



2018 EVA AIR Corporate
Social Responsibility Report

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Third Party Assurance Statement

Message from the Management

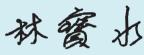
"EVA Air 30th Anniversary – Excellence beyond Compare."

EVA Air is 30 years old! While celebrating EVA Air's milestone, Chairman Steve Lin encourages all of its employees to "enjoywhat you do to achieve greatness." He also hopes that everyone will continue to use positive energy, making EVA Air the world's safest airline that provides the best services. Meanwhile, President Clay Sun pointed out: "During these 30 years, EVA Air has won approval by customers around the globe and obtained many international professional awards in terms of flight safety or services. It is because we have upheld the philosophy of "enjoy flying" that we are able to bring about the best team spirit and provide our passengers with the safest and most comfortable journeys."

EVA Air has committed itself to "fulfillment of corporate social responsibility" along the way. Over the years, we have published the "Corporate Social Responsibility Report" annually to disclose our concrete results in terms of governance, environmental protection, and social contribution. Furthermore, we have included the concept of "sustainability" in our business objectives; "safety, service, and sustainability" have become the core objectives of EVA Air's operations.

In order to strengthen our actions in response to corporate social responsibility, we have devised guidelines for the Company's sustainability strategies by referring to UN Sustainable Development Goals (SDGs). Also, this year, we reinforced the organizational structure of the "Corporate Social Responsibility Committee", while introducing the indicator regulations of "Dow Jones Sustainability Index (DJSI)" to serve as the internal work guidelines and motivation for continuous effort in improving the work relating to corporate social responsibility.





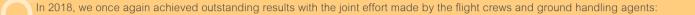


Chia-Ming Sun President, EVA Air









1. Respect to corporate governance

With respect to corporate governance, annual revenue last year reached 135.6 billion NTD and the number of the passengers was 12.54 million, both of which were at record highs. In addition, we continued to win various awards from Taiwan and overseas. For instance, EVA Air has received recognition with extraordinary performance through the "Corporate Governance Evaluation" organized by Taiwan Stock Exchange Corporation (TWSE), and was selected as one of "The World's Top 20 Safest Airlines" by AirlineRatings.com for the sixth consecutive year, named one of "The World's 5-Star Airlines" by Skytrax for the third consecutive year; Skytrax also ranked EVA Air the 5th in "The World's Top 10 Airlines", 1st in "the Airline with the Best Airport Services", and 2nd in "Asia's Best Airline Staff". Meanwhile, TripAdvisor ranked EVA Air the 5th in "The World's Ten Best Airlines", and selected it as one of "Top 10 Airlines in Asia", "Best Business Class in Asia" and "Best Premium Economy Class in Asia."

2. Respect to environmental sustainability

With respect to environmental sustainability, we introduced the eco-friendly 787 Dreamliners successively in response to the Company's environmental goals of saving energy and reducing emissions of carbon dioxide and other greenhouse gases, so as to lessen the impact of the aviation industry on the environment. The 787 Dreamliners are made lighter through the extensive use of carbon fiber composite materials. Also, fluorescent lamps were replaced by LED lighting to drastically reduce energy consumption. With the latest GEnx engine manufactured by General Electric, the aircraft lowers aviation fuel consumption and greenhouse gas emissions by 20%, compared with the traditional wide-body aircraft. In terms of environmental and energy management, we expanded the scope of tracking and verification using the "ISO 14001 Environmental Management System" and "ISO 50001 Energy Management System" from the Headquarters in Nankan Park to other office buildings. In addition, we obtained verification by a third-party organization for "ISO 14064-1 International Standard for GHG Inventory."

3. Respect to social participation

With respect to social participation, EVA Air continued to participate in social contribution activities. Besides cash, tickets, various resources, and donation of goods, we worked with universities in Taiwan to help cultivate aviation talents. We also actively sponsored international performance groups in the arts and culture sector to come to Taiwan, as well as bringing in world-class exhibitions. Furthermore, we sponsored Taiwanese athletes to compete abroad, and supported a number of tennis and badminton tournaments. In the meantime, in collaboration with Taipei City Government's Department of Information and Tourism and New Taipei City Government's Tourism and Travel Department, EVA Air held tourism exhibitions and travel promotional events abroad to attract tourists from around the world, which helped facilitate Taiwan's economic growth.

EVA Air is marching towards the next 30 years with pride. Upholding the spirit of "giving back to society", we earnestly work together to boldly face challenges and innovate. We endeavor to achieve an all-win situation for our employees, shareholders, customers, and stakeholders. Together, we can embrace a wonderful future of sustainable flying.

