content, with the goal of offering visitors different experiences every time their visit the Songshan Cultural and Creative Park. The push notification feature of the app's electronic guide also provides visitors with a better understanding of the park's purpose and history.

Outdoor concerts

TWM is currently the only corporation in the country to offer free large-scale outdoor concerts to the general public. We have changed the significance and nature of corporate promotion of arts and culture within the communities. We bring together the industry, government, academia, artistic community and non-profit organizations based on the common objective and theme of music, transforming the traditional role of sponsors into creative initiators and leaders to demonstrate creativity in concept origination and professionalism in resource integration. By having creators, artists, public interest groups, non-profit organizations and the public working in tandem through music, the roots of culture will be firmly planted and be able to reach spread outward to all corners of



- Virtual Interaction
 - Adjusted to being able to experience interactive features anytime, anywhere
 - Apart from taking interactive photographs, the new selfie feature has been added
- Creators' Corner
 - Creating a platform for creators and offering exhibitors accounts and back-end support; exhibition information can be updated and images and videos can be uploaded at any time
- Cultural Creative Alerts
 - Free information regarding cultural events and activities organized by the government agencies, e.g. Ministry of Culture and the National Palace Museum)
- Push Notification system
 - Links to websites via push notifications
 - 1. Cultural Creative news
 - 2. Virtual Interaction homepage



society. We endeavor to bring culture and technology together via the cloud platform, and as people's spiritual fulfillment becomes elevated, they will also identify themselves as world citizens and strive to give back to the community. Our goal is to foster the formation of a complete cultural and creative industry chain from inception to product marketing. We therefore wish to integrate our core enterprise capabilities and resources to cultivate a taste for music and enhance the artistic refinement of the general public. We also aim to nurture outstanding performance ensembles, strengthen the soft skills of all citizens, and enhance the ability of non-profit organizations to raise funds successfully.

TWM's tradition of inviting acclaimed soloists and orchestras from home and abroad to give free large-scale outdoor performances around the country since 2005. As of 2015, TWM has sponsored a total of 42 concerts with a combined attendance of 584,400 and total sponsorship of over NT\$70 million. In 2011, TWM began to contemplate values and possibilities beyond the promotion of art and culture. As a result, we began incorporating public welfare elements into musical performances. In addition to inviting members of non-profit organizations to attend the concerts, we meticulously planned the soft promotion of organizations that align the concerts' main themes during the warm up periods and intermissions as well as after the concerts have concluded. We have also taken advantage of the 5180 mobile donation platform built upon the foundation of our core technologies to provide the concertgoers with a stress-free and convenient donation avenue, which has been designed to accommodate the busy lifestyle of contemporary society. We successfully helped these organizations



The 2015 TWM Sun Moon Lake Fireworks Concert



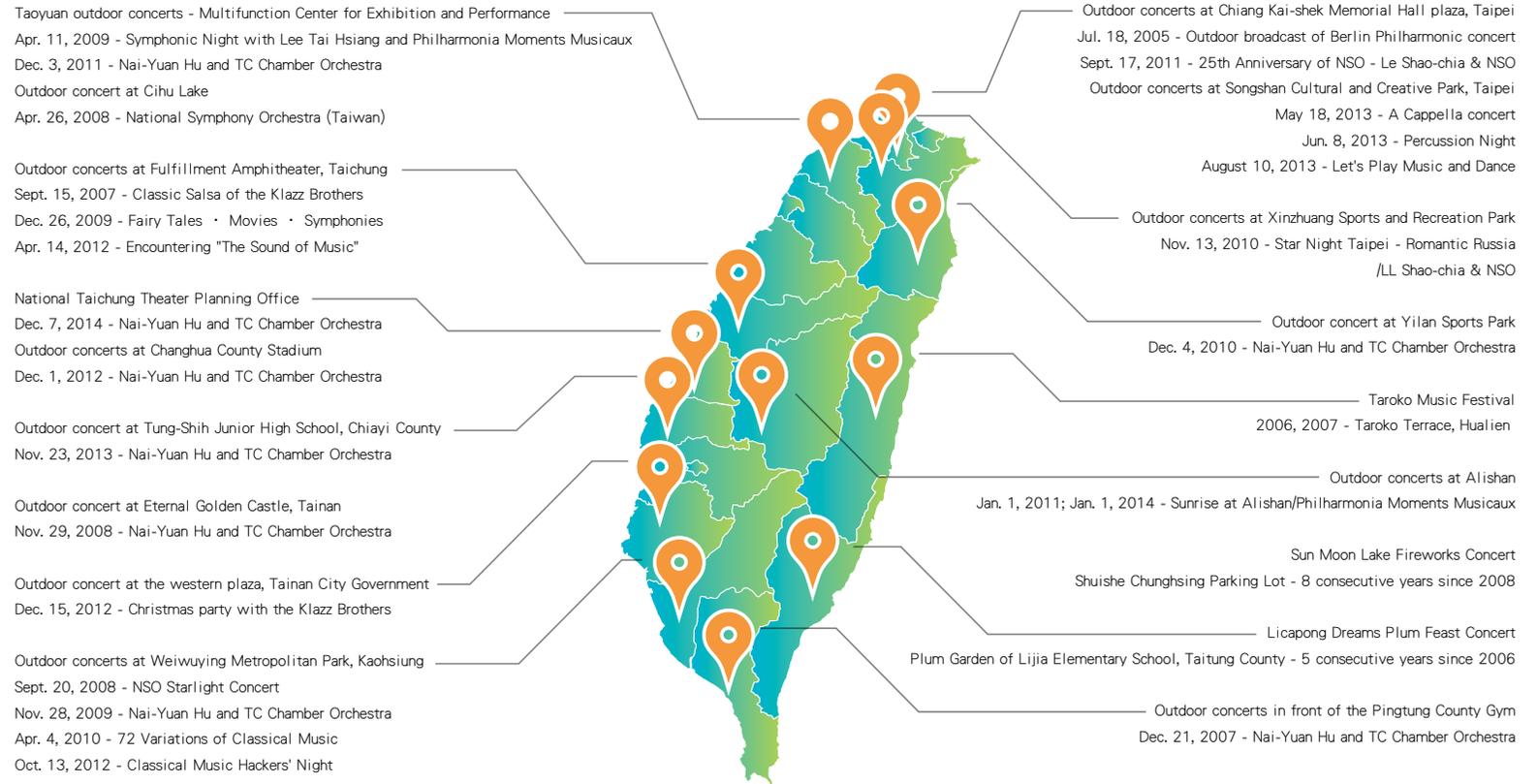
Conductor
Paul Chiang



Female lead vocal
Waa Wei



Male lead vocal
Yu-His Wu Bai



Male and female vocalists Wu Bai-Yu-Hsi and Waa Wei interpreting classic songs in novel ways

generate funds and receive much needed publicity, thus setting a new and remarkable example in the amalgamation of corporate-sponsored public welfare and cultural events as well as giving new social purposes to outdoor concerts. As of 2015, 16 non-profit organizations have benefited directly from the concerts' on-site donations and raised NT\$2,070,117. It is hoped that through this initiative the general public will be encouraged acquire the habit of making small donations on a sustained basis, so that tiny drops of altruistic gestures will be transformed into mighty rivers of love. Beginning in 2016 our focus will on digital video. We plan to provide live streaming of each concert and provide online access to recorded videos free of charge. The objective is to host "mobile concerts" and to create a "digital music archive".



Digital Lifestyle - Taipei New Horizon store — Art Gallery without Walls

Direct store charitable marketing

Digital lifestyle - Charity ads for LED Wall

The Songshan Cultural and Creative Park is a brand new recreational venue in Taipei City. Apart from the presence of tenants from the cultural creative industry, citizens of all ages are drawn to the mall and other park facilities as well. The LED wall outside the myfone store of the Taipei New Horizon building in particular is the most effective and most high-profile digital media within the park. Therefore, TWM has provided this media for the display of charity ads free of charge, and we continue to disseminate correct information and bring awareness regarding social care, promotion of the arts and environmental protection to the general public. A total of 6 slots were provided in 2015, the equivalent of NT\$2,917,000 in sponsorships. We will continue to provide 6 to 10 slots for advertising public welfare events in the future, which corresponds roughly to NT\$2 to \$3 million in sponsorships.

Slot	Content	Duration of airing
1	Big Shot charitable photography exhibition	2 weeks
2	"Friends with Compassion" student aid event	6 weeks
3	2015 Very Fun Park publicity program	5 weeks
4	Buy a mobile phone to support green energy	4 months
5	Kiehl's Gives global philanthropic initiative videos	2 weeks
6	Eden Social Welfare Foundation - Barrier-free Life Festival	4 days

Located on the ground floor of the Taipei New Horizon building, the TWM Digital Lifestyle store is a venue that enables consumers to easily experience the innovative digital content and services provide by TWM. The design of the space is based on the scenario in Taiwan's earlier history where information was exchanged under large trees, a nod to Songshan Park's historical exterior and background that also brings together past and future mobile technology. Inside the store we have made available a variety of digital content and facilities that will give great experiences in terms of simplicity and convenience to all users. We have also partnered with Fubon Art Foundation on the "Art Gallery without Walls" project. We have created a grand façade over 10 meters in height, while the showcase at the entrance and product display platforms all incorporate artworks created by domestic artists. These designs exemplify the core spirit of Art Gallery without Walls: allowing art to be manifested anywhere, anytime, and enabling the public to personally experience the extraordinary power of art. We endeavor to provide customers with a world-class mobile technology-based lifestyle while striving to support the green energy and eco-friendly objectives of the Taipei New Horizon building. The overall design of our space relies heavily on environmentally friendly materials, and most in-store facilities are also provided with digitized explanatory descriptions. The store is also equipped with furnishings supplied by homegrown cultural and creative brands and from Taiwanese artists, which fill the air with a delightful ambiance that combines technology and culture.

TWM invested over NT\$1 million in Art Gallery without Walls during the exhibition period, which attracted a total of 22,000 visitors. In the future, we will also organize 3 to 4 exhibitions per year with a budget of at least NT\$1 million.



Taipei New Horizon store — Art Gallery without Walls



Three exhibitions organized In 2015:



2015/01-04
"A Papercutting Prayer" by Jam Wu

Artist Jam Wu uses paper-cutting art to depict the "Hammerhead Doll", the protagonist and an ancient folk guardian of paper-cutting art, who is surrounded with all kinds of plants, creatures and iconic traditional Chinese symbols. The artwork was created to bring festive joy and encourage the general public to pray for blessings on behalf of Taiwan.



2015/05-10
"Rainbow Rain" by Chieh-Hsin Tsai

Artist Chieh-Hsin Tsai is skilled at using warm-feeling, tactile and eco-friendly recycled paper as the medium for art creation. She continues to express her care for interpersonal feelings and communication via artworks that offer substantial and tactile sensations.



2015/10-2016/01
"Smile Town" by Chien-Hua Huang

Chien-Hua Huang knows how to incorporate his views on physical time and space into contemporary images of technology. His attempt at building a connection between people's imaginations in a direct and intimate manner resulted in the creation of a multi-layered fable filled with stories of human nature and absurd amusement.

Caring for the Disadvantaged

Mobile medical services for remote communities

Taitung County's terrain is long and narrow. Medical resources are found mostly in the urban center around Taitung City. It is extremely inconvenient for residents living in more remote communities who require medical care to travel to Taitung. In some cases medical treatments are delayed, to the detriment of their health and wellness. To provide accessible medical care to residents living in remote communities, Taitung Christian Hospital dispatches mobile clinics to mountainous regions to provide higher quality and sustainable healthcare services. In order to enhance the services

provided by these mobile medical vehicles, the Taiwan Mobile Foundation has been supporting Taitung Christian Hospital over the years by donate the mobile Internet access and networking equipment. This allows medical needs and requirements to be communicated instantly so that necessary assistance may be given to disadvantaged groups in cases of emergency.

In 2015 TWM sponsored Taitung Christian Hospital by supplying their mountain area patrol fleet with mobile Internet access cards. These were mainly utilized in the Yanping and Daren townships in Taitung County as well for the hospital's home-care services. A total of 5,296 patient services were given.



Mobile medical vehicle servicing a remote community

Item	Yanping mobile	Daren mobile	Home-care	Total
No. of patient services	1,785	1,622	1,889	5,296

myBook reading project for remote communities

In support of the K-12 Education Administration's "Digital Reading Bookcase" initiative, myBook has partnered with Samsung Electronics Taiwan, the Taiwan Reading and Culture Foundation and HCT Logistics as well as other corporations and non-profit organizations to join the initiative. We employ information and communication technologies as well as charity resources in the private sector to show our concern and care for remote communities and to create an environment that encourages students to read. The initiative was launched in April 2015, with myBook providing 600 special accounts for access to electronic bookstores. Assistance in posting 100 books online and managing the download service has also been provided. Offline reading is enabled to make content perusal more convenient. We help disadvantaged children with scarce e-learning resources to access these e-books and enjoy the fun of digital reading. As of 2015 the "Philanthropic Library" has been accessed and shared by about 10,300 teachers and students located in remote communities. This platform has truly enabled schoolchildren from these areas to experience the richness and convenience of digital reading.

Various Rate

Seniors joyfully embrace the digital tide

Population aging of our society is an inevitable trend. Thus, we have employed our technologies and services to provide a user-friendly communication environment for seniors. Since 2008, we offer a large variety of special rate plans with 50% discounts on monthly subscription fees for seniors over 60 years of age (in view of the high proportion of seniors in remote areas, preferential rates are available in these areas starting from the age of 50). In 2014, TWM offer two special packages specifically for seniors: first one has a monthly fee of 99 NTD, while the second one has monthly fee 129 NTD with free intra-network calls. The number of seniors benefitting from these offers amounted to 450,000 by the end of 2015.

To encourage seniors to use mobile internet services, a special plan (which also included 50% discounts on monthly voice subscription fees) for seniors featuring brand tablet computers with calling functions has been available since 2013. This offer not only eliminates the inconvenience for seniors of the small screen size of smartphones, the data flat-rate of 489 NTD a month also allows them to surf the internet without having to worry about high fees. The number of subscribers benefitting from this data flat rate offer of 489 NTD a month amounted to over 37,000 in 2015.

Subsidies for students and remote areas

Following the advent of the 4G era, TWM started to offer special rate plans with low monthly subscription fees and high data transmission amounts (with 5GB/7GB/9GB data plans starting at 598 NTD) for students in October 2014 to allow them to experience the enjoyment generated from new mobile technologies. By the end of 2015, a total of approximately 82,000 subscribers benefitted from these special rate plans.

TWM not only provides telecommunication services in urban areas, they also place an equal emphasis on the telecommunications needs of customers living in remote less-developed areas. As of November 2014, a preferential rate plan with monthly subscription fees of 179 NTD and free on-net calls and discounted off-net calls to customer-specified numbers became available. A total of almost 76,000 subscribers benefitted from this special offer in 2015.

User-friendly plans for foreign tourists and new immigrants

TWM offers prepaid cards for international calls to allow the approximately 590,000 foreign laborers in Taiwan to call their families in their home countries. Discounted times are available every day (40-50% discounts) to provide assistance for these economically disadvantaged groups who live far away from their hometowns and give them a chance to relieve their homesickness and stress after work. In addition, we also jointly organize large-scale festival-related events such as annual concerts and the Songkran Festival with the Taoyuan County Government, Thailand Trade and Economic Office, and the Indonesian Economic and Trade Office. Around 84,000 people made valuable contributions to the organization of these events in 2015.

With the goal of providing a wide variety of customized services, TWM offers foreign tourists a range of prepaid package deals with different combinations of voice and internet services tailored to personal needs. Myfone Service Centers are located in both terminals at Taoyuan International Airport to satisfy the telecommunication demands of foreign tourists upon arrival in Taiwan with premium quality prepaid telecommunication service packages at flexible and competitive prices.

Exclusive offers for physical disabilities users

TWM began offering special rate plans specifically designed for the disadvantaged in June 2007. As technology has advanced over the years, the specifics of these exclusive offers have also changed accordingly to cater to the users' actual needs. For example, as mobile Internet has become increasingly popular, we have added this service to our special offers. In particular, users whose hearing is impaired or who are suffering from speech disorder can take advantage of our unlimited 3G mobile Internet rate plan. This allows those who are unable to effectively communicate through voice or sound to enjoy a high quality and more convenient mobile lifestyle. As of March 2016, a total 4,885 persons have benefited from our special rate plans for the physically impaired.

Aid for low-income families

To support the government's policy to provide assistance to low-

income families, TWM Broadband offers special cable TV discounts to disadvantaged groups, including: Senior centers, nursing homes, local community activity centers and other social welfare organizations. We take the initiative to contact low-income families every year to remind them to apply for special discounts for cable TV service by submitting proof-of-status documentation. We also send letters to all township and borough offices within our cable TV service coverage areas to request their assistance in publicizing the special offers. In 2015 the cable TV system platforms of the Home Business Group provided 6,400 households with free installation and basic channels cable services valued at a total of NT\$34.6 million.

Foreign workers gather at holiday concerts designed to alleviate their nostalgia for home

The number of foreign workers in Taiwan continues to be on the rise. In particular, workers from Indonesia (approximately 248,000 foreign workers) account for 31.06% of the all foreigners working in Taiwan, followed by those of Vietnamese nationality (23.51%, about 188,000 foreign worker). The combined workers from these two countries represent more than half of the total foreign workforce (Source: Department of Statistics, Ministry of the Interior; data as of the end of 2014). On the other hand, new immigrants have gradually become bona fide members of the Taiwanese society. Therefore in 2015 TWM set aside over NT\$3 million to organize three carnival concerts. These cross-cultural activities allow foreigners working in Taiwan, whether they are Vietnamese or Indonesian, to overcome their nostalgia for home and celebrate the holiday season together. The three concerts were enthusiastically attended by a combined audience of over 84,000 foreign workers.

In the future we will continue to provide funding in the amount of NT\$2 to 3 million per year to organize concerts for foreign workers, who will not only be able to enjoy free carnival-style events to celebrate the holidays but will also be joined by new immigrants and their compatriots. We will at same time be able to experience the rhythm of exotic culture that captures the essence of our inclusive culture.



Indonesian concert (an increase of 5,000 participants over the previous year; cost: NT\$2.29 million)

In 2015, TWM again hosted the Winter Festival Indonesian Concert, where super stars from Indonesia were invited to perform on stage. The celebrities, who made their appearances successively, brought spectator excitement to a fever pitch. They also sang along with an Indonesian workforce audience of 20,000 to celebrate the holidays. It is hoped that these activities will enable our friends from Indonesia to work Taiwan in greater happiness and fulfillment.

Concerts for Lebaran celebration (first-time collaboration with Breeze Taipei Station; cost: NT\$80,000)

To celebrate Lebaran and to encourage the locals to respect the culture of other countries, TWM joined forces with Breeze Taipei Station for the first time to organize a singing party at the concourse of Taipei Station. The party was attended by 60,000 people, who sang famous songs from their hometowns in Indonesia in celebration of the end of Ramadan.

Vietnamese concert (second year; cost: NT\$1 million)

We hosted a free Mid-Autumn Festival concert for Vietnamese workers at the 228 Peace Memorial Park, where Vietnamese dance groups and singers were invited to perform on stage. A total of 4,000 workers from Vietnam attended the event to celebrate the annual festival to alleviate their strong longings for home.



Social Engagement

Corporate Volunteers

At TWM we incorporate our contribution to society into business practice by actively connecting with local culture in the spirit of community engagement. We plan various social care activities and encourage our employees to be providers and participants in social welfare programs. We hope that employees' direct participation in these activities will enable them to realize the significance and implications of public interest. We not only take advantage of this opportunity to develop company's CSR culture, but also to build rapport and solidarity, and to make "giving back to the community" an essential part of our corporate culture.

TWM adopted and began implementing the Corporate Volunteer Guidelines in 2007. We offer our employees two days of paid leave each year, with transportation allowances, to perform volunteer services. The company also provides a comprehensive volunteer training program and awards volunteer certificates. A volunteer website has also been set up for exchanges and sharing of experiences. We also encourage employees' families to join them in their volunteer services by providing transportation

allowances and insurance coverage for the families in the hope that more employees will be motivated to contribute their time and efforts for a good cause. In 2015 TWM organized 10 sessions of volunteer service activities based on two main themes, "Caring for the socially disadvantaged" and "Enhancing digital cultural creativity". These sessions attracted 305 attendances and translated to 3,379 hours of volunteer services. The number of attendances over the past three years was 1,173, which resulted in 10,929 hours of volunteer services. Going forward we hope to continue to provide 3,000 hours of actual volunteer services each year, and reach a cumulative total of 25,929 hours by the year 2020.



Taipei Orphan Welfare Foundation Career exploration event

Volunteer services from the past 3 years	Year of Event	No. of Volunteers	Total hours
New Year Banquet for Senior Citizens Living Alone in Hualien	2013、2014、2015	334	5,010
myfone Mobile Composition Awards Ceremony	2013、2014、2015	25	200
Moon Cake Volunteers	2013、2014、2015	274	2,192
Mobile Micro Movie Creation Camp for Teenagers	2013、2014、2015	44	968
Taiwan Mobile Concert	2013、2014、2015	102	816
Volunteers to ensure safe Internet use by children (5 sessions)	2013	24	72
Man-made Trails (2 sessions)	2013	30	240
Wheelmap App Volunteers	2013	4	16
Earth Day	2014	32	128
Dragon boat Festival Visit to Isolated Senior Citizens	2014	55	220
Huashan Seniors Sports Carnival	2014	16	64
Mid-Autumn Festival Visit to Seniors Living Alone	2014	4	16
V-men Charity Run	2014	180	720
Jeremy Lin: Nice Pass! Youth Inspiration Night	2015	10	40
Taipei Orphan Welfare Foundation Career exploration event	2015	10	90
Community clean-ups	2015	10	80
Happy and Warm Little Hearts	2015	19	57
total		1,173	10,929

National Store Manager Awards - a five-heart services



Service outlet staff providing cleaning services to local community

In 2015 ten myfone store managers selected from 500 direct stores around the country attended the "2015 National Store Manager Awards" ceremony (dubbed the "Oscars of Franchise") organized by the Taiwan Chain Stores and Franchise Association (TCFA). One of our store managers received the "Excellent Store Manager" award, and all ten were recognized with the "Outstanding Store Manager" award. During the process the ten managers participated in close to 30 charitable activities across the country, and many local residents and elders, children from low-income families and members of socially disadvantaged groups were able to truly feel the warmth that the society brought to them. They also participated in 10 community clean-up events, in which 800

volunteers were mobilized to perform cleaning services at riverside parks, community parks, urban roadways, and cultural and creative parks. They transformed our philosophy and spirit of caring for the community into real-world actions. Therefore, in addition to receiving a higher level of approval from the society, their services have indeed offered a perfect interpretation for TWM's "five-heart services", that is, the five qualities from the heart: genuineness, sincerity, empathy, enthusiasm and innovation! Following a critical assessment process that lasted six months, including the review of submitted documents, on-site evaluations by mystery judges, participation in charitable events, and interviews, Yu-chen Kuo, store manager of the Yangmei Station store, rose above her competitors and was granted an audience with the country's President in February 2016 at the Presidential Office to receive the recognition. All of Yu-chen's colleagues at TWM were honored by her achievements.

The Excellent Store Manager selection competition has conveyed the important message to all retail store colleagues that myfone service outlets are no longer merely a place to service customers who visit our stores. They are now warm, community-centered venues that offer courses and activities as well as digital and communication services that truly benefit the local communities.



Banquet for senior citizens living alone in Hualien, 2015

100 volunteers x 100 seniors join for New Year Banquet

TWM embraces the spirit of being rooted in Taiwanese culture and supporting the local community, and has continued to invest manpower and resources for the benefit of disadvantaged groups. Population aging first became an issue in Taiwan since 1993. By the end of 2013, there were 2.69 million elderly people in the country, which means one out of every 10 persons was elderly. In light of these issues, caring for senior citizens has always been a topic of concern for Taiwan Mobile. As the proportion of Taiwan's elderly population continues to climb, population exodus from certain local communities has become a serious issue. The problem is particularly evident in the Hualien-Taitung area, where any elderly residents have no one to depend on or care for them. According to statistics released by the Ministry of the Interior in June 2014, among the 40,000 or more elderly people living in Hualien County, 1,625 persons, or 3.64%, live by themselves, which is much higher than the national average of 1.74%. Therefore, beginning in 2008, TWM dispatches over 100 corporate volunteers every year to organize a New Year banquet for senior citizens living alone in Hualien to show our care and support.



Volunteers helping seniors living alone with Chinese New Year shopping



A hundred TWM corporate volunteers dancing enthusiastically with seniors living alone

In order to offer better services and experiences to the elders, TWM's volunteers also provide much needed one-on-one companionship. During a service day, each senior citizen will participate in a number of different activities. We offer NT\$1,000 gift certificate for each elder to shop for daily necessities under the accompaniment of a TWM volunteer. At the annual New Year dinner party, we also provide entertainment such as performances and volunteer dancing contests based on the theme chosen for that year. Prizes won by the contestants are then given to the senior citizens as presents. At the New Year banquet in early 2016, the theme was "Oldies requests: The good old days". Best-Friend Duet, winner of the "Best Group" at the 1st Annual Golden Melody Awards, was invited to perform a number of oldies for the senior citizens. Volunteers also encouraged seniors to show off their lovely dance moves by dancing with them in the popular dance style. During the lunchvolunteers voluntarily donated a number of

brand new prizes to the seniors through drawings. After dinner, the senior citizens participated in simple but interesting challenge activities, such as croquet and ring toss. The goal was to improve the interaction between volunteers and the elders and to bring them closer together. We also prepared prizes for successful challengers so that the seniors could bring home all sorts of daily necessities after the party.

In 2016 TWM organized activities for elderly citizens living alone in Hualien County for the ninth consecutive year. During the time they spent with the seniors in one-on-one sessions, volunteers were able to better understand their physical and psychological needs and truly appreciate the importance and significance of volunteer work. Meanwhile we also hope to encourage even more TWM employees and their families to understand how meaningful and crucial it is to care for seniors who live alone through the experiences and videos shared by volunteers.

Universal Service

Rural Broadband Construction

Since 2009, Taiwan Fixed Network and the TWM Foundation have provided broadband data services for the Shanmei, Chashan, and Shizi villages in the Ali Mountain area as well as the Jingying village in Nantou County and the Yixing village in Hsinchu County under the guidance of the National Communications Commission in line with the policy of providing broadband access to all villages and tribal communities. The goal is to enable tribal communities in remote areas to get in sync with the world, obtain firsthand information, and engage in e-commerce via the internet.

In view of adverse local weather conditions and topographical barriers, fiber-optic cables and Very-high-bit-rate Digital Subscriber Lines (VDSL) were employed to construct a roughly 15.5km long fiber-optic line and guarantee stable transmission quality and provide premium services with the goal of improving the environment for external communications in those areas and increasing the broadband penetration rate. Upon completion of the hardware installations, the villagers will be entitled to free internet access (exemption from internet and circuit charges) for the first year and a 50% discount for the second year which helps reduced the burden to villagers generated by broadband internet charges.

In addition, the company promoted broadband speed upgrades in remote areas in 2013 as an active response to the government policy of bridging the digital divide between city and countryside, and to provide citizens in remote areas with stable and fast broadband internet services as well as increase the broadband



TWM mobile relief vehicle

internet speed in the Shanmei, Chashan, and Yixing villages in the Ali Mountain area and Hsinchu County. In the context of speed upgrade operations, cables with an insufficient number of cores as well as facilities and plates were replaced and the internet connection speed was upgraded from 12Mbps to 100Mbps. The operational maintenance fees for universal services amounted to 1,392,534 NTD in 2015.

Digitization of cable TV networks

Digital technology has become a global trend. Digitization of the cable television networks has also been the government's established policy. Under the guidance of the National Communications Commission (NCC), we support the "full digitization of cable television" initiative by taking part in the integration of central and local government resources. We also actively support the government's policy to bridge the urban-rural digital divide by investing considerable financial and manpower resources. We implement quality basic network infrastructures in our operating regions with the goal of achieving full region-wide digitization as well as provision of broadband and two-way digital services.

3.4.2 Talent Development and Retention

Employee structure

We recruit candidates who are deemed suitable to further their careers at TWM and affiliates based on different professional attributes. We also provide highly competitive salaries and benefits as well as educational and training opportunities to enable our employees to grow with the company. In addition, we employ contract-based workers to gain the ability to provide more complete services and facilitate the execution of internal operations.

As of the end of 2015, the TWM Group employs 5,524 individuals, with a male-to-female ratio of 52:48, and average length of service of 7.5 years. Most employees were between the ages of 31 to 50, and with the exception of 3 foreign employees, all were locally employed. We comply with the provisions of Article 38 of the People with Disabilities Rights Protection Act by employing individuals with disabilities in redesigned jobs. The percentage of employees with disabilities in our organization is higher than that required by law. In addition, our workforce also includes members of the indigenous communities of Taiwan. Basic employee status, gender and age distributions are shown in the following table.

Category	Age	2013			2014			2015		
		No. of Employees		Percentage	No. of Employees		Percentage	No. of Employees		Percentage
		Male	Female		Male	Female		Male	Female	
Top Executives (Vice President and above)	Under 30	0	0	0.00%	0	0	0.00%	0	0	0.00%
	31-50	2	1	17.65%	1	3	22.22%	3	2	17.86%
	Over 51	13	1	82.35%	13	1	77.78%	18	5	82.14%
	Total	15	2	100.00%	14	4	100.00%	21	7	100.00%
Employees	Under 30	217	158	15.88%	203	142	15.05%	647	747	25.36%
	31-50	1,322	628	82.56%	1,271	615	82.25%	2,064	1,888	71.91%
	Over 51	31	6	1.57%	52	10	2.70%	114	36	2.73%
	Total	1,570	792	100.00%	1,526	767	100.00%	2,825	2,671	100.00%
Total workforce				2,379			2,311			5,524
Employment status	Full-time			2,372			2,301			5,495
	Part-time			7			10			29
Average length of service				7.7			8.19			7.5
Educational background	Ph. D			0.30%			0.26%			0.11%
	MA			31.86%			31.59%			16.36%
	University			51.83%			52.57%			55.66%
	College			15.13%			14.71%			19.95%
	Senior High School or lower			0.88%			0.87%			7.91%

Note: All employees are based in Taiwan. Beginning in 2015, we are including employees of Taiwan Fixed Network, Taiwan Teleservices & Technologies, and TWM Broadband as part of our total workforce

In 2015 departing employees was outnumbered by new employees. Employee turnover as well as their gender and age distributions in 2015 are shown in the table below:

Year	2015 (Note1, 2)							
Category	Newly hired				Resigned			
	No. of Employees		Percentage *		No. of Employees		Percentage *	
Age	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	238	243	4.31%	4.40%	158	163	2.86%	2.95%
31-50	151	140	2.74%	2.54%	193	170	3.50%	3.08%
Over 51	2	0	0.04%	0.00%	7	0	0.13%	0.00%
Total	391	383	7.08%	6.94%	358	333	6.49%	6.03%

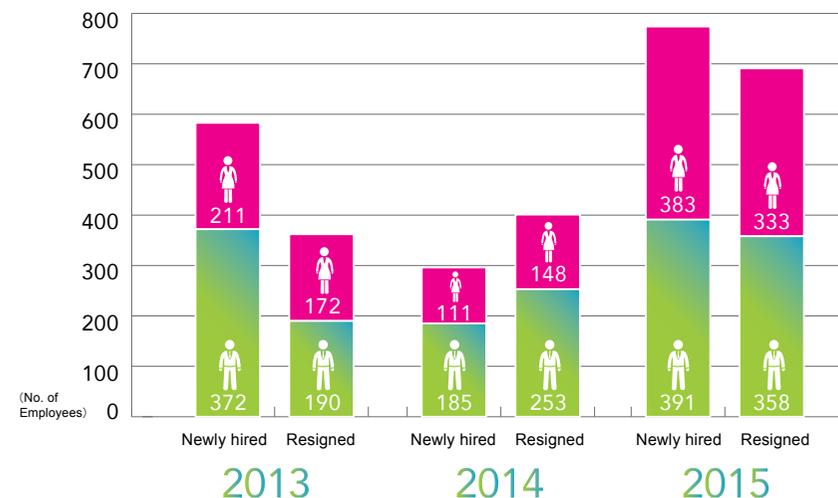
Year	2014 (Note1)							
Category	Newly hired				Resigned			
	No. of Employees		Percentage *		No. of Employees		Percentage *	
Age	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	77	49	3.33%	2.12%	50	39	2.17%	1.68%
31-50	106	62	4.59%	2.68%	196	107	8.48%	4.63%
Over 51	2	0	0.09%	0.00%	7	2	0.30%	0.09%
Total	185	111	8.01%	4.80%	253	148	10.95%	6.40%

Note 1: All employees (excluding those who have been transferred to and from affiliates) are based in Taiwan; * The denominator is the total number of employees

Note 2: Beginning in 2015, we are including employees of Taiwan Fixed Network, Taiwan Teleservices & Technologies, and TWM Broadband as part of our total workforce

Remuneration and Benefits

Not only is the standard starting salary offered by Taiwan Mobile Group higher than the minimum wage standard set by the government, it is also competitive and does not discriminate based on employee's gender. In 2014, TWM was named a constituent stock in the TWSE "Taiwan Top 100 Salary Index" for a second consecutive year. TWM was also ranked in the top 5% of outstanding companies by the "First Corporate Governance Evaluation". We have defined a reasonable remuneration policy with performance-based pay. In order to provide

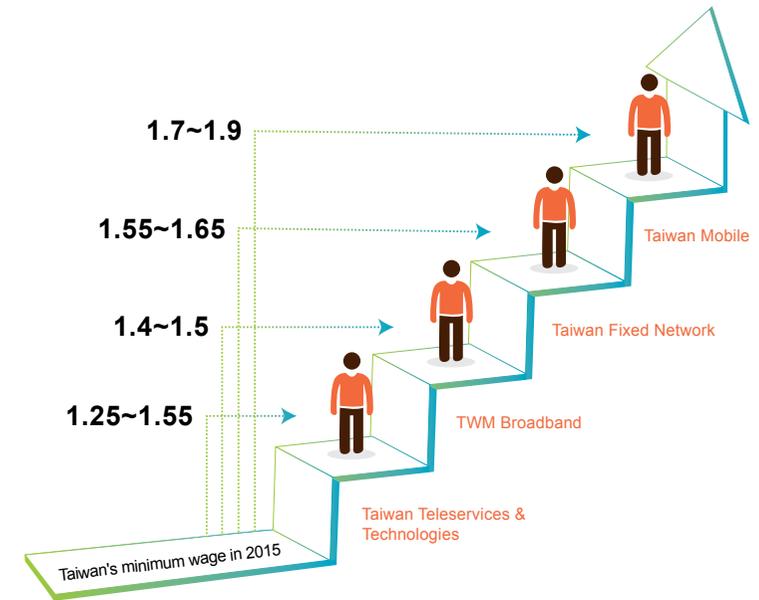


Year	2013 (Note1)							
Category	Newly hired				Resigned			
	No. of Employees		Percentage *		No. of Employees		Percentage *	
Age	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	165	110	6.93%	4.62%	59	69	2.48%	2.90%
31-50	204	101	8.58%	4.25%	124	102	5.21%	4.29%
Over 51	3	0	0.13%	0.00%	7	1	0.30%	0.04%
Total	372	211	15.64%	8.87%	190	172	7.99%	7.23%

a more comprehensive assessment of our employees, in 2015 we introduced a multidimensional evaluation and feedback system as part of our performance assessment process. Employees conduct multidimensional mutual reviews of fellow employees, including subordinates, supervisors and peers. Supervisors can discuss the feedback obtained from the reviews with their subordinates to assess their overall performance score for the year and to set targets and personal training plans for the following year. For personnel involved

with CSR-related work, their annual targets include the fulfillment of CSR objectives. In addition, for 2015 supervisors were asked to provide comprehensive evaluations on employees' participation in CSR activities as well as their degrees of involvement, thus incorporating CSR into employees' annual performance assessment. Employees who were successful in reaching their targets received favorable reviews, and they were also able to earn bonuses and higher percentages in salary increase.