2019 June

About This Report

Since its establishment in 1989, EVA Air has been placing importance on fulfilling its corporate social responsibility (CSR) through active practices in corporate governance, environmental protection and social engagement, based on the objective of sustainable management. We insist on strict flight safety standards and quality service; as a result, we have received recognition by many important domestic and international awards. EVA Air values the relevance of the domestic and overseas developmental trends of corporate social responsibility to our core businesses, as well as the influence of our entire business operations on our stakeholders. Therefore, we have expressively stipulated our CSR policy, system, management guidelines and concrete implementation plan. To strengthen the mutual interaction with our stakeholders and meet their expectations in terms of EVA Air's efforts in addressing issues of flight safety, services, economics, environment and society, ever since 2014, we have been abiding by our principle of open information, transparency and integrity and published the Corporate Social Responsibility (CSR) Report every year. This report is the 6th CSR report on disclosing our results regarding sustainable management for 2018, and our outlook on the future.

Report Management

Management Division

EVA Air Corporate Social Responsibility Committee, which is directly subordinate to the President and comprises 6 sub-committees, is responsible for managing this report. To ensure that the report is accurate and meets the stakeholders' expectations, the content of this report was provided and jointly compiled by various departments. Afterwards, EVA Air Corporate Responsibility Committee examined the report content and provided suggestions. All of the content was published after approved by all sub-committees and the President.

Internal Review

EVA Air has long been collecting worldwide information on material issues related to aviation, economics, environment and society. As the Corporate Social Responsibility Committee implements significant analyses, the specific impacts of the issues on the Company's operations were well identified. Via various communication channels, we have obtained the issues the stakeholders are most concerned, from among which we identified and screened the material issues for EVA Air. These issues served as the foundation for disclosing the information about the Company's sustainability in this report. All the statistical data revealed in this report were provided and organized by various departments of EVA Air. We entrusted an external professional consulting team to suggest the report's framework and disclosure direction. The basic draft was then edited step by step through discussions with the consulting team. The final draft was reviewed by the head of each department and then presented in this annual report after the President's approval.

External Review

This report has passed the validation conducted by SGS Taiwan Ltd. and accords with GRI Standards Core Option and high assurance standard of the AA1000 AS 2008 TYPE II. The independent assurance statement is attached at the end of this report. In addition, the financial statement data disclosed in this report are the financial statements audited by KPMG, and the currency of the data is presented in NTD. The Greenhouse Gas Emissions (ISO 14064-1), Environment Management System (ISO 14001), Energy Management System (ISO 50001), Occupational Health and Safety Management System (ISO 45001) have been verified by Bureau Veritas Certification (Taiwan) Co., Ltd.

Boundaries and Data

The information boundaries disclosed in this report encompass the up- and down-stream business entities with business relationships, including (EVA Air and its subsidiaries) and (business partners of value chains). For the inside of the organization, the operations in Taiwan are the core of the disclosure in this report, including specific implementation, various performance data and explanations of the results of relevant planning of EVA Air in 2018 (from January 1, 2018 to December 31, 2018) regarding the aspects of governance, flight safety, services, economics, environment, society and supply chain management. The disclosure of financial and personnel information comprises the operation locations around the world. If other indicators are involved. they are explained separately in the report. When it comes to the impact on the subsidiaries and value chains, the report focuses on EVA Air's approach to management. In terms of the scope of disclosure, the report differs from the previous version in the way that the issues' impacts were delineated using the value chains to present the boundaries outside and inside of the organization. In the event of different measurements of data from the previous version, notes concerning the differences can be found below such paragraph, figure or table.

Publication

EVA Air publishes a Corporate Social Responsibility Report every year, and provides a downloadable electronic version from the EVA Air CSR website: http://www.evacsr.com/pages/download_en.aspx



Contact Information

If you have any feedback, advice or suggestions regarding this report or the sustainable development of EVA Air, please feel free to contact Corporate Safety, Security & Environment Division of EVA Airways Corporation.











No. 376, Section 1, Hsin-Nan Road, Luchu District, Taoyuan City, Taiwan



Chapter Highlights

7-STAR SAFEST

According to the safety ratings published in 2018 by the global professional airline rating website, AirlineRatings.com, EVA Air was again selected as one of "Top 20 Safest Airlines," and won 7-star full score for its safety performance.