We give all entry-level specialists the same remuneration after recruitment. Remuneration for personnel with previous experience is adjusted based on their education, experience, specialty and certification. There is no discrimination based on gender in terms of remuneration, benefits, promotion, raises, term, education and training, working conditions and right to work.



		Taiwan Mobile	Taiwan Fixed Network	Taiwan Teleservices & Technologies	TWM Broadband
Ratio of basic salaries of male/female employees	Deputy manager or higher	1.03	1.04	0.947	1.02
	Below deputy manager	1.13	0.97	0.961	1.07
Ratio of men's average annual salary (including performance incentives) to women (women)	Deputy manager or higher	1.04	1.01	0.95	1.02
	Below deputy manager	1.15	0.98	0.96	1.04
Ratio of TWM's standard starting salary to Taiwan's minimum wage in 2015		1.7~1.9 : 1	1.55~1.65 : 1	1.25~1.55 : 1	1.4~1.5:1

- In 2015, the ratio of the highest individual annual income to the median individual income was 22.11:1.
- In 2015, the ratio of percentage increase in the highest individual annual income to the percentage increase of other employees' individual income was 0.98:1.

* Comparison is based on basic remuneration only.

Benefits and rewards are important for boosting employee morale and attracting quality talent. The Taiwan Mobile Joint Employee Welfare Committee is responsible for the planning and implementation of all employee benefit plans. It also integrates all employee welfare matters at our subsidiaries. The total employee remuneration and benefit costs in 2015 amounted to NT\$6,945,797.

Item	Description of benefits and rewards
Company group insurance	<ul style="list-style-type: none"> ● Employees: Starting from their first day of employment, employees are eligible for group insurance paid fully by the company. The coverage includes term life insurance, injury insurance, medical insurance, hospitalization insurance and cancer insurance. ● Spouses: Spouses of employees are also eligible for hospitalization and cancer insurance fully paid for by the company. ● Other: Employees, their spouses, parents and offspring may also enroll in the group insurance plans at a discount.
Health management	<ul style="list-style-type: none"> ● Employee physical exams: Medical check-ups are held once every two years. The results of the exams are graded for health management, tracking and for health education purposes. ● Physical exams for employees' dependents: Special discounts are available to safeguard the health of family members. ● Health promotion activities: We periodically organize events to encourage employees to quit smoking and lose weight, as well as schedule breast/oral cancer screening, pap smears, flu vaccination, and bone density exams. Weight scales, body fat scales and blood pressure meters are also made available so employees can keep track of their own physical conditions at all times. ● Health consultation: Counseling and consultation with general practitioners and psychologists are also available on a one-on-one basis. We have also hired nursing professionals to educate our staff on health-related matters.
Work and leave regulations	<ul style="list-style-type: none"> ● We have implemented the flextime system, ● While our rules for special leave (available in the first year on a pro-rata basis; leave applications are flexible and can be denominated in hours), sick leave, maternity leave and bereavement leave compare favorably with statutory requirements. In 2015 a total of 97 TWM Group employees applied for unpaid parental leave and the retention rate after returning from leave was over 80%. ● We provide two days of "volunteer leave" to employees and also make channels available for employees to donate goods and supplies to disadvantaged or charity groups. Employees are encouraged to take part in charitable activities.
Performance reward system	The company has implemented a competitive and performance-based incentive system and pioneered an employee stock ownership plan, a first in the telecommunications industry, which relies on fixed contributions from both the employee and the company.
Employee Welfare Committee	TWM has integrated the employee welfare responsibilities of all subsidiaries under the Joint Employee Welfare Committee. The Committee is in charge of planning and implementing all welfare programs. Apart from providing general benefits such as subsidies for weddings, childbirths, funerals, hospitalizations and birthdays, the Committee also offers employees the option for applying for customized benefits such as assistance for children's education, travel, continuing education, insurance coverage and shopping. We also organize the annual family day for employees across the organization to help them balance their work and family life, and to strengthen the relationship between the company, our employees and their families. In addition, the cable TV system platforms of the Home Business Group have also established the TWM Broadband Joint Employee Welfare Committee, which is in charge of planning and implementing all employee welfare programs.
Year-end dinner parties	We organize annual organization-wide year-end dinner parties to bring our employees across different geographic areas closer together.
Subsidy for social clubs	Subsidies are provided to art, cultural or sport clubs set up by employees including: Photography Club, Badminton Club, Softball Club, and Yoga Club. Club activities serve to promote employee networking and personal development.
Telephone allowances	Monthly phone communication costs are subsidized, and employee discount packages are offered on a non-periodic basis
Partnering merchants for travel activities	We actively collaborate with sports centers, theme parks, resort hotels and travel agencies to offer special discounts to our employees on gym memberships and other travel benefits.
Comfortable work environment	TWM endeavors to provide a friendly and happy workplace for each employee. Every office floor features paintings and art that not only cultivate artistic sophistication but also inspire employees' creativity and relieve stress from work.
Contributions to labor pension	TWM has adopted regulations governing employee retirement and also set up a labor pension fund supervision committee in accordance with the law. Actuaries are retained to prepare an annual report on the pension costs for each employee and the funds transferred to the labor retirement reserve fund account. The final version of the funding plan is available on page 56 of the 2015 Q4 financial statement.

2015 Statistics on Unpaid Parental Leave

Category	Male	Female
Number of people eligible to apply for unpaid parental leave	330	340
Number of people who applied for unpaid parental leave	12	85
Number of people expected to return from unpaid parental leave (A)	10	69
Number of people who returned from unpaid parental leave as	5	54

Note: We include employees of Taiwan Fixed Network, Taiwan Teleservices & Technologies, and TWM Broadband as part of our total workforce

Career Development

To cultivate our human capital and enhance corporate competitiveness, a talent development program was developed by combining our development strategy with the annual employee training requirements. A budget was prepared and the program was implemented in accordance with the Training Management Guidelines.

We conduct performance evaluations for all employees on a regular basis. At year-end, managers offer employees appropriate encouragement, feedback and assistance based on their performance at work. In 2015 we introduced the "Multidimensional evaluation" system. Apart from the conventional appraisals of employees by their supervisors, subordinates are also asked to evaluate their superiors and peers. The objective of this practice is to help each individual understand their strengths and weaknesses, which become the basis of their personal development. We also hope that this approach will help employees learn how to work with others in an efficient manner and to improve performance as a team.

After the grades of performance evaluation have been finalized, supervisors will officially notify their subordinates of the results. The degree of communicative effectiveness is also examined by conducting a survey of all employees to determine if supervisors have clearly communicated the results of the appraisals to the employees and explained the matters that require improvements.

In 2015 we commissioned Gallup Market Research to conduct a "2015 employee opinion survey". The results of the survey was

Category	Male	Female
expected(B)	5	54
Number of people who returned from unpaid parental leave in 2014 (C)	5	30
Continued to work for more than one year after returning from unpaid parental leave in 2014 (D)	5	24
Return rate (B/A)	50.00%	78.26%
Retention rate (D/C)	100.00%	80.00%

increase 11% compared with the previous survey. Regarding the various dimensions, our employees had a level of appreciation for the company that exceeded that of the market. In addition, with respect to "performance management".

Managers offer feedback and assistance based on the employee's performance at work. Employees are also given effective assistance on self-development and creating their own "Optimal Course Package". This becomes their Individual Training Plan for the year and helps employees acquire the knowledge and skills they need at work or for their next role in an organized and systematic manner. This also gives employees a better understanding of their personal career, help them prepare for future developments, and fulfill the goal of enhancing performance and development skills.

Furthermore, we offer employees a wide variety of career development opportunities. Openings within the Group are all announced online and employees can apply through the internal recruiting process for a change of department within the company or transfer to an affiliated company.

As for the training results, every employee received an average of 22.6 hours of training in 2015 as shown below. The company provides a large number of telecommunication and information technology courses to enhance the professional skills of its employees, create optimal user experiences for its subscribers, and provide optimized internet and voice communication services.

2015 Employee Training Hour Statistics (note)

Category	Hours
Internal training	54,597.4
External training	5,341.5
Online courses	41,890.9
Learning resources and reading community	1,160.4

Note: We have included the hours of employee training of Taiwan Fixed Network, Taiwan Teleservices & Technologies, and TWM Broadband into the company total.

2015 Employee Training Hours of Each Grade (note)

Category	Male	Female
Deputy manager or higher	21.1	18.5
Below deputy manager	26.8	17.9
Average by gender	26.1	18
Average training hours per employee	22.6	

Note: Taiwan Fixed Network employees received on average 17.0 hours of training per person; Taiwan Teleservices & Technologies employees received on average 11.0 hours per person; TWM Broadband employees received on average 6.2 hours per person.

Overall corporate training and competency training

To enhance the employees' professional skills and support personal/corporate growth, training courses must match the employees' needs at work and in development. At the end of each year, training requirement surveys and interviews are conducted before the training program for the following year is drawn up. Classes, digital classes, online learning communities, learning videos, large seminars, book clubs and mobile learning are used to effectively assist with the employees' continued growth at work.

TWM offers a variety of comprehensive study tracks from training for new employees to the development of top executives. In response to competition in the 4G market and future personnel development requirements, leadership potential assessment was used in 2014 to create an internal talent pool. Key positions and managers who show potential were also identified as the basis for future cultivation and assistance in personal development.

TWM's training programs consist of comprehensive and diverse categories and aspects:

Training Category	Description and aspects
Pre-job training for new hires	<ul style="list-style-type: none"> ● Orientation; training for new hires for direct stores and for telemarketing ● New employee social networks ● New employee workshop
Development and training of core competencies	<ul style="list-style-type: none"> ● Self-management and job management, communication, creative thinking and related courses ● Mentor training, book clubs for learning and growth, targeted selection and other general subjects ● Legal knowledge, celebrity and luminary sharing, industry trends, face-to-face with the company president and other major seminars and workshops
Stratified training for management personnel	<ul style="list-style-type: none"> ● Training courses for new supervisors: tips and tricks ● Training courses and corporate governance workshops for entry-level, mid-level and senior managers
Professional competency training	<ul style="list-style-type: none"> ● Professional and specialized training for each business group, department and office ● Training courses in information technology, auditing, HR, marketing, procurement, labor safety, finance and accounting, and telecom technology as well as subsidies for certification exams
CSR learning activities	<ul style="list-style-type: none"> ● CSR community involvement films and learning activities ● Corporate corruption prevention workshops ● Promotion of environmental protection knowledge ● Employee fire safety drills and training, transportation safety, first aid and other training to improve workplace safety
Self-growth and development	<ul style="list-style-type: none"> ● E-Learning platform, online learning communities, learning resources, learning newsletters ● "Mylearning" Mobile-Learning ● "Book Stop" reading corner

(1) Pre-job training for new employees

These programs allow employees to rapidly gain an understanding of the work environment and their rights. Particular emphasis is given to workplace equality and regulations on complaints so new employees can be quickly familiarized with the company environment, industry characteristics and their work. The content of the programs includes company profile, culture, brand, organization, the telecommunications market, innovative services, internal network systems, labor safety and health, IT security training, and avenues for learning. An online community for new employees is also available for new employees to ask questions, participate in discussions, network with each other and build up rapport. A town hall meeting is also held for employees after 6 to 12 months. Top executives are invited to talk to employees and listen to their opinions. The two-way communication is used to provide support and assistance.

(2) General employee development and training of core competencies and stratified training for supervisors



These programs focus on core competencies to enhance the work efficiency of employees and provide them with the expertise and skills required for their daily duties as well as ensure compliance with government decrees and information security certification regulations. They include training courses on self-management and work management, problem analysis and solution skills, creative thinking, communication and interaction skills, project management, basic legal knowledge related to telecommunications, code of moral conduct, service skills, industry trends and celebrity speakers.

For courses taught in brick-and-mortar classrooms, a survey is taken before the class. During class, students go through role-playing, practice exercises and case studies as well as teaching by instructors. After class, planning for extended learning as well as online social media or M+ online communities improve learning effectiveness by helping employees apply what they have learned in class to their work.

Since 2014 our top executives have been invited to speak in venues such as workshops on industry trends (including 4G-related topics), seminars on innovative services, face-to-face conversations with the president, new employee sharing workshops, and "management suggestions from your supervisor". The latest telecom knowledge, the company's innovative services, and supervisors' expectations and encouragement are communicated through conventional classroom and e-learning courses, which help TWM employees to understand key 4G topics such as industry trends, technological evolution and new market development as well as other crucial issues such as proper work ethics in the workplace.

To help incoming employees overcome anxiety in a new work environment, we introduced mentor training courses in 2015 and provided participants with guidance manuals. The program provides mentor trainees with the opportunity to learn how to build relationships through structured techniques, to offer feedback, and to interact with mentees effectively so as to enable them to quickly adapt to the new environment and become more productive.

Stratified training courses for management personnel are tailored to newly appointed, frontline, mid- and upper level management. They consist mainly of courses on performance management, leadership, strategic planning and organizational development as well as corporate governance seminars. The curriculum is designed to incorporate the company's actual management cases to allow managers to be trained in a full range of managerial thinking and skills in order to enhance corporate competitiveness.

In 2015, based on the results from the employee opinion survey, we offered several sessions of performance interviews and feedback courses to help managers gain effective control of performance interviews and the main focuses of feedback on employees' work. They also learned how to handle challenging issues pertaining to performance feedback and coaching as well as how to improve employee relations and communication.

(3) Professional competency training

Each year we arrange for employees to attend IT, auditing, human resources, marketing, procurement, occupational safety, finance and accounting, and telecom technology courses based on their respective professional requirements. We also aim to improve the company's technological capabilities and management knowledge and

expertise via training in intellectual property and professional certification exams.

In order to allow our core professional know-how to be passed effectively onto new employees and to maximize the sharing of knowledge, TWM encourage employees who have recently completed training courses in new technology or management forums to act as instructors to fellow workers when they return to their posts. In addition, our customer care units offer comprehensive internal instructor training programs, whereby instructor trainees may improve their teaching skills via feedback, interaction and classroom observation. We also hold annual outstanding instructor awards to show our appreciation for our internal instructors' continuing contribution and efforts in shaping the company's culture of learning and sharing.

(4) CSR learning activities

In 2015 TWM organized and hosted the "CSR Cultural Cinema" learning event, where employees participated in CSR general exams, movie appreciation and subsequent experience sharing. The goal of these events is to help employees acquire CSR-related knowledge, effect changes, and learn to care for both society and the environment.

To improve our awareness regarding protection of the environment, TWM launched two major themes, "Conserve Energy - Love the Planet" and "Save the Environment - Love the Planet", on our online learning platform and encouraged employees to participate. We also organized the "Corporate corruption prevention workshop". Investigators were invited to share their experiences in investigating corporate corruption cases, which allowed our staff to understand the legal liability and implications associated with bribery, breach of trust, accepting kickbacks and other corrupt practices in our daily work. The goal is to prevent incidents of corruption and violations of trade secrets from happening in the workplace.

We also provide employees with training courses such as fire drills, traffic safety and first aid. Automated external defibrillators (AEDs) have now been installed on all office floors to provide company personnel with a safer working environment.



Supervisor training courses



Corporate corruption prevention workshops

- (5) Self-growth and development: E-Learning platform, online learning communities, learning resources and materials, Mobile-Learning, reading corner, and learning newsletters

In recent years, TWM has employed diverse approaches as far as training methods and channels are concerned with the goal of improving learning effectiveness and satisfying the different learning and development requirements of employees. In addition to traditional classroom courses which were common in the past, we have developed digital teaching materials, online learning communities, Mobile-Learning, and learning resources and materials to enhance learning efficiency and flexibility.

E-learning course topics included supervisor management, work management, telecom technology, product marketing, code of ethics, environmental protection, employee health promotion and creating an optimal customer experience. A total of 246 e-learning courses were

available in 2015.

The online learning communities consist of practical forums for new employees, project management, telecom technology, productivity, sales and book clubs. Each community has its own experts from different fields, and employees can share and exchange their experience and insights from work on this platform, making it easy to seek professional advice from other professional domains.

Mobile-Learning mode has also been set up with the M+ Messenger platform, which provides weekly short learning articles such as "Regulation Updates", "Telecommunications Encyclopedia", "Learning English Made Easy", "Management Dictionary", "Mobile Phone Expert App", and "Service Recharge Station". In 2015 we added the new feature, "New Blog for Fresh Ideas". They allow employees to use their mobile devices to recharge and refresh their minds at any time and continue to enhance their own value at work.

The "Book Stop" reading corner and "Book Recommendations" articles encourage employees to actively learn, share and exchange knowledge by borrowing books, exchanging books or donating second-hand books of their own. The types of books and magazines currently available include business management, finance and economics, motivation and inspiration, fiction, health and child-rearing.

In addition, in order for employees to obtain learning resources and information in a systematic manner, we began to send out monthly learning newsletters in 2015. Employees have access to information on the topics, courses, documents and CSR trivia appropriate to different levels of responsibility each month.

TWM aims to be eco-friendly during training or whenever we are involved in any learning process. Efforts include reminding trainees to bring their own mugs; providing videoconferencing of the shorter courses for the trainees who in the central and southern Taiwan. Trainees can download at their leisure; after-class questionnaires, reading materials for extended learning and homework submissions are also distributed electronically to reduce paper consumption and the use of printing resources.

Encouragement of continuing education and lifelong learning

In addition to the above training programs, we also encourage continuing education and lifelong learning for employees. In 2015, a total of 27 employees received study subsidies while 16 employees applied for and received continuing education subsidies.

(1) Scholarship application guidelines

The Scholarship Application Guidelines were implemented in 2006. Full scholarships covering tuition and miscellaneous fees for 2-3 years are available for study programs at business administration and telecommunication engineering graduate schools at designated national and international universities. TWM also provide scholarships for MA degree programs in business or telecommunication engineering at renowned international academic institutions. These scholarships and subsidies allow employees to acquire professional degrees based on their personal career plans in accordance with the mid- and long-term human resource demands of the company.

(2) Subsidies for continuing education

The Taiwan Mobile Joint Employee Welfare Committee provides fixed subsidies on an annual basis to encourage employees to pursue continuing education to acquire job-related skills in their free time. Subsidies for continuing education are available for credit courses of BA, MA, or PhD programs offered by public and private academic institutions or continuing education courses related to job duties, computer skills, or English at public and private institutions.

Campus talent development to apply theory in practice

TWM actively works with universities and colleges. We arrange for managers to give students seminars on professional skills, career development and other topics. We also offer students internship opportunities during summer and winter breaks, or during regular semesters.

In 2015 we again partnered with Taipei City University of Science and Technology to offer an industry-university cooperative internship program for senior year students in the College of Engineering. The duration of the internship is one year (two academic terms) and a

total of 9 students took part in the program (5 in 2014 and 4 in 2015). Since 2013 TWM subsidiary Taiwan Teleservices & Technologies has also partnered with six institutions of higher education (including Hsing Wu University, Yuanpei University of Medical Technology, Hwa Hsia University of Technology, China University of Technology, Chihlee University of Technology, and Taipei City University of Science and Technology) with the objective of helping students build competitiveness and employability. One-year internships are offered to senior year students enrolled in their respective business schools. A total of 65 students (19 in 2013; 17 in 2014; and 29 in 2015) have participated in the program thus far. We not only provide the students with pay but also a complete training program. At the end of the internship, students were scored by the university faculty and head of the unit based on their learning performance. Students who exhibited exceptional performance are given preferences for employment as well. This program will hopefully help students combine theory with practice and let them grow with us.

Developing R&D and management talent through the R&D and Industry Reserve Substitute Service system

The TWM Group collaborates actively with the government to acquire the services of young people in substitute military service (both R&D and Industry Reserve Substitute Service). In 2015 we recruited 38 individuals (TWM: 36; and Taiwan Mobile Digital: 2) to work in the following areas: development of new and innovative services, research in wireless network optimization technology, investor relationship management, business operations analysis, repair service centers, and other specialized positions. We hope that talent recruited through the substitute military service can join the company as soon as possible to receive our professional training, so that they will become part of our talent pool for emerging technologies. Another advantage is that after a worker's military service has concluded, he can immediately continue his employment with the company with which he has served his military service. This way their skills and expertise can be utilized effectively and the industry's R&D competitiveness can be enhanced as well. The substitute military service has become a stable source of R&D personnel and mid-level reserve managers.

Employment opportunities for persons with disabilities

TWM increase employment opportunities for the handicapped. Those employed include the visually, hearing, physically and speech impaired. TWM also actively cooperates with the Taipei City Foreign and Disabled Labor Office and Eden Social Welfare Foundation in the hiring of visually impaired masseurs. We employ masseurs with visual impairments who provide free stress-releasing massage services for the staff of TWM and associated enterprises in specially designed massage stations Monday through Friday afternoon. These services are available in the offices in northern, central, and southern Taiwan. Employees have responded positively to this workplace benefit. Our customer care call center has been partnering with Taoyuan County-based non-profit Potential Development Center for Spinal Cord Sufferers for a number of years. Our collaboration allows persons suffering from spinal cord injuries to perform customer care service on our behalf at the Potential Development Center.

Moreover, TWM leverage the skills of employees with disabilities by providing them with a diverse range of highly specialized positions, including base station construction engineering management; e-commerce web development; adoption of new technologies for the billing system and its system development, testing and maintenance; mobile network operations, maintenance and support; project technology liaison and IT system administration; wireless network optimization; direct stores sales; customer care via telephone; telemarketing; and conducting market surveys.

We offer a wide range of positions, good working environments, equitable promotion opportunities and competitive remuneration packages. As of the end of 2015, the most senior member among our employees with disabilities has served 23 years with TWM, and there are two assistant manager-level and one principal-level employees with disabilities. We also recruit new employees on an ongoing basis. Positions include sales staff at direct stores, telemarketing, market survey, and telephone customer service staff.

Angel Care Family for employees with disabilities

TWM's customer service center offers physically disabled or visually impaired individuals many job opportunities. As of March 2016, we have employed 38 persons with disabilities, including physically and visually impaired individuals. It is expected that in 2016 we will recruit



Visually impaired employees and guide dogs

30% additional members from this community and increase this number to 45. This is above and beyond the statutory requirements of the People with Disabilities Rights Protection Act regarding the number of persons with disabilities a corporation is required to employ.

TWM currently have 66 visually impaired workers at the TWM customer service center. To make sure that they travel safely to and from work, especially during rush hours, we have recruited volunteers via the M+ Messenger platform to form an Angel Family group. Every day a volunteer "group leader" will accompany our visually impaired colleagues to buy lunch at noon or take the metro when they leave the office in the evening. Our volunteers have even constructed large hand-held signs written with bus numbers to enable bus drivers to spot our visually impaired employees waiting at the bus stop from a distance, so no one has to miss the bus again. These heart-warming gestures and actions have filled our customer care center with a different kind of warmth and affection.

In terms of accessibility environment, we have taken the initiative to provide barrier-free walkways, lunch steaming area designed for the visually impaired, and voice-assisted drinking fountains. Their workstations are equipped with software and hardware specifically designed for visually impaired individuals, such as refreshable Braille displays and screen magnifier. Most people are not aware of the rule that seeing eye dogs are not to be touched or fed. Therefore the customer care center has brought awareness to the public at Tomson Park by introducing the 3-No's and 1 Question policy. We have also placed special dog beds for the guide dogs. With this friendly environment we have increased the understanding and involvement between fellow workers through their interaction.

Job vacancies at TWM are filled through a public recruitment process. Employee remuneration, benefits, promotions, raises, terms, education and training, working conditions or employment rights are not affected by gender. This principle is defined in the work rules as well and there is to be no discrimination against employees on the basis of gender, sexual preference or marital status.

TWM complies with existing national legislation such as the Labor Standards Act, the Employment Service Act and the Act of Gender Equality in Employment. Workplace sexual harassment prevention measures, complaints and disciplinary rules have been defined and all employees informed and aware. A sexual harassment hotline and mailbox have been set up as well. And these resources have been included in the training materials for new employees and posted on the internal website to improve awareness.

Our company encourages employees to marry and have families. We seek to build a trusted and happy workplace through a series of benefits covering marriage, pregnancy and childbirth. Apart from subsidies for marriage, childbirth and childcare, employees may also apply for optional subsidies on their children's education, family travel or family insurance. Employees' spouses receive free company-funded hospital and cancer insurance. Group insurance is also available for employees, their spouses, their children or their parents at discounted rates. For female employees who are pregnant or still nursing, their shifts are adjusted to avoid working at night. The company also offers parental leave that exceed the statutory requirements. Our "Employee Performance Management Regulations" specifically allow for performance evaluation based on actual performance at work if an employee had applied for parental or unpaid leave during the evaluation period. This ensures their evaluations are not impacted.

TWM employs full-time nursing personnel to host regular baby seminars for new parents; breast-feeding rooms with the necessary equipment (such as electric milk expressing machines, disinfected utensils, refrigerator) have also been set up to facilitate breastfeeding by employees. Apart from providing employees with baby care advice, the nursing staff also teaches new mothers the proper way to express milk as well as other health education. The company has contracted with educational institutions to secure favorable rates for employees' children.

We respect the legal rights of our employees and have never obstructed or interfered with employees' freedom of association. There is no discrimination on the employment of local employees and indigenous people. No incidents of child labor, forced labor, human rights violations or discrimination has ever been reported at our company. When a new employee is hired, they are also given our employment contract to review in advance. All employees must submit a signed employment contract when they arrive to protect the rights of both parties.

For any changes in unit, work location or position, we communicate with the employee in advance and only proceed if they give their consent. The company provides any necessary assistance with relocating and renting as well.

A safe and healthy work environment

Employees' physical and mental health is the company's wealth. We have designed a variety of health activities for employees based on the four themes of "safe environment, disease prevention, health promotion and stress-relief" with the goal of maintaining a healthy workforce. We continue to build a support and care network for health and safety by providing a wide range of healthcare and health promotion activities as well as collaboration with nearby health centers operated by the city's health department. We have for this reason implemented a comprehensive plan to create a healthy workplace. By combining additional community resources, we aim to make possible a truly healthy work environment! We aim to create a vibrant, healthy and safe workplace with exceptional quality.

Safe and quality work environment:

1. The Labor Safety and Health Committee was established in cooperation with senior executives of relevant units. The proportion of labor representatives is 1/3. Regular meetings are convened every three months and the committee conducts reviews of labor safety and health related guidelines and regulations for the entire company and tracks requested improvements on a regular basis. A dedicated Labor Safety and Health Office is in charge of the planning and implementation process. In addition, the labor safety and health related norms and documents are made public on the internal website for the reference of employees.

- For network continuity operations, a network continuity manual that lays out the relevant standard operating procedures has been defined. Employees are also provided with appropriate personal protective equipment. Rules governing contractor safety, health and environmental protection have been issued for network continuity tractors as well. Contractors are supervised to ensure that safety rules are followed during continuity operations.
- To provide an exceptional work environment for our employees, we conduct regular inspections of air quality and drinking water quality in our offices to ensure that our employees feel comfortable and are healthy.
- Automated external defibrillators (AEDs) have been installed in office areas and a CPR training program is implemented for all employees. The improvement in emergency first-aid capabilities will help to reduce the severity of injuries or sickness, providing all employees with a healthy and safe work environment.
- To better manage accidents and injuries that occur in the workplace, we have adopted guidelines for handling occupational injuries. We also process, track and investigate occupational injuries to come up with preventive strategies. Occupational injury statistics are reported monthly to the labor inspection agencies as well. Our statistics for the year are as follows:

Item	Taiwan Mobile	Taiwan Fixed Network	Taiwan Teleservices & Technologies	TWM Broadband
Injury Rate(IR)= Total number of occupational injuries X 200,000/Total number of work hours	0.02886	0	0	0.521
Occupational Disease Rate(ODR)= Total number of occupational diseases X 200,000/Total number of work hours	0	0	0	0
Lost Day Rate (LDR)= Total number of lost days X 200,000/Total number of work hours	2,381.33	0	0	3,993
Absentee Rate(AR)= Total number of absentee days over the period X 200,000/Total number of work days for the same period	2136.73	2682.58	3202.96	1116.37

Note: Considering the fact that the work of field workers for TWM Broadband's cable television operations is high risk in nature, we have provided higher accident and injury insurance coverage for the engineering staff, increasing the insured amount from NT\$2 million to NT\$6 million in order to provide them with added financial protection.

- TWM provides employees with annual first-aid initial training and refresher training courses as well as fire safety and flood prevention training in order to improve their basic disaster response skills. We also conduct traffic safety training to help employees commute to and from work more safely and to help safeguard their life and health.

Providing healthcare benefits that compare favorably with statutory requirements:

- Physical exam coverage and frequency compare favorably with statutory requirements. Medical exam services appropriate for the employee's age group, gender and work environment characteristics are provided for the early detection of potential health hazards and disease-causing factors, such as: abdominal ultrasound, bone density, cancer screening, intraocular pressure and full-frequency hearing, and so on.
- The percentage of employees participating in the annual employee medical exam program is 99.7%, with a 95.5% satisfaction rate. This indicates that while working very hard, employees have not forgotten to pay attention to their own health as a result of the company's initiative to create a healthy and safety workplace.
- With the exclusive health management system, dedicated full-time professional nursing staff conducts post-exam follow-up reviews based on the health management classification standards, including: drawing blood, female pelvic cavity and breast ultrasound, abdominal ultrasound, and vision and intraocular pressure anomaly reexamination. With respect to employees that exhibit severe anomalies, we provide one-on-one follow-up actions or arrange medical consultation and referrals to help them identify problems early and undergo any necessary treatments as soon as possible. This helps our employees to put a healthy lifestyle into practice and to improve their personal health.
- Employees' families enjoy the same benefits in medical exams.

Let's all exercise together - Maintaining a Healthy Lifestyle

- We encourage our employees to exercise regularly and to maintain a healthy diet in order to improve our mental and physical health and to lower the risks of obesity and chronic disease. We have leveraged the resources from mySports, a mobile app developed by the company, to provide a sport-based challenge and weight control contest to lift the barrier of exercising for everyone. The objectives of the contest focus on the total score from burning calories and the percentage of body weight reduction. In particular, the total



TWM mySports Weight-loss Challenge

score from burning calories is used as the weighted index for the weight control portion of the contest. Players with the six highest total scores are rewarded with prizes worth NT\$1,000 each. All employees are encouraged to participate in the contest.

2. With guidance from physicians, professional dieticians, psychologists, and exercise coaches as well as with the enthusiastic service of health center personnel, we have designed a series of exercise-related courses, including medical knowledge, practical diet control and eating out in a smart way, estimating the caloric content of your boxed lunch, proper and healthy lifestyles, chicken soup for the soul, and tailored-made exercise classes. In addition, we have also organized contests used in nurturing seed instructors, individuals and groups to prompt participating employees to support and encourage one another, as well as to enhance their appreciation of the importance of staying healthy.
3. During the 8-week event, participating employees shed a collective 427 kg of weight, with a total of 952,260 calories having been burned off. One of the outstanding trainees continued to follow a weight-loss regiment and was able to lose a maximum of 26 kg over a 7-month period, which translated to a 23.6% reduction in body weight.

4. Our employees have also changed significantly with respect to their attitude and behavior. The frequency of measuring body weight increased from less than once per month to once every week. On the diet side, they were not only able to control the amount of food intake but also the variety of foods consumed. In terms of developing the habits to exercise regularly, the frequency of doing exercise also increased from once a week to three days a week on average.
5. We plan to continue to promote the sport challenges of mySports in the future and expand it to all employees. We encourage them to get into the habit of exercising regularly and eating healthy in order to achieve a healthy lifestyle!

Diverse health promotion programs

1. We carry out analysis based on the results of each physical exam and analyze employee opinion survey, and we plan health promotion activities that meet the needs of employees. Health promoting activities with different themes are held every month.
2. We have adopted a plan to protect the vocal cords and hearing of our customer service staff. We conduct the "vocal cord and hearing protection" course to improve our employees' ability to take care of themselves during work and in daily life.
3. For employees who work the night shift, we also have a "liver protection" initiative to monitor them for changes in liver function, and we offer a "stress relief and good night's sleep" workshop in the hope that improved sleep quality will help each person achieve a healthy body and mind to face the challenges of work and personal life.
4. We conduct workshops on the harmful effects of tobacco smoke in collaboration with the Department of Health. We have also partnered with local pharmacies to offer one-on-one consultation to those who wish to quit smoking. Results of these consultation sessions have led to a 65% success rate. Among our workshop attendees were an engaged couple, who successfully quit smoking after 10 years in order to raise a next generation of healthy children. We gave them a wedding present to celebrate not only their marriage but also their success in parting with cigarettes.