5-STAR AIRLINE The highest honor, SKYTRAX 5-STAR AIRLINE, and 13 major awards

The prestigious air transport rating organization SKYTRAX ranked EVA Air 5th place in the World's Top 10 Airlines, 1st place in World's Best Airport Services, 2nd place in Best Airline Staff in Asia, 2nd place in World's Best Airline Cabin Cleanliness, 3rd place in Best Airlines in Asia, 3rd place in Best Business Class Comfort Amenities, 5th place in World's Best Airline Cabin Crew,7th place in World's Best Premium Economy Class Airlines, 7th place in Best Economy Class Airline Catering, 8th place in Best Premium Economy Class Airlines,8th place in Best Economy Class Airlines,8th place in Best Economy Class Airline Seats, 10th place in World's Best Business Class Airlines

World's Top20 Safest Airlines

Selected as one of the World's Top 20 Safest Airlines announced by Jet Airliner Crash Data Evaluation Centre (JACDEC).

ZERO DEFECTS

Passed the biennial IOSA certification for 8 consecutive times with "zero findings" and was the first airline to pass the certification in Taiwan.

3rd place in the "2018 Top 100 Most Attractive Employers for Younger Generations"

Top 3 in the "2018 Top 100 Most Attractive Employers for Younger Generations" Number 1 in the "2018 Most Attractive Employers for Younger Generations - the transportation industry" in Cheers Magazine.

Platinum Award in the Category of Transportation Industry among Top 50 Corporate Sustainability Report Awards

In 2018, our Corporate Social Responsibility Report won the Taiwan Corporate Sustainability Award given by the Taiwan Institute for Sustainable Energy, and was awarded Platinum Award in the category of transportation among "Top 50 Corporate Sustainability Report Awards".

Airline Passenger Experience Association (APEX)

Best Seat Comfort in Asia and Best Food and Beverage in Asia



TripAdvisor

- Top10 World's Best Airline Award 5th place
- Top10 Major Airlines in Asia
- Best Business Class in Asia
- Best Premium Economy Class in Asia
- Travellers' Choice Economy Class in Asia

Business Traveller

- Silver Medal for Best Business Class Sparkling
- Gold Medal for Best-presented Business Class Wine List

BEST SERVICES

Won Next Magazine's 15th "Top Service Award" and has been the top one in international airline industry for 15 years.

Sustainable Value Creation

About EVA Air **VouTube**

Since its establishment 30 years ago, EVA Air has upheld its corporate principles of "Challenge, Innovation and Teamwork", insisting on rigorous flight safety, service quality and corporate sustainability. Today, EVA Air has a fleet of over 70 aircraft; its destinations include near 60 cities in Asia, Australia, Europe and America. Through strategic alliances with the world's leading airlines, EVA Air has created a globally comprehensive network. We also collaborate with Uni Airways Corp. to provide flight services to major cities in mainland China. As of April 2019, EVA Air has established 113 operating locations in 19 major countries around the world, as well as flight destinations across more than 59 major cities in Asia, Australia, Europe and America.

To become a more internationalized and competitive airline, EVA Air officially joined Star Alliance on June 18, 2013. A close-knit global network was formed through the strategic alliance of the member airlines to provide more than 18,800 flights every day to 1,300 destinations in 193 countries.

In 2015, EVA Air signed a contract with the Boeing Company to introduce 24 Boeing 787 Dreamliners, which are expected to be delivered successively from 2018. The Dreamliners adopted a large proportion of lightweight composite materials, such as carbon fiber, which will not only substantially reduce the aircraft body weight and aviation fuel consumption, but also effectively control cabin pressure, providing passengers with comfortable flight experiences. EVA Air has also once again upgraded its cabin designs, interiors and overall service quality to increase the Company's competitiveness and flight service quality.

Fly to the Future and the World

EVA Air has aimed at becoming the global top airline since the beginning of its operations. We will continue adhering to strict flight safety in the future, and serve our passengers like family, with our tremendous gratitude. We strive to fly to the future with a global view and expand our services to every corner of the world in the attempt to become the best airline in the world.