5. "Beautiful Life - Loving & Treasuring Women" - Part of the Good Health series of events designed for female employees: pap smears, breast ultrasound, and gynecologic ultrasound scans.
6. In response the changing lifestyles of the population, we organize bone density screening activities to remind our employees of the importance of making appropriate adjustments to their diets and daily lives in order to have strong and healthy bones.
7. Stress-relief activities in the office include: Hosting spine-relaxation workshops to teach proper sitting posture at work and to prevent musculoskeletal injury; also sleep therapy events to help employees overcome sleep disorders.
8. To help our employees develop good eyecare habits and to provide practical knowledge on protecting our vision, we have organized eye care seminars with the title "Rescuing us from bad eyesight - 3C generation's eyecare advice".
9. In support of the Center for Disease Control's policy to prevent and control notifiable infectious diseases, we have established a companywide internal notification network to report the occurrences of infectious diseases. We provide comprehensive health management for employees traveling to and from foreign countries in order to keep a tight control on possible spread of communicable diseases.

A happy and safe workplace

1. Breast-feeding rooms with medical-grade milk expressing equipment has been set up to allow employees to continue nursing their children with breast milk after giving birth. Apart from providing

employees with baby care advice, the nursing staff also teaches new mothers on the proper way to express milk and provides health education. This allows working mothers to work without any worries.

2. We offer workshops to brand new parents on "Breastfeeding made easy & how to save a choking infant", "Breastfeeding in the workplace", "Infant CPR for mothers" and "Infant essential oil massage for parents" with the goal of reducing the anxiety of less experienced parents and allowing them to return to work worry-free.
3. "Xinguang Counseling Room": We have employed full-time psychologists to offer one-on-one counseling sessions to our employees. Timely and appropriate counseling for individual employees are provided to address individual psychological issues. It is hope that this service will improve our employees' ability to handle stress and stay healthy as well as to help them achieve physical and mental balance.
4. "Book clubs": We have organized book clubs to help our employees resolve issues common to them, develop positive thinking, and learn how to handle difficult problems in life in an intelligent manner. Sharing of books and reading experiences is also a way to complement the counseling services, which allow only the more limited one-on-one meetings.





5. To encourage our employees to cherish and have a passion for life, we have organized the sharing of "The Life Story of Chuang Ya-ching", which we hope will bring a positive influence to our employees and to enable them to reflect on the true meaning and value of existence. Together we have created a warm and supportive relationship network and work environment.
6. We offer massage services to help our employees relieve stress. Visually impaired masseurs are employed to provide us with massages in the afternoon of each work day in a number of office locations, and employees can benefit from these relaxation activities free of charge. Currently seven office buildings in the northern, central and southern parts of the country are equipped with "massage parlor" services, and so far a total of 21,690 massage sessions have been delivered with a 98% satisfaction rate.
7. Each year during summer and winter breaks, we work with blood donation centers to host blood drives at the office building of each participating department. Responding to the 2015 Formosa Fun Coast water park explosion incident, our employees and members of the local communities enthusiastically donated their blood to

help the victims. We were able to collect 100-150 bags during each blood drive.

We endeavor to promote the health of our employees. We have been recognized by the Health Promotion Administration and received the following awards:

Healthy workplace	Weight management	Tobacco hazard control	Certification for breastfeeding and milk-expressing room
Outstanding workplace for health promotion - Health Pilot Award	Outstanding group performance award	Tobacco hazard prevent	Best Features Award
Outstanding workplace for health promotion - Health Excellence Award	Weight Loss Outstanding Workplace Award	excellent smoke-free workplace - Best Testimonial Award	Workplace Group Excellence Award
Outstanding workplace for health promotion - Health Management Award			Best Personalized Service Award
Outstanding workplace for health promotion - Health Pilot Award			
Accredited Outstanding healthy workplace in 2015 - Health Promotion Award			
Awarded Outstanding workplace for health promotion in 2015 - Active Lifestyle Award			

Response to direct store suicide incident in November 2016

Investigation and sympathy call

- The employee who committed suicide had been outstanding in her performance. She was slated to receive a promotion with a higher pay grade in early 2016. After the incident, department-level managers as well as district and store supervisors visited the family of the deceased on the company's behalf. We offered the family NT\$500,000 in cash to express our sympathy. After talking with members of her family, we understood that the suicide was not work-related.

Grief counseling

- A week after the incident, we arranged for counseling sessions to be held at the store with the hope that the psychological impact would be reduced to a minimum.
- We continue to pay attention to the physical and mental health of our employees. We organize regularly scheduled one-on-one counseling sessions at the Xinguang Counseling Room, introduce the life story of Chuang Ya-ching, and encourage all employees to exercise, visit the massage parlor for stress relief, and carry out other health-related activities. We hope that with these diverse activities everyone will work happily in a healthy environment and achieve a mental and physical balance both in the workplace and in their personal lives.

mySports online sports competition

To encourage employees to exercise regularly, TWM began to plan the mySports online sports competition feature in November 2015. In 2016 we are introducing the sports challenge contest with virtual-physical integration. The mySports app is used to record the trajectories of exercise activities, distance traveled, average speed and total calories burned, and users will be able to know their own rankings and other coworkers' progress, preferences, and so on at any time. They may also invite others to join them in a PK contest. The employee challenge was divided into two stages. To provide incentives for our employees to exercise regularly in the form of prizes, which include an Apple Watch (the grand prize) and a number of other sports-related items.

Stage 1 "Employee Phase Sports Competition" (from end of January to early March 2016)

- Challenge period: 35 days
- A total of 23 different indoor and outdoor sports are included in the competition and they are ranked by the number of calories burned

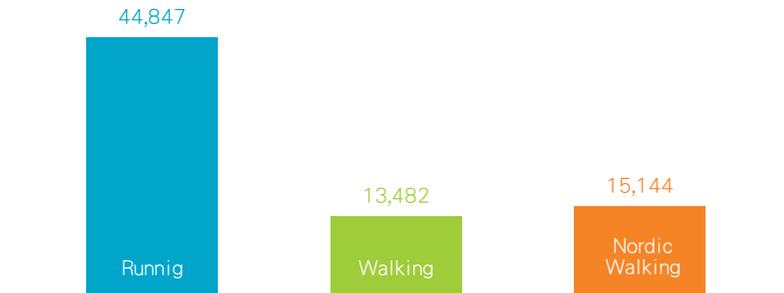


off

- Eligibility for prize drawings: an accumulated 500 kcal
- Over 1,000 employees participated
- Total calories burned off: nearly 3 million kcal
- Inspired other TWM Group affiliates to follow suit (beginning on March 21, 2016)

Stage 2 Departmental contests (to commence in May 2016)

An analysis of this contest shows that a total of 100,000 records in exercise data have been accumulated. The top three types of exercise are: running, walking and racewalking:



In addition, most employees exercise during commute or after work, and a single session mostly lasts between 30 minutes and one hour. In this challenge, about 50 employees were able to burn off 10,000 kcal or more each. The top performer is a customer service employee, who took advantage of the Chinese New Year holidays to cycle around the island in six days and burned off more than 40,000 kcal in the process.

3.4.3 Social Emergency Relief

Mobile base stations

Taiwan is located in an earthquake zone and is also regularly visited by typhoons. The extreme weather conditions and multiple hazards often result in devastation wrought by typhoons, floods, mudslides, slope landslides, earthquakes and other natural disasters. A high degree of urbanization has also contributed to the society's vulnerability, and the society as a whole endures a high degree of risk. In response to these conditions TWM's wireless communication network has been expanded with mobile base stations to provide emergency communication capability that covers areas where losing contact with the outside world is a very real possibility when disasters strike.

To enable users with mobile phones that correspond to any type of cellular technologies, whether it is 2G, 3G or 4G, our mobile base station network has also been designed to accommodate all three generations of technology in order to fulfill the needs of different users. As electrical power is likely to be unavailable in the disaster area, our mobile vehicles are equipped with 12kW generators. With respect to transmission requirements (the link between base stations and the core network), if physical transmission lines are not available at the disaster site, we may use the built-in microwave equipment and antenna to transmit data wirelessly back to the core network to ensure that the mobile base stations are functioning properly. As of March 2016 TWM has completed the deployment of 20 2G/3G/4G mobile base stations. These base stations will be able to promptly provide voice and mobile Internet services to areas affected by natural disaster.

In the past few years, TWM has been able to support in several instances where areas affected by natural disasters lost their voice and data communication links with the outside world. We endeavor to be an active part of various social welfare activities, and we do not shy away from social emergency relief efforts. In the future, we will continue to provide users with excellent network experiences and to safeguard the rights of our subscribers through the central and local governments' information integration, application and sharing.

Allocation of 2G/3G/4G mobile base stations by city/county

City/county	2G/3G/4G
No. of mobile base stations	5
Keelung City, Taipei City, Yilan County, Hualien County, Lianchiang County	5
New Taipei City, Taoyuan City, Hsinchu City, Hsinchu County	5
Miaoli County, Taichung City, Changhua County, Yunlin County, Nantou County	5
Chiayi City, Chiayi County, Tainan City, Kaohsiung City, Pingtung County, Taitung County, Penghu County, Kinmen County	5
Total	20

Instances of support provided by TWM 2G/3G/4G mobile base stations in recent years (photos to be provided)

City/county	Date	Support activities
New Taipei City	Sep 30, 2015 - Oct 1, 2015	In 2015, communication in Wulai District, New Taipei City broke down as a result of Typhoon Dujan. TWM dispatched two mobile vehicles to the disaster area to support relief efforts and provide additional mobile communication capability to the mobile command post.
New Taipei City	Aug 10, 2015 - Sep 4, 2015	Again in 2015, communication in Wulai District, New Taipei City broke down as a result of Typhoon Soudelor. TWM dispatched one vehicle to the disaster area to support relief efforts and enhance the mobile communication capabilities of the mobile command post.
Changhua County	Au 13, 2015 - Aug 29, 2015	Fangyuan Village, Fangyuan Township in Changhua County was hit by Typhoon Soudelor in 2015 and all communication services were out. TWM dispatched one mobile vehicle to the disaster area to provide mobile communication capability to the local communities.
Yunlin County	Aug 12, 2015 - Sep 21, 2015	Gongguan Village, Taixi Township in Yunlin County was hit by Typhoon Soudelor in 2015 and all communication services were out. TWM dispatched one mobile vehicle to the disaster area to provide mobile communication capability to the local communities.
Miaoli County	Sept 30, 2015 - Oct 15, 2015	The urban area of Touwu Township in Miaoli County lost its communication services when hit by Typhoon Dujan in 2015. TWM dispatched one mobile vehicle to the disaster area to provide mobile communication capability to the local communities.
Kaohsiung City	Jul 31, 2014 - Aug14, 2014	During the 2014 Kaohsiung gas explosion incident, we dispatched three support mobile vehicles to accommodate the extra communication requirements at the explosion site, temporary shelters for victims and the mobile command post.
Tainan City	Feb 6, 2016 - Feb 14, 2016	In 2016 the Meinong earthquake caused the Yongkang Weiguan building in Tainan to collapse. TWM dispatched one mobile vehicle to the disaster area to support relief efforts and provide additional mobile communication capability to the mobile command post.

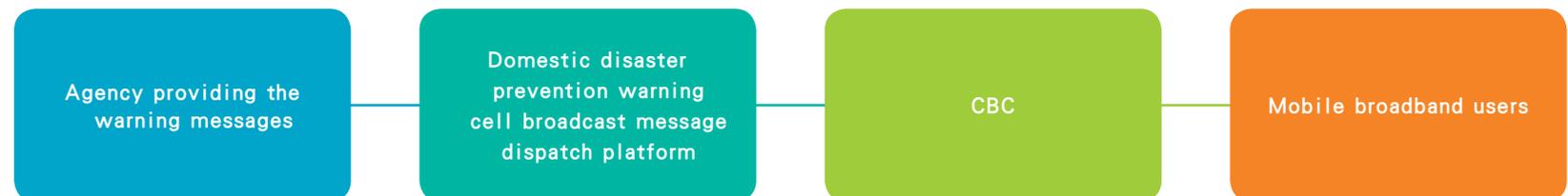
TWM complies with international standards including 3GPP TS 22.268 Public Warning System (PWS) requirements, TS 23.041 Technical realization of Cell Broadcast Service, and the Mobile Cell Broadcast Service Transmission Protocol Standards, issued by the competent authority in charge of national disaster reduction and relief. In 2015 we completed the implementation of the Cell Broadcast Center (CBC) system platform, and in February 2016 we also completed the system function review and inspection operations by the competent authority. With this disaster prevention and alarm platform, warning messages in both Chinese and English may be immediately transmitted to every user on the network, thereby fulfilling its role as a pre-disaster message dispatcher. During normal times the system may also be used routinely as a broadcast system to warn potential disaster areas against possible disasters so that people in these areas may take precautionary measures before disasters strikes.

The CBC system allows the competent authority in charge of national disaster reduction and relief (e.g. county and city governments, the Directorate-General of Highways, the Central Weather Bureau and the Council of Agriculture) to determine specific areas that will potentially be affected before sending warning messages to mobile phone users in these areas. The warning message process is depicted below. The agency providing the warning messages, i.e. the competent authority in charge of national disaster reduction and relief, utilizes the domestic disaster prevention warning cell broadcast message dispatch platform to connect to TWM's CBC interface via dedicated lines. As a result warning messages may then be sent to the users'

terminal devices. Those devices that are equipped with the ability to receive cell broadcast message will then be able to access the warnings. This is how a mobile broadband network platform may be utilized to serve the purposes of disaster prevention and relief efforts. For example: Suppose a certain section of the highway is to be closed due to the collapse of a hillside. Then the Directorate-General of Highways may use the CBC system platform to broadcast warnings over the sections of roadways leading to the highway closure target and their surrounding areas in order to remind road users of the possible danger so that they may take alternative routes ahead of time.

In the future, apart from complying with the competent authorities' continuing efforts of implementing and testing related disaster reduction systems, TWM will also support the government's requirements for the "Disaster Prevention and Relief Applied Technology" program by expanding the scope of applicability of our disaster prevention and relief application platform with the goal of servicing disaster prevention and relief agencies around the country. We will also transform the disaster response know-how that we have accumulated thus far into decision trees that may be used in disaster response operations so as to enhance our disaster prevention and relief response application performance and to reduce the losses to the society as a result of the disaster. Going forward we will continue to provide users with excellent network experiences and to safeguard the rights of our subscribers through the central and local governments' information integration, application and sharing.

Warning broadcast message process





TWM mobile relief vehicle supporting Tainan earthquake relief effort

Social relief

Tainan earthquake

In the morning of February 6, 2016, a sudden and completely unexpected earthquake struck southern Taiwan, causing catastrophic damages in that part of the country. In order to help disaster victims get through these difficult times, those TWM subscribers (1) whose registered residence is within the disaster zone; (2) with houses that partially or completely collapsed; and (3) who were officially designated as disaster victims by the applicable county/city governments, may apply to be exempted from paying their voice and mobile Internet charges for the period of one year. TWM also partnered with the Red Cross Society of the ROC and the Chinese Christian Relief Association to promptly set up a donation platform and call upon the society at large to lend their helping hands and to care for those in need in this cold winter season. As of the end of March 2016, over 100 victims were the beneficiaries of this special bill deduction program. The estimated subsidies provided was over NT\$1 million over a twelve-month period.

Charitable donations

In 2015 TWM Broadband and 11 other cable TV operators in New Taipei City jointly donated NT\$10 million to the special account set up for victims of the Formosa Fun Coast water park explosion incident, and promises were made to help the victims find suitable employment. New Taipei City government also set up a single point of contact to help explosion victims and their families locate employment opportunities. The arrangement was able to find 170 job openings, including 14 that were provided by cable TV operators, to victims get back on their feet. Social relief and public welfare events that we participated include: Philanthropy (blood drives); academic, art and literary (Lantern Festival); social relief (Formosa Fun Coast water park explosion incident); popular exercise (New Taipei City Wan-Jin-Shi Marathon); recreation and entertainment (Christmasland in New Taipei City); women, children, education (Sketching Visits); and local environments (cable clean-ups). The Home Business Group invested approximately NT\$19.52 million in 2015.



TWM carefully listens to customer's needs and creates optimized user experiences for customers

3.5 Excellent Brand

Core Concept

TWM embraces the core concept of “Genuine concern for the customer” with the enhancement of customer service quality as the ultimate benchmark. We are also committed to providing our customers with the best user experiences in a secure telecommunication environment. TWM endeavors to link together every aspect of our mobile communication and Internet services to fully satisfy customers' needs. By bringing together products, prices, services, images, perceptions and experiences, customers can experience a mobile lifestyle with our relaxed, streamlined and thoughtfully designed services.

Achievements and performance

- Telecom infrastructure costs: NT\$11,503,271,245
- R&D resources invested: NT\$764,669,000
- 4G network coverage: 99% (700MHz) and 93% (1800MHz)
- Development of mobile payment solution "Wali smart wallet"
- Launch of "Spacetime Message App"
- Support of the government's Smart 4G Broadband City initiative
- Cloud services awarded Cloud Security Alliance's STAR certification of the highest level



Commitment and Actions

The Environmental Sustainability Team is responsible for integrating the company's business activities related to environmental protection and providing regular reports to management CSR Committee:

- The Environmental Management Committee: the committee was expanded and reorganized from the Environmental Sustainability Team in 2016; it is responsible for developing and adopting environmental policy and objectives, promoting ISO certification, and developing smart energy conservation.
- Carbon risk management: Reviewing energy conservation performance on a regular basis, performing GHG inventories and promoting.

Vision and planning

Mobility is at the very heart of innovation. In the next phase TWM will continue to invest in and expand the scope of "M Service", "IoT", "iCloud", "big data", "OTT", as well as other innovative services. In the future, industries will revolve around the concept of mobility in their endeavors, and mobility will no longer be the sole domain of the telecom services industry, especially in terms of integration between cloud and innovative services. This will foster the development of the core telecom network toward cloud-based architecture, which is indeed a growing trend.

3.5.1 Market Brand Image

Brand value

Mobile technology not only makes our lives more convenient but also offers us a higher degree of mobility. In the face of a rapidly changing world, only by using technology may we become trendsetters and hold the keys to success. TWM understands public expectations for technology, and therefore we endeavor to employ technology to create a rich and convenient mobile lifestyle. We also enable our users to always maintain their mobility in a leading position with our unequaled network quality within the industry. TWM have focused on the importance of "human nature", which transformed complex technologies into simple, practical and friendly mobile services that connect intimately with every customers' everyday life, providing each of our customers with digital living and services of the highest quality. We are committed to using "speed" to embrace a better tomorrow. Taiwan Mobile stands with you and is an integral part of your daily life.



by each contact and connection, Taiwan Mobile ingeniously manipulates the colors of the sphere to make every piece of printed page and advertisement image relate to the charm of various hues, thus communicating the joyful mood of Taiwan Mobile subscribers whenever they use our service and strengthening our brand impression.

Brand label identification

Taiwan Mobile's colorful, stereoscopic sphere is the embodiment of our spirit, "color your life". The colors and shades of its surface give us an interpretation of a continuous spectrum emanating from all different angles and directions. Yet it conveys a pure, diverse, intertwined, amalgamated, elaborated, and elated brand motif, joy, and splendor that enrich the consumer's mobile life! Just like the joy brought



Brand Image Advertising

TWM believes that technology exists to make our lives easier and better, and mobile technology, being inextricably linked to every aspect of our daily life, has completely changed the contemporary lifestyle for the better. When the 4G network was first launched, TWM showed the world how the society would be changed by mobile Internet through the online author Giddens Ko and other members of the younger generation. This brave new world not only brings people more courage but also more mobility as well. In 2015 we released our brand image endorsement video by Leehom Wang in the hope of exerting our brand influence and communicating the message of "think not of the future, just believe in yourself" to encourage young people to have more confidence and strength. The information and convenience that the power of 4G technology brings allows us to connect with the world instantaneously, demonstrate our infinite creativity, and achieve our own success for the future in a unique way. At Taiwan Mobile, we Embrace a Better Tomorrow with Speed!

TWM named Taiwan's Fastest Mobile Network by SPEEDTEST

TWM never ceases to be a leading innovator in providing consumers 4G services of the highest speed and most seamless quality. Our aspiration is to offer users a more comfortable, secure and pleasurable digital experience with our phenomenal speed. In 2015 a mobile Internet access speed survey was released by SPEEDTEST website, which is owned by Ookla, a company with public credibility on an international scale. After 12 million stringent tests conducted by mobile users across all mobile Internet service providers in Taiwan, Taiwan Mobile was named Taiwan's Fastest 3G/4G Mobile Network in 2015. This honor stems from TWM's successful allocation and deployment of our 4G spectrum. Our 700 MHz band has a maximum continuous bandwidth of 20 MHz, the highest in Taiwan. The low-

frequency characteristics offer high penetration and wide signal coverage. Combined with the 1800 MHz band, we offer great advantages in term of carrying capacity and provide users with the best frequency band combination possible. Our excellent speed performance has therefore won international recognition!



Brand Sponsorships



TWM is a committed supporter of the golden sisters of ladies' doubles Yung-jan Chan and Hao-ching Chan

TWM strives to provide consumers with a simple, pleasant and thoughtfully conceived mobile lifestyle. We also deliver our brand spirit, "Accompanying our Customers in Their Daily Lives", through various sports-focused marketing events. Since 2003 we have provided sponsorships to great sporting events in the country by investing over NT\$500 million. In 2014, we began sponsoring Chan Yung-jan and Chan Hao-ching, the golden sisters of ladies' doubles in tennis, and we have also been a long-time sponsor of Yani Tseng, Taiwan's top golfer. We consider it our mission to boost





(provided by: Central Pictures Corp.)

Taiwan's international profile. In 2015 we provided sponsorship to the professional "League of Legends" eSports club ahq for the first time. Our goal is to encourage more young people to pursue their dreams through the spirit of teamwork and great effort in video gaming, so that Taiwan's eSports power will dazzle the world.

In addition, TWM has leveraged resources within the Group to provide long-term and extensive support to Taiwan's cultural events and original works. In 2015 we sponsored Super Star, Hito Music Awards, Chelsea Music Festival Asia, and the film "The Assassin" to enhance the company's brand image and to develop the popular culture market.

Specialty Stores with Local Personalities

In recent years TWM has created specialty service outlets with unique and individual personalities based on regional and consumer characteristics. TWM stores that best represent our efforts in this regard include: hipster-themed Digital Lifestyle (Taipei New Horizon) store; avant-garde Digital Lifestyle (Taipei Syntrend) store; and the teenager-focused myfone Taipei Ximen store. By providing consumers with tailored-made service outlets with local characteristics and unique styles, we have also started a whole new chapter for the telecommunications industry.

Digital Lifestyle (Taipei New Horizon) store

The Digital Lifestyle (Taipei New Horizon) store is a venue that

enables consumers to easily experience the innovative digital content and services provide by TWM. The design of the space is based on the scenario in Taiwan's earlier history where information was exchanged under large trees, a nod to Songshan Park's historical exterior and background trees and brings together the past and future mobile technology. Inside the store enlarged and simulated cloud-based services are available to the public. Visitors can learn about our products via the digital paperless system, and consumers of all ages will be able to experience and understand cloud services in a concrete manner. By experiencing our wonderful services first-hand, consumers can immediately apply what they have learned to fully enjoy the convenience of a digital mobile lifestyle. Meanwhile,



Digital Lifestyle (Taipei New Horizon) store

to support Taiwan's cultural and creative industry, the furnishings in our store, such as the unique and ingenious tofu stools and bicycle saddles, have been supplied by local designers. We also collaborate with the Fubon Art Foundation to display works by domestic artists on the grand façade that is over 4 meter in height, a creative exhibition platform for Taiwanese artists, filling the air with a delightful ambiance that combines technology and culture. In 2015 our Taipei New Horizon store's unique interior design received the 2014 Taiwan Interior Design (TID) award in the Commercial Space category and also the 2014 IAI Design Award (TID and IAI are two of the highly recognized and sought after interior design awards in the Chinese-speaking world). It is also the only telecom service outlet that has received recognition from organizations on both sides of the Taiwan Strait.

Digital Lifestyle (Taipei Syntrend) store

Located within the ground floor of the Syntrend Creative Park, our service outlet prominently features the Taiwan Mobile corporate identity system. Symbolizing the shape of a diamond cut in trilliant style, the store's interior space is represented as a white base that radiates outward. When combined with dynamic images projected on the ceiling with LED light sources and 3D stereoscopic visual designs, as well as a large digital display wall, the entire Taipei Syntrend store is transformed into a technology gallery filled with avant-garde ambiance, bringing together digital, artistic, eco-friendly elements and making the store the "best in avant-garde design". We have collaborated with local artistic design teams by incorporating digital technology into installation art. We introduced the four pioneering interactive works, "Digital Audiovisual", "Microcosmic City", "Dynamic Vision" and "Shopping Window", to create a high-level and 4G "mobile lifestyle" that truly belongs to the consumers. At the same time the Taipei Syntrend store has introduced the industry-leading, world's first "red-black-white" tricolor 2.9-inch electronic price tags. The prices of all 3C devices and accessories inside the store can be updated and synchronized remotely, completely fulfilling the goal of creating a paperless, digitized and eco-friendly environment.



Digital Lifestyle (Taipei Syntrend) store



Taipei Ximen store

Taipei Ximen store

To reflect the characteristics of the Ximen shopping district and to cater to the needs of young consumers, Taipei Ximen store has erected its own unique local design that features an atmosphere filled with conflicts of old and new cultures. The store's ground floor is about 66 square meters in area. From the arcade to the beams and columns, we have boldly opted for graffiti art. The large digital wall also provides a powerful visual impression to create a distinctive style and appeal. On the second floor, consumers will immediately be transported to the nostalgia of 1940s and 50s retro-style cinema design, which completely subverts what a telecom service outlet is supposed to look and feel like.

As the store is located across from the famous Wan Nian Building, we have created a "suspended cabinet for first-hand experience" on the ground floor to create a more spacious impression. We have also set up a visually appealing TATTOO multicolor module accessory wall. With respect to the ceilings, we have used miniature paper models of the Red Chamber Theater, Wan Nian Building and movie theme parks, thus incorporating all the landmarks of the area into our store's design. Furthermore, to offer even more fun to our visitors, our service counter is also equipped with a "gachapon number ticket dispenser" and "retro theater chairs". With all these exclusive designs based on unique local characteristics and personalities, we hope to bring the public completely different shopping experiences.

Brand Award Stories

Selection as a DJSI constituent four years consecutively

Taiwan Mobile has been selected as a constituent stock of the Dow Jones Sustainability Emerging Markets Index for the fourth consecutive year. In 2015 the scores that we received in the three major aspects, which are corporate governance, environmental sustainability and social responsibility, were all higher than industry average. In the Corporate Citizenship and Philanthropy category in social responsibility, we were awarded the top score, which indicates that our corporate sustainability philosophy has

been received favorably. At TWM we will continue to enhance our operating performance as well as environmental protection and social responsibilities in order to become the benchmark corporate citizen of the world.

DJSI, launched in 1999, evaluate the sustainability performance of the world's leading listed companies in the areas of corporate governance, environmental sustainability and social responsibility, they have become the key reference point in sustainability investing for investors. In 2015 DJSI selected 3,470 of the world's most



representative enterprises for assessment. In particular, 93 of Taiwan's companies that are leaders in their respective industries were included. Taiwan

Mobile was selected as one of the Telecommunication Services company in the DJSI for emerging markets out of 101 carriers eligible for the global assessment.

In the corporate governance category, our results improved significantly, scoring 70 in 2015 compared with 62 in 2014 and surpassing the global telecommunications industry's average score of 61. Over the past few years TWM have been actively enhancing the risk management policies, organizational structure and risk management systems. Our Risk Management Committee, established in 2014, focuses on corporate sustainable development and exercises control over the impact of relevant risks and opportunities on the company's business operations. The Committee supervises the implementation and monitors the performance. In 2015 we launched the CSR Vision 2020 project to play an active role in addressing various economic, environmental and social issues so that our corporate sustainability vision can be fulfilled.

Among the social responsibility categories, our overall score rose from 59 in 2014 to 70 in 2015, greatly surpassing the global telecommunications industry average score of 54. In particular, in Corporate Citizenship and Philanthropy category, we get a full score of 100. Compared with the global industry average score of 52, our results have been exemplary. We have employed three principal strategies, namely digital inclusion, fostering of cultural and creative content and talent, and sponsorships with core resources, to carry out our social responsibilities via concrete actions. We have provided assistance to non-profit organizations in their adoption of mobile services and the digital trend as well as their enhancement of internal organizational efficiency and their external fundraising capabilities. Through the iSharing volunteer services platform, the NFC smart tracking wristband project, charitable micro movies, corporate theme

songs and other activities, we have called for more citizens to support social welfare programs and encouraged more participation from corporate volunteers with a view to giving back to the community and strengthening our employees' cohesion and identification with our corporate culture.

In terms of promoting environmental sustainability, our score for 2015 was 53, which is higher than the global telecommunications industry average score of 49. In 2015 we took the initiative to respond to the Carbon Disclosure Project (CDP) questionnaire for the first time. We also launched the initiative "buy a mobile phone to support green energy" and encouraged cellphone brand manufacturers to join our efforts. We called on the general public to pay close attention to environmental issues as well as planned the construction of 8 green energy-powered base stations, which are concrete actions we have taken to fulfill our corporate philosophy in environmental sustainability. Moreover, 2015 we implemented the ISO 14001 environmental management system in late 2015, which demonstrated our

determination to improve our environmental sustainability undertaking on an ongoing basis.

FinanceAsia magazine named TWM best telecommunication services provider in Taiwan



The results of FinanceAsia magazine's Best Managed Companies 2015 revealed that among the Taiwanese companies placed under evaluation, a number of industry leaders, including Taiwan Mobile,

TSMC, Sercomm Corp. and Fubon Financial, were selected to receive the top honor. In particular, TWM was included in all four of the following categories: Best managed public companies, Best corporate governance, Best investor relations and Best committed to paying good dividends. TWM ranked first in "Best corporate governance" and was among the top three companies in the remaining three

categories. Furthermore, TWM's rankings in all four categories were the highest of all telecom services providers in Taiwan.

Taiwan Mobile Executive Vice President and Chief Financial Officer Rosie Yu was also named Best CFO in Taiwan! Rosie Yu joined TWM in 2006 and is currently responsible for the following divisions under Finance & Administration Group: Finance Division, Accounting Division, Investor Relations Division, Operation Analysis Division, and Billing Management Division. She specializes in risk management, investment appraisal and internal control, areas in which she uses number management to differentiate and control risks in order to enhance the company's financial health and improve its profitability. She won several international awards and recognition in recent years, including Best CFO (3rd place) by Institutional Investor magazine in 2012 and also Best IRO in 2010 IR Global Rankings.

Ranked among the top 5% companies in the 1st Annual Corporate Governance Evaluation



The "1st Annual Corporate Governance Evaluation", conducted by the Securities and Futures Institute and commissioned by Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX, formerly GTSM), employed the following five basic criteria to assess a company's level of corporate governance practices: protection of rights of shareholders; equality of shareholders; structures and operations of boards of directors; information disclosure and transparency; protections of rights of stakeholders and practices of corporate social responsibility. The goal is to encourage well-established companies to shape their corporate governance cultures, to achieve a sound capital market and to expand scope of conformance with international standards.



Taiwan Mobile achieved excellent results in the evaluation among the 798 listed companies that participated. We ranked among the top 5% companies, along with industry leaders such as TSMC, Delta Electronics and Fubon Financial. The excellent ranking achieved by TWM in the latest evaluation provides us with the incentive to continue to uphold our corporate philosophy of "managing with integrity." We will take full advantage of our core telecommunications expertise to fulfill our commitment to practicing corporate social responsibility in a comprehensive manner.

Global Views magazine First Prize in the CSR Annual Survey

At the Eleventh Global Views CSR Awards held in 2015, TWM was able to emerge victorious from among 100 participating companies and receive the Model Award in the CSR Annual Survey - Service and Financial section. Not only was this TWM's ninth CSR awards presented by Global Views, but we were also the only telecom services provider in Taiwan to win an award this year. At the Twelfth

Global Views CSR Awards in 2016, TWM again rose from among 131 competitors to receive First Prize in the CSR Annual Survey - Service section. We have brought together our operational and core resources to launch the CSR Vision 2020 Project, and we endeavor to maximize values for shareholders, employees and the society at large through a strategy for sustainability from the following three aspects: corporate governance, environmentally sustainable practices and social engagement.



Corporate Citizenship Awards presented by the Commonwealth Magazine

CommonWealth Magazine's "Corporate Citizenship Awards" selects Taiwan's top-ranked corporate citizens based on the following four criteria: corporate governance, corporate commitment, social engagement and environmental protection practices. In 2015 TWM was one of the top 10 large enterprises that received the "Corporate Citizenship Awards", and was selected from among more than 200 corporations amid fierce competition. This was the 8th time TWM had been honored with the award, and the acclaim that comes with this recognition has enabled TWM to become a model corporation in terms of CSR practice. TWM's performance was outstanding in the



"corporate governance" and "social engagement" categories. Apart from possessing a comprehensive corporate governance framework, we also actively engage ourselves in the digital cultural and creative industry, the iSharing volunteer platform and other social engagement activities that are closely associated with our core business. For these reasons we received high scores from the judging panel.