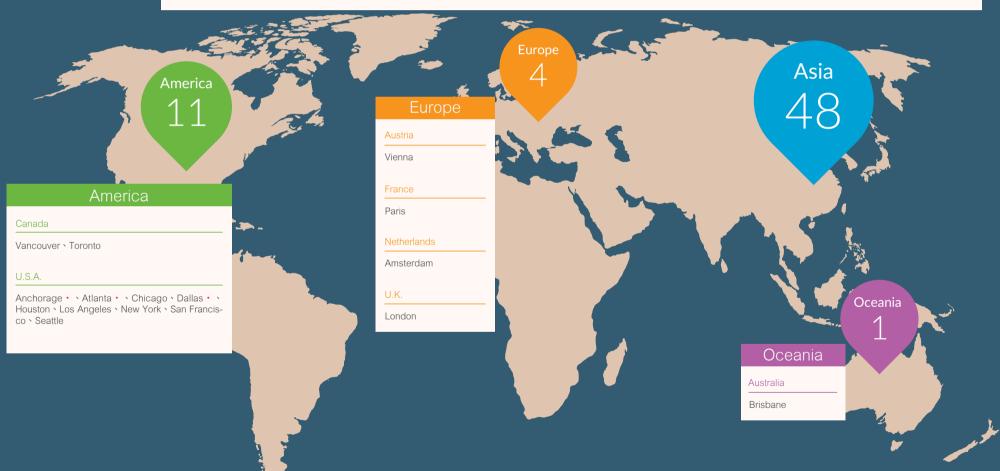
Unwavering Pursuit of Safety

Adhering to the concept "Never compromise on safety", EVA Air holds a perfect flight safety record and is ranked time and again among the top airlines in flight safety inspections conducted by civil aviation authorities in various countries and independent certification companies. We have been honored as one of the "World's Top 20 Safest Airlines" by JACDEC for many consecutive years. Furthermore, according to 2018 flight safety rating results announced by AirlineRatings.com, a global professional airline review site, EVA Air once again entered the ranks of "World's Top 20 Safest Airlines" among other top international airlines, and earned a 7 star rating for safety. EVA Air has remained true to the pursuit of flight safety and we will continue to push ourselves to reach even higher standards to provide passengers with safe and comfortable services.



Global Air Route Distribution





Note 1: Data updated as of April 2019

Note 2: Destinations marked with red dots (•) provide freighter services only.

Number of Aircraft

Average Age of the Fleet

Average Age of Passenger Aircraft

Average Age of Freighters

79

5.24 years

4.98 years

8.34 years

Passenger Aircraft













2

Cargo Aircraft





Note 1: The number of fleet as of December 31, 2018

Note 2: : EVA Air added a total of five (5) new aircraft in 2018 (2 x 787-9 and 3 x 777F). To enhance the competitiveness of passenger routes and the capacity of airfreight, EVA Air continues to expand its fleet. Two (2) Boeing 787-9, four (4) Boeing 787-10, and one (1) Boeing 777F are planned to deliver in 2019. EVA Air plans to take delivery of Taiwan's first Boeing 787-10 Dreamliner in the second quarter of 2019. It will be deployed to the new destinations in Australia and East Asia and to increase frequencies of existing routes.

EVA Air Value Chain

Aiming at becoming the best airline in the world, EVA Air has long been concentrating on its main duties, upholding the enterprise spirit of "challenges, innovation, teamwork" and the business philosophy of "safe and punctual flights, friendly and professional services, efficient and innovative operations." We put our emphasis on customers' needs. With a series of service systems from the upstream aircraft parts manufacturing and pilot training, through the ground support that provides logistics services, aircraft maintenance, and airline catering, to direct passenger and cargo services for our customers and products sales, we construct a comprehensive aviation value chain.

Upstream

- Aircraft manufacturers/ refitting factories
- ▶ Aircraft engine manufacturers
- Ground handling equipment manufacturers
- ▶ Aircraft leasing industry



Industry Chain

- Ground handling services
- Passenger and cargo
- transportation industries
- ▶ Aircraft maintenance industry
- ▶ Petroleum industry
- Airline catering industry

Downstream

- ▶ General public
- ▶ Travel agencies
- ▶ Freight forwarders
- Courier industry

Evergreen Aviation Technologies Corp.

Shareholding ratio

80%

Evergreen Airline Services Corp.

Shareholding ratio

56.33%

Evergreen Sky Catering Corp.

Shareholding

49.8%

Evergreen Air Cargo Services Corp.

Shareholding

60.625%

Evergreen Aviation Precision Corp.

Shareholding

40%

Hsiang Li Investment Corp.

Shareholding ratio

100%

Sky Castle Investment Ltd.

Shareholding ratio

100%

Evergreen Airways Service (Macau) Ltd.