2. Recipient of the "Ten Most Sustainable Companies Awards" for the second consecutive time by the Taiwan Corporate Sustainability Awards (TCSA)

The Taiwan Institute for Sustainable Energy (TAISE) has organized the evaluation activities of the Taiwan Corporate Sustainability Awards (TCSA) annually for the past eight years. The Awards are designed to give recognition to model enterprises that fulfill their commitments to social responsibility and promote sustainable development, with the goal of improving the corporate social responsibility standards of Taiwanese enterprises as well as raising public awareness about the importance of corporate sustainability. In 2014 TAISE pioneered the "Ten Most Sustainable Companies Awards" category. Apart



TWM received the honors "Ten Most Sustainable Companies Awards", "Corporate Sustainability Reporting Gold Award, Integrity and Transparency Award", and the "Social Inclusion Award"

from evaluating companies based on their CSR reports, TAISE also examines each company's overall performance in accordance with the following five principal criteria: corporate sustainability vision and strategy; corporate governance; social welfare and charitable contributions; environmental protection; and CSR-related awards and achievements. Winning companies are selected from close to 100 outstanding Taiwanese enterprises based on rigorous standards.

TWM won four major awards in 2015 and stood out from nearly a hundred other excellent domestic corporations. These awards were: "Ten Most Sustainable Companies Awards", "Transparency and Integrity Awards", "Social Inclusion Award" and "Top 50 Corporate Sustainability Report Awards - Gold Award in the Telecommunication Industry". This was also the second time we were a recipient of the "Ten Most Sustainable Companies Awards". The panel of judges approved of TWM's commitment to becoming an international benchmark enterprise and our business practices founded on the principles of integrity and transparency. TWM's financial and operating performance has also been growing steadily, driving the success of its upstream, midstream and downstream partners in the industry chain. At the same time TWM promotes energy conservation and carbon reduction, efficient energy resources management, and green services to fulfill our environmental responsibility. In addition, we take advantage of our core competencies to supporting charities via a technological approach, and we endeavor to be an active contributor to social welfare.

TWM also won the "Top 50 Corporate Sustainability Report Awards - Gold Award in the Telecommunication Industry". Through our CSR report, which offers excellent and comprehensive information disclosure, high trustworthiness, communication effectiveness, and fulfillment of social responsibility, we have demonstrated our commitment to carrying out our corporate social responsibility. We value the transparency of corporate governance procedures and have demonstrated our integrity in our business practices. For these reason we were also a recipient of the "Transparency and Integrity Awards". The panel approved and recognized TWM's highly transparent corporate governance, financial statement disclosures and the code of conduct we have established for everyday business practices. We have truly internalized the concept of integrity into our

corporate culture. In addition, we employ voice services, broadband Internet, digital content, innovative services, corporate staff and other core resources to assist non-profit and charitable organizations, help reduce the digital divide that affects disadvantaged communities, promote inclusion, and invest in public welfare activities on a long-term basis. In recognition of these efforts the panel presented us with the "Social Inclusion Award".

Advertising awards and achievements

TWM is committed to providing users with a simple, pleasant and thoughtfully designed mobile lifestyle, and we aim to create the best user experience in mobile communication and to support our customers in their efforts to pursue a lifestyle that they desire. For these purposes we have launched the [4G / Time Capsule Message / Home 4G Internet] and a diverse selection of mobile services. Using promotional content and commercials that speak to the hearts of consumers, we have not only prompted extensive discussions among viewers and received their approval, but have been furthered commended by critics and expert judges in various advertising awards.

Date awarded	Award	Service
2015/12	Asia-Pacific Advertising Awards (China Times) Digital Media: Viral Marketing - Silver (Highest honor achieved by a Taiwanese corporation)	4G
Adapted from a comic scene in the Stephen Chow film God of Cookery, we have been successful in marketing the advantages of TWM's genuine 4G products and services to consumers with wittiness and humor		
2015/12	Asia-Pacific Advertising Awards - Special Award Digital Media: Mobile Marketing Award - Outstanding (Sole winner)	Time Capsule Message
The "Time Capsule Message", an industry first, is a service that spans across time, space, formats, and mobile carriers, allowing users to schedule text messages to be sent at a future date at no additional charge. It also lets mobile communication escape the confines of space and time and allow us to seal our feelings and emotions for safekeeping and send them in the future. This innovative method of communication brings warmth and magic to the lives of both sender and recipient.		
2015/12	2015 Top YouTube Ads in Asia-Pacific Sole winner in Taiwan	4G
2015/12	2015 YouTube Most Successful Commercial Ad in Taiwan	Home 4G Internet
2015/8	2015 Q2 Most Successful Commercial Ad in Taiwan Top of the leaderboard	
move Flirting Scholar. Consumers learn about the "Home 4G Internet" service through the incredibly cute performances put on by adorable children. We successfully attracted the attention of many Internet users, who promptly clicked on our link to read the content, engaged in discussions and shared on social media.		

Golden Visual Awards

The Golden View Awards, sponsored by the Ministry of Culture, encourages cable TV operators to produce quality local programs, to promote "public access channels," and to improve service quality. It is a major event for the cable TV industry in Taiwan. TWM Broadband's cable television operators have adhered consistently to the principle of producing quality local programs, serving the public in their respective areas of operations, and taking full responsibility as a local media organization so as to enhance the general public's understanding of all aspects of the local culture and human interests, and to improve the quality of cable TV services within local communities. We have on numerous occasions been recognized by the Ministry of Culture and selected as a recipient for the Golden Visual Awards. In particular,

Channel 03 (public access) of Union Cable TV was selected a finalist for 7 consecutive years. Of these 7 nominations Union Cable TV received awards for 5, and was awarded First Place in three of these instances.

2015

- Union Cable TV: First place, Public Access Channel Operation Award
- Yeong Jia Leh Cable TV: An employee in the Programming Department was awarded Best Coverage - Personal award for the program "City Records"

2014

- Union Cable TV: First place, Public Access Channel Operation Award

2013

- Union Cable TV: Second place, Public Access Channel Operation Award

3.5.2 Communication mechanism

Customer satisfaction surveys

Focus on the Voice of the Customer to Ensure Excellent Service Quality

TWM continue to employ different market survey tools (such as phone interviews, internet surveys, and focus group discussions) to track, review, and improve customer satisfaction levels. Different types of survey projects are carefully planned every year. The respondents range from the whole market to specific subscribers. Customer demands and opinions are analyzed on a regular basis and improvement plans or business strategies are formulated based on the survey results with the goal of an allout improvement of subscriber satisfaction levels.

Satisfaction surveys are conducted by designated internal units and commissioned external units. These surveys not only provide a clear understanding of the overall satisfaction of subscribers to the telecommunication market with telecommunication businesses or single items, they also allow businesses to compare their own performance with that of others, which can serve as the driving force

for continued growth of the company. Overall consumer satisfaction surveys regarding TWM are administered at least twice a year. This highlights the great importance we attach to consumer opinions and satisfaction levels.

TWM recorded stable overall satisfaction levels in 2015. The average score was 3.7, while the highest satisfaction level was achieved in the category of customer services with a score of 4.4.

KPI for customer satisfaction	2013	2014	2015
Overall satisfaction level	3.7	3.7	3.7
Satisfaction with voice quality	3.7	3.7	3.7
Satisfaction with customer services	4.4	4.3	4.4
Satisfaction with store services	4.2	4.1	4.2

Note: A five-point scale is employed to determine satisfaction scores. 5. Very satisfied; 4. Satisfied; 3. Neutral, 2. dissatisfied; 1. Very dissatisfied; expressed in a scores from 1 to 5.

Transparent Complaint Channels

TWM has established an employee grievance system. The completely safe reporting mechanism enables employees to submit opinions and feedback in a secure and confidential manner. The Internal Audit Office has developed guidelines for the governing of employee and vendor complaints. An e-mail address dedicated to receiving complaints has also been set up and is available from the Internal Audit Office and Vendor Procurement sections. Alternatively, those seeking to lodge a complaint may also send a fax directly to the Internal Audit Office's complaints hotline. A total of 11 complaints were received in 2015 and have all been resolved. Any incidents of sexual harassment can be reported to the HR Division. This complaints channel is also announced during orientation sessions for new employees and on the internal website. No cases of sexual harassment were reported in 2015. TWM believes that the employer-employee consultation mechanism is very important. Labor representatives are elected directly by employees and regular employer-employee meetings are convened to ensure free and unobstructed communication.

Promoting Low-carbon Cloud Services

We endeavor to promote everyday digital experiences by introducing the general public to a more convenient and intelligent new lifestyle

Based on the service usage characteristics and behavior of different groups, TWM has planned a variety of experience activities tailor-made for these groups. We encourage users to use our telecom services via the online platforms in order to allow technologies associated with digital convergence to bring them new, easily accessible conveniences. Whether it is the TWM website, Internet stores, or innovative value-added service apps, users can access them all anytime, anywhere. These platforms open up new possibilities, offer consumers an even better quality of life, and allow them to enjoy the great conveniences of digital technology. Subscribers may enjoy first-hand access to these resources from all location using any form of computing device, including smartphones, tablets and laptops. At the same time they will also be able to conserve the earth's resources so that we may all enjoy a convenient yet eco-friendly digital lifestyle.

In 2015 we organized a total of 148 events of different sizes to promote our innovative services. Mobile apps providing brand new

We have a comprehensive customer complaint and dispute management mechanism. A customer may register a complaint either via the customer service hotline or by visiting one of our service outlets in person. The complaint will be immediately logged into our system and assigned a deadline. We will then follow up on the complaint and contact the customer with our response by the deadline. No major complaints regarding environmental, social, or human rights related issues were received in 2015. Please refer to Section 3.3.2 for related management mechanism.

Examples: proper handling of complaints

TWM has commissioned President Transnet Corp. to provide logistics and delivery services for its products. If negligence on the part of personnel leads to damage or loss of products or customer application data during the delivery process, products will be reshipped immediately and relevant requirements will be reissued by TWM. The company also convenes regular routine meetings with President Transnet Corp. to conduct inspections and reviews of procedures and cases with the goal of optimizing the quality of services. There were 21 cases reported in 2015 which were handled in an appropriate and satisfactory manner.

Promoting online telecom services platforms

- In October 2005 we began to promote our telecom services via our brand website and Internet stores, and began offering an extended number of online telecom services
- For example, our subscribers are able to pay their phone bills, look up their rate plans and contracts, apply for international roaming service, apply for special telecom offers, and top up their pre-paid cards via the brand website, Internet stores or the Mobile Customer Service app
- Subscribers visit our brand website about 50 million times a month to access our online services
- The Mobile Customer Service app has been downloaded more than 2 million times and is accessed approximately 400,000 times a month
- Internet stores generate about 10,000 applications for special subscription service offers. The total annual turnover of the Internet stores is about that of five direct stores combined.

digital services were experienced 187,109 times, with 101,216 downloads of these new apps. We invested a total of NT\$13 million in these promotional activities. In 2016 we allocated a budget of approximately NT\$10 million for the same purposes. In the future, we will continue to set aside funds for promoting new services and to introduce consumers to a whole new world of digital living with better and greater convenience.



Promoting mobile apps that offer innovative services

- "International Book Fair" - this "myBook" mobile reading app allows users to read electronic content anytime and anywhere, making digital reading a fun and rewarding habit.
- "Taipei International Travel Fair" - The "Wali" smart wallet app allows users to experience the convenience of mobile payment through waiting-free ticket purchases.
- "IT Month", "Taipei Computer Applications Show" and "Taipei Spring Computer Show" - TWM booths are set up to promote new digital services that allow the public to experience an intelligent mobile lifestyle first-hand.
- The TWM Taipei Syntrend store opened with fanfare in May 2015. This new venue has been transformed into a technology gallery filled with avant-garde ambiance, allowing consumers to experience different digital services and lifestyles in a brand new world.
- We partnered with TLC to organize the "TLC Taipei Picnic Day" and "Ocean Picnic Day," in which we incorporated the environmental concept of "Leave No Trace". Apart from dispatching 4G mobile Internet vehicles that provide new and exciting user experience opportunities, we also promote the "Leave No Trace" concept by fulfilling the visual (myVideo and myBook) and auditory (myMusic)

sensory needs of our users and enabling them to send messages to the future (with the Time Capsule Message app).

- "Mini Concerts" - We have invited a number of talented singers, such as Leheane (Rachel Liang), Alines (Jane Huang) and Genie Chuo to perform in physical concerts so that fans may enjoy incredible music feasts free of charge.
- "Hito Music Awards" - We collaborated with Hito FM in 2015 to sponsor the Hito Music Awards as a means of giving back to the members and fans of our myMusic platform, who arrived at the venue to enjoy the singers' performances and the pleasures of musical and visual fulfillment. Outside the performance venue we also made available a free experience area for myMusic and introduced the fans to the wonderful world of digital music.
- "Taipei New Year's Eve Countdown Party" - We maintaining stable Internet quality at the venue by strengthening the signal, we also promoted digital services and provided free mobile device charging service, thus allowing the public to experience the thrill of high-speed 4G Internet access and to share the emotional joys and great memories of New Year's Eve fireworks.
- "Taipei International Marathon" - We actively provide tailor-made mySports app services for different types of users. The app records the trajectories of the user's exercise activities and allows them to have a more enjoyable athletic experience.





4

Appendix



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Independent Limited Assurance Report

To Taiwan Mobile Co., Ltd.

We have been engaged by Taiwan Mobile Co., Ltd. ("TWM") to provide limited assurance on the Corporate Social Responsibility Report of TWM for the year ended December 31, 2015 ("the Report").

TWM's Responsibilities

TWM is responsible for the preparation and presentation of the Report, and for the information and assertions contained within it for determining TWM's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

In preparing the Report, TWM applied the Global Reporting Initiative's ("GRI") Sustainability Reporting Guidelines (G4) Comprehensive option as set forth in "About This Report" section of the Report.

Our Responsibilities

We conducted our engagement in accordance with Assurance Standards Gazette No. 1 of the Republic of China: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the Accounting Research and Development Foundation ("Foundation"), which requires that we comply with applicable ethical requirements and independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

Our engagement was designed to carry out a limited assurance engagement and to express a conclusion on whether the information in the Report is fairly stated in all material respects, based on GRI G4 Comprehensive option, excluding the Report's section on Greenhouse Gas Emissions (Scope 1, 2 and 3) and associated energy, electricity consumption related data, of which the disclosures will be verified (and modified if necessary) independently by BSI Pacific Ltd., Taiwan Branch. Consequently, we will not express a conclusion on the Greenhouse Gas Emissions (Scope 1, 2 and 3) and associated energy, electricity consumption related data.

Summary of Work Performed

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures included:

- Inquiries of management to gain an understanding of TWM's processes for determining the material issues for TWM's key stakeholders;
- Interviews with management and relevant staff at TWM concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at TWM responsible for providing the information in the Report;

本報告係根據安侯建業聯合會計師事務所與台灣行動通訊股份有限公司訂立之契約而提供，其內容僅供參考，不得作為任何法律行為之依據。如有任何爭議，應以契約為準。



- Inquiries about the design and implementation of key systems and methods used to collect and process the information reported, including the aggregation of data into information as presented in the Report;
- A visit to a data center selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources on a sample basis, to determine whether the relevant information contained in such underlying sources has been included in the Report;
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of TWM.

A limited assurance engagement is substantially less in scope, based on the extent of evidence-gathering, than a reasonable assurance engagement conducted in accordance with Assurance Standards Gazette No. 1 of the Republic of China or an audit conducted in accordance with Auditing Standards, issued by the Foundation. Therefore, the extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, thus a lower level of assurance is provided, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement.

Where the Report has included information or year-on-year comparisons of information not contained in previous reports, we have examined information for 2015, but have not examined the information for previous years.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Report of TWM for the year ended December 31, 2015 is not presented fairly, in all material respects, in accordance with GRI G4 Comprehensive Option.

Our limited assurance report is made solely to TWM in accordance with the terms of our engagement. Our work has been undertaken so that we might state to TWM those matters we have been engaged to state in this limited assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than TWM for our work, for this limited assurance report, or for the conclusions we have reached.

Taipei, Taiwan

June 21, 2016

Notice to reader

The assurance report and the accompanying Corporate Responsibility Report are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language assurance report and Corporate Responsibility Report, the Chinese version shall prevail.

GRI(Global Reporting Initiative) G4 Index

● Full Disclosure
◎ Partial Disclosure

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ◎	Reasons for Non-disclosures
General Standard Disclosures				
Strategy and analysis				
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Letter to Stakeholders	●	
G4-2	Description of key impacts, risks, and opportunities.	2.3 Analysis of Risks and Opportunities /3.2.23.2.2 Carbon Emission Risk Management	●	
Organizational profile				
G4-3	Name of the organization.	1.1 Company Overview	●	
G4-4	Primary brands, products and services.	1.1 Company Overview 3.1.1 Operating Performance	●	
G4-5	Location of organization's headquarters.	1.1 Company Overview	●	
G4-6	Number of countries where the organization operates and names of countries.	1.1 Company Overview	●	
G4-7	Nature of ownership and legal form.	1.1 Company Overview	●	
G4-8	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	3.1.1 Operating Performance	●	
G4-9	Scale of the reporting organization.	3.1.1 Operating Performance / 2.1 Sustainability Vision and Strategy-The review of 2015 3.4.2 Talent Development and Retention-Employee structure	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ◎	Reasons for Non-disclosures
G4-10	Total workforce by employment type, gender, employment contract and region.	3.4.2 Talent Development and Retention-Employee structure	●	
G4-11	Percentage of employees covered by collective bargaining agreements.			No labor union
G4-12	Describe the organization's supply chain.	3.1.4 Supplier Management- Overview of industry chains	●	
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.			No significant change
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	1.4 Risk Management 3.2.2 Carbon Emission Risk Management	●	
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	2.4 Stakeholders and Materiality Analysis 3.2.3 Green Energy Applications	●	
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization.	See Appendix	●	
Identified material aspects and boundaries				
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents; b. Report whether any entity included in the organization's consolidated financial statements or equivalent	a. Please refer to the Annual Report 2015 b. This report covers only this Company and the Taiwan Mobile Foundation, while other subsidiaries are not included in this report.	●	
G4-18	a. Process for defining report content and the Aspect Boundaries b. Explain how the Reporting Principles has been implemented the Reporting Principles for Defining Report Content.	2.4 Stakeholders and Materiality Analysis	●	
G4-19	List all the material Aspects identified in the process for defining report content.	2.4 Stakeholders and Materiality Analysis	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation	Reasons for Non-disclosures
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	2.4 Stakeholders and Materiality Analysis	●	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	2.4 Stakeholders and Materiality Analysis	●	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	-		N/A
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	About this Report	●	
Stakeholder engagement				
G4-24	List of stakeholder groups engaged by the organization.	2.4 Stakeholders and Materiality Analysis-Identifying Stakeholders	●	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	2.4 Stakeholders and Materiality Analysis-Identifying Stakeholders	●	
G4-26	Approaches to stakeholder engagement.	2.4 Stakeholders and Materiality Analysis-Stakeholder Communication Mechanism	●	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	2.4 Stakeholders and Materiality Analysis	●	
Report profile				
G4-28	Reporting period for information provided.	About this Report	●	
G4-29	Date of most recent previous report.	About this Report	●	2014/1/1 to 12/31

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation	Reasons for Non-disclosures
G4-30	Reporting cycle.	About this Report	●	
G4-31	Contact point for questions regarding the report or its contents.	About this Report	●	
G4-32	a. Report the 'in accordance' option the organization has chosen b. Report the GRI Content Index for the chosen option c. Report the reference to the External Assurance Report, if the report has been externally assured. Policy and current practice with regard to seeking external assurance for the report. Reporting period for information provided.	About this Report	●	
G4-33	Date of most recent previous report.	About this Report	●	
Governance				
G4-34	Governance structure of the organization.	1.2 Governance Framework 1.3 Supervisory Mechanisms	●	
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	2.1 Sustainability Vision and Strategy-Organizational Framework and Functional Operations	●	
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	2.1 Sustainability Vision and Strategy-Organizational Framework and Functional Operations	●	
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	2.1 Sustainability Vision and Strategy-Organizational Framework and Functional Operations	●	
G4-38	The composition of the highest governance body and its committees.	1.2 Governance Framework / 1.3 Supervisory Mechanisms / 1.4 Risk Management	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ◎	Reasons for Non-disclosures
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer.	1.2 Governance Framework	●	
G4-40	Process for determining the qualifications and expertise of the members of the highest governance body members.	1.2 Governance Framework	●	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	1.2 Governance Framework / 1.3 Supervisory Mechanisms	●	
G4-42	Highest governance body/s and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	2.1 Sustainability Vision and Strategy / 1.2 Governance Framework	●	
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	1.2 Governance Framework	●	
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	1.2 Governance Framework / 2.1 Sustainability Vision and Strategy	●	
G4-45	The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Explain whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	2.1 Sustainability Vision and Strategy / 1.4 Risk Management	●	
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	2.1 Sustainability Vision and Strategy / 1.4 Risk Management	●	
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	2.1 Sustainability Vision and Strategy / 1.4 Risk Management	●	
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	This CSR report has been approved by the chairman of this company.	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ◎	Reasons for Non-disclosures
G4-49	The process for communicating critical concerns to the highest governance body.	2.1 Sustainability Vision and Strategy- Organizational Framework and Functional Operations / 1.2 Governance Framework	●	
G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	2.1 Sustainability Vision and Strategy- Organizational Framework and Functional Operations	●	
G4-51	The remuneration policies for the highest governance body and senior executives. And how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	1.2 Governance Framework	◎	
G4-52	The process for determining remuneration; Whether remuneration consultants are involved in determining remuneration and whether they are independent of management.	2 Governance Framework	●	
G4-53	Explain how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Theremuneration for senior executives has been determined through participation in the Compensations Committee and the Board Directors. / 1.2 Governance Framework	●	
G4-54	The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	3.4.2 Talent Development and Retention- Remuneration and Benefits	●	
G4-55	The ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	3.4.2 Talent Development and Retention- Remuneration and Benefits	●	
Ethics and integrity				
G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	3.1.3 Ethical Corporate Management	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ◎	Reasons for Non-disclosures
G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	3.1.3 Ethical Corporate Management /3.4.2 Talent Development and Retention -LOHAS Workplace /3.5.2 Communication Mechanism-Transparent Complaint Channels	●	
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	3.1.33.1.3 Ethical Corporate Management /3.5.2 Communication Mechanism-Transparent Complaint Channels	●	
Specific Standard Disclosures				
Economic				
Economic performance				
DMA		3.1 Ethical Governance	●	
G4-EC1	Direct economic value generated and distributed	2.1 Sustainability Vision and Strategy - The review of 2015/ 3.1.1 Operating Performance	●	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	3.2.2 Carbon Emission Risk Management	●	
G4-EC3	Coverage of the organization's defined-benefit plan obligations	3.4.2 Talent Development and Retention-Remuneration and Benefits	●	
G4-EC4	Financial assistance received from government	3.1.1 Operating Performance-Tax Policy and Government Subsidies	●	
Market presence				
DMA		3.4.2 Talent Development and Retention	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ◎	Reasons for Non-disclosures
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	3.4.2 Talent Development and Retention-Remuneration and Benefits	●	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	3.4.2Talent Development and Retention-Employee structure	●	
Indirect economic impacts				
DMA		3.3 Creating Definitive Value 3.4 Social Care	●	
G4-EC7	Development and impact of infrastructure investments and services supported	3.4.1 Social Inclusion -Social Engagement	◎	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	3.3.3 Innovative Technological Applications 3.4.1 Social Inclusion / 3.4.3 Social Emergency Relief	●	
Procurement practices				
DMA		3.1.4 Supplier Management	●	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	3.1.4 Supplier Management	●	
Environment				
Energy				
DMA		3.2.1 Environmental and Energy Management Strategy 3.2.2 Carbon Emission Risk Management 3.3.2 Best Customer Experiences	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation	Reasons for Non-disclosures
G4-EN3	Energy consumption within the organization	3.2.2 Carbon Emission Risk Management	●	
G4-EN4	Energy consumption outside of the organization	3.2.2 Carbon Emission Risk Management	●	
G4-EN5	Energy intensity	3.2.2 Carbon Emission Risk Management	●	
G4-EN6	Reduction of energy consumption	3.2.2 Carbon Emission Risk Management	●	
G4-EN7	Reductions in energy requirements of products and services	3.2.2 Carbon Emission Risk Management	●	
Emissions				
DMA		3.2.1 Environmental and Energy Management Strategy /3.2.2 Carbon Emission Risk Management	●	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	3.2.2 Carbon Emission Risk Management	■	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	3.2.2 Carbon Emission Risk Management	■	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	3.2.2 Carbon Emission Risk Management	■	
G4-EN18	Greenhouse gas (GHG) emissions intensity	3.2.2 Carbon Emission Risk Management	●	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	3.2.2 Carbon Emission Risk Management	●	
G4-EN20	Emissions of ozone-depleting substances (ODS)			We are not in the manufacturing industry and this aspect is thus inapplicable.

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation	Reasons for Non-disclosures
G4-EN21	NOx, SOx, and other significant air emissions			We are not in the manufacturing industry and this aspect is thus inapplicable.
Products and Services				
DMA		3.2.1 Environmental and Energy Management Strategy /3.2.2 Carbon Emission Risk Management	●	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	3.2.3 Green Energy Applications /3.2.4 Product and Service Responsibility /3.3.3 Innovative Technological Applications	●	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category			Virtual services such as telecommunications and online multimedia are the characteristics of the industry in which this company operates. As we do involve in any manufacturing activities, this aspect is thus inapplicable.
Compliance				
DMA		3.1.2 Legal Compliance	●	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	3.1.2 Legal Compliance		No significant non-compliance was reported.
Supplier environmental assessment				
DMA		3.1.4 Supplier Management	●	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	3.1.4 Supplier Management-Green Procurement	◎	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation	Reasons for Non-disclosures
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	3.1.4 Supplier Management	●	
Environmental grievance mechanisms				
DMA		3.5.2 Communication Mechanism /3.3.2 Best Customer Experiences	●	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	3.5.2 Communication Mechanism	●	
Labor practices and decent work				
Employment				
DMA		3.4.2 Talent Development and Retention	●	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	3.4.2 Talent Development and Retention- Employee structure	●	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	3.4.2 Talent Development and Retention-Remuneration and Benefits	●	
G4-LA3	Return to work and retention rates after parental leave, by gender	3.4.2 Talent Development and Retention-Remuneration and Benefits	●	
Labor/Management relations				
DMA		3.5.2 Communication Mechanism	●	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	3.5.2 Communication Mechanism	●	We do not have a labor union. If this happens, we will handle it with reference to applicable laws and regulations.

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation	Reasons for Non-disclosures
Occupational health and safety				
DMA		3.4.2 Talent Development and Retention-LOHAS workplace	●	
G4-LA5	Percentage of total workforce represented in formal joint management - worker health and safety committees that help monitor and advise on occupational health and safety programs	3.4.2 Talent Development and Retention-LOHAS workplace	●	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	3.4.2 Talent Development and Retention-LOHAS workplace	●	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	3.4.2 Talent Development and Retention-LOHAS workplace	●	
G4-LA8	Health and safety topics covered in formal agreements with trade unions			No labor union
Training and education				
DMA		3.4.2 Talent Development and Retention	●	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	3.4.2 Talent Development and Retention	●	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	3.4.2 Talent Development and Retention	●	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	3.4.2 Talent Development and Retention	●	
Diversity and equal opportunity				
DMA		3.4.2 Talent Development and Retention	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ◎	Reasons for Non-disclosures
G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	3.4.2 Talent Development and Retention / 1.2 Governance Framework	●	
Equal remuneration for women and men				
DMA		3.4.2 Talent Development and Retention	●	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	3.4.2 Talent Development and Retention	●	
Supplier assessment for labor practices				
DMA		3.1.4 Supplier Management	●	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	3.1.4 Supplier Management	◎	
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	3.1.4 Supplier Management	●	
Labor practices grievance mechanisms				
DMA		3.5.2 Communication Mechanism-Transparent Complaint Channels	●	
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	3.5.2 Communication Mechanism-Transparent Complaint Channels	●	
Human rights				
Non-discrimination				

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ◎	Reasons for Non-disclosures
DMA		3.4.2 Talent Development and Retention	●	
G4-HR3	Total number of incidents of discrimination and actions taken	3.4.2 Talent Development and Retention		N/A
Freedom of association and collective bargaining				
DMA		3.5.2 Communication Mechanism-Transparent Complaint Channels / 3.4.2 Talent Development and Retention	●	
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights			N/A
Child Labor				
DMA		3.4.2 Talent Development and Retention	●	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor			N/A
Forced or compulsory labor				
DMA		3.4.2 Talent Development and Retention	●	
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor			N/A
Supplier human rights assessment				

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation	Reasons for Non-disclosures
DMA		3.1.4 Supplier Management	●	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	3.1.4 Supplier Management	◎	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	3.1.4 Supplier Management	●	
Human rights grievance mechanisms				
DMA		3.5.2 Communication Mechanism-Transparent Complaint Channels /3.3.2 Best Customer Experiences	●	
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	3.5.2 Communication Mechanism-Transparent Complaint Channels	●	
Society				
Anti-corruption				
DMA		3.1.3 Ethical Corporate Management	●	
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified			N/A
G4-SO4	Communication and training on anti-corruption policies and procedures	3.1.3 Ethical Corporate Management	●	
G4-SO5	Confirmed incidents of corruption and actions taken	3.1.3 Ethical Corporate Management	●	
Anti-competitive Behavior				

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation	Reasons for Non-disclosures
DMA		3.1.13.1.1 Operating Performance /3.1.3 Ethical Corporate Management/3.1.2 Legal Compliance	●	
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	3.1.3 Ethical Corporate Management		N/A
Compliance				
DMA		3.1.2 Legal Compliance	●	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	3.1.2 Legal Compliance	●	
Supplier assessment for impacts on society				
DMA		3.1.4 Supplier Management	●	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	3.1.4 Supplier Management	◎	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	3.1.4 Supplier Management	●	
Grievance mechanisms for impacts on society				
DMA		3.3.2 Best Customer Experiences /3.5.2 Communication Mechanism	●	
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	3.5.2 Communication Mechanism	●	
Product responsibility				

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ○	Reasons for Non-disclosures
Customer health and safety				
DMA		3.3.1 Digital Trust -Free EM wave measurement services and promotion of safety awareness	●	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	3.3.1 Digital Trust -Free EM wave measurement services and promotion of safety awareness	●	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	3.3.1 Digital Trust -Free EM wave measurement services and promotion of safety awareness		N/A
Product and service labeling				
DMA		3.5.1 Market Brand Image /3.3.2 Best Customer Experiences -Rate Transparency	●	
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	-		All of our major services Compliant with Administrative Regulation Governing Tariffs of Type I Telecommunications Enterprises- Article 12.j
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	3.5.2 Communication Mechanism-Customer satisfaction surveys		N/A
G4-PR5	Results of surveys measuring customer satisfaction	3.5.2 Communication Mechanism-Customer satisfaction surveys	●	
Customer privacy				
DMA		3.3.1 Digital Trust	●	

Profile disclosure	Description	Page & Description	BSI External Assurance KPMG Limited Validation ● / ○	Reasons for Non-disclosures
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	3.3.1Digital Trust/3.5.2 Communication Mechanism-Customer satisfaction surveys	●	
Compliance				
DMA		3.1.2 Legal Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	3.1.2 Legal Compliance		

Participation of Taiwan Mobile in various associations and societies

Bridge Mobile Pte Ltd	Taiwan Internet and E-Commerce Association
Global e-Sustainability Initiative, (GeSI)	Taiwan Digital Publishing Forum
GSM MoU Association	Cross-Strait CEO Summit
Chinese Public Companies Stock Affairs Association	Yilan Chamber of Commerce
Chinese International Economic Cooperation Association	Taiwan Corporate Governance Association
Chinese Non-Store Retailer Association	Chinese National Association of Industry and Commerce
Chinese Computer Audit Association	The Institute of Internal Auditors, Taiwan
Satellite Television Broadcasting Association R.O.C.	Business Council for Sustainable Development of Taiwan
Taipei Computer Association	Turnaround Management Association, Taiwan
Taipei Multimedia Production Association	Taiwan Corporate Governance Association
Taiwan Mergers & Acquisition and Private Equity Council	Cable Broadband Institute in Taiwan
itSMF-Taiwan Chapter	Taiwan Chain Stores and Franchise Association
Taiwan Telecommunication Engineering Industry Association	Chinese Professional Management Association
Taiwan Electrical and Electronic Manufacturers' Association	Audit Bureau of Circulations
Taiwan Communications Society	Taiwan Network Information Center
Cloud Computing Association in Taiwan	Kaohsiung Chamber of Commerce
Taiwan Telecommunication Industry Development Association	Digital Marketing Association
	Taiwan Contact Center Development Association

Sustainable Development Goals, SDGs

 <p>1 No Poverty: End poverty in all its forms everywhere.</p> <p>3.4.1</p>	 <p>2 Zero Hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p> <p>N/A</p>	 <p>3 Good Health and Well-Being: Ensure healthy lives and promote well-being for all at all ages.</p> <p>3.4.2</p>	 <p>4 Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p> <p>3.4.1/3.4.2</p>	 <p>5 Gender Equality: Achieve gender equality and empower all women and girls/opportunities for all.</p> <p>3.4.2</p>
 <p>6 Clean Water and Sanitation: Ensure availability and sustainable management of water and sanitation for all.</p> <p>N/A</p>	 <p>7 Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable and modern energy for all.</p> <p>3.2.3</p>	 <p>8 Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p>3.4.2</p>	 <p>9 Industry, Innovation and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p> <p>3.3.2</p>	 <p>10 Reduced Inequalities: Reduce inequality within and among countries.</p> <p>N/A</p>
 <p>11 Sustainable Cities and Communities: Make cities and human settlements inclusive, safe, resilient and sustainable.</p> <p>N/A</p>	 <p>12 Responsible Consumption and Production: Ensure sustainable consumption and production patterns.</p> <p>3.3.3</p>	 <p>13 Climate Action: Take urgent action to combat climate change and its impacts.</p> <p>3.2.2</p>	 <p>14 Life Below Water: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p> <p>N/A</p>	 <p>15 Life on Land: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse.</p> <p>N/A</p>
 <p>16 Peace, Justice and Strong Institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p> <p>3.2.1/3.5.2</p>	 <p>17 Partnerships for the Goals: Strengthen the means of implementation and revitalize the global partnership for sustainable development.</p> <p>3.1.4/3.2.3</p>			



Taiwan Mobile

**Corporate Social
Responsibility Report**

2015