Shareholding ratio

99%

PT Perdana Andalan Air Service

Shareholding ratio

51%

EVA Flight Training Academy

Shareholding ratio

100%

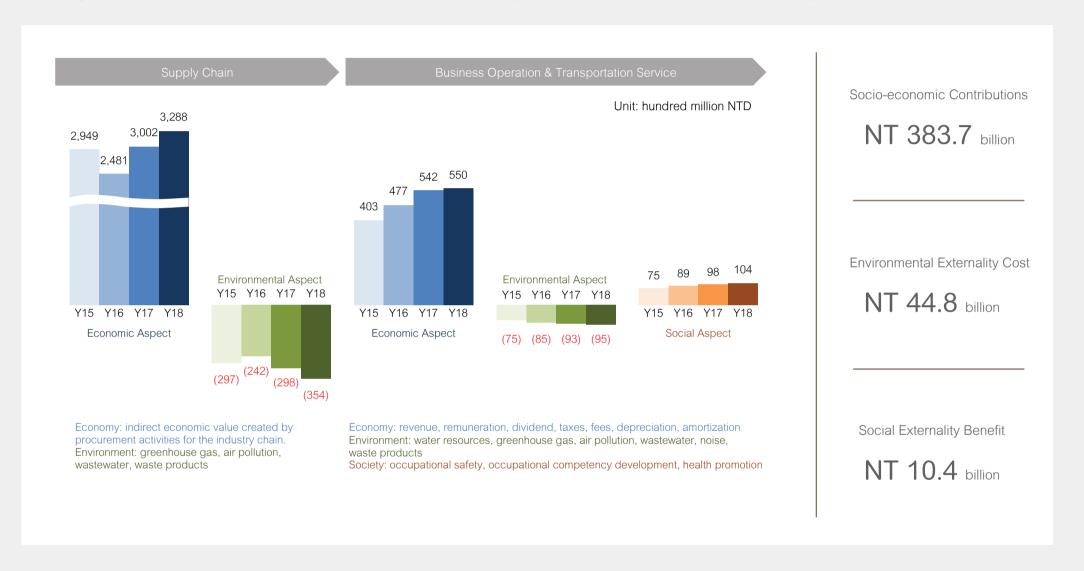
Main Services of EVA Air and Subsidiaries



Sustainability Impact Valuation

On the path of sustainable development, EVA Air always aims to become one of the world's best airlines. To promote more efficient management policies, from 2018, we started to jointly develop the sustainability impact valuation methodology with academic institutions, identifying the externality caused by value chain activities through the impact pathway approach, transforming the external effects of different attributes into consistent and comparable monetary terms with logical thinking of profit and loss, and establishing a more flexible business model to cope with the potential business risks and opportunities in a timelier

The results of the analysis show that in 2018, EVA Air had created a total of 383.7 billion in socio-economic contributions, 44.8 billion in environmental externality cost and 10.4 billion in social externality benefit. Among these, it was the most significant to use procurement activities to accelerate the development of the overall supply chain. With respect to the business operation and air transportation services, the environmental externality mainly came from the emission of greenhouse gases and noise, which accounted for 99%. As for the social externality, the economic benefit created by employees' competence development was most significant. In the future, we will continuously participate in the development of methodology to expand the scope of valuation and aim to create the long-term sustainable value for the Company.



Note 1. The social data on the supply chain were excluded because they were hard to collect.

Note 2. The economic contribution of the supply chain was estimated with the input-output analysis method by referring to the Preparation Report on 2011 Input-Output Tables issued by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, Republic of China.

Note 3. The environmental externality of supply chain was estimated by referring to the annual Preparation Report on Green National Income Account issued by the Directorate-General of Budget, Accountin

Note 4. The economic contribution of business operation and air transportation services was calculated based on the revenue and expenditures put to the stakeholders, and its data came from the annual report of the Company.

Note 5. The environmental externality of business operation and air transportation services was estimated by referring to the research reports and databases of US EPA (2016), ReCiPe (2016), LC-Impact (2016), IPCC (2006), UNEP & SETAC (2017), USEtox (2017), PWC UK (2015), and OECD (2012).

Note 6. The social externality of business operation and air transportation services was estimated by referring to the research reports of HSE (2017), Ecomatters (2016), WHO (2008), Jiune-Jye Ho (2005), and Chieh-Hsien Lee (2009).

Sustainability Performance and Results

EVA Air Past Sustainability Performance

Overall Performance

	2016	2017	2018	
Operating revenue (in thousands NTD)	Parent-Company-Only 115,495,819 Consolidated 144,679,665	Parent-Company-Only 125,314,160 Consolidated 163,561,731	Parent-Company-Only 135,620,650 Consolidated 179,907,332	
Gross margin (%)	Parent-Company-Only 13.75% Consolidated 13.19%	Parent-Company-Only 13.93% Consolidated 12.96%	Parent-Company-Only 13.26% Consolidated 12.29%	
Consolidated total assets (in thousands NTD)	217,663,404	228,207,228	241,193,903	

Passenger Transport Services

	2016	2017	2018	
Number of Passengers	11,243,505	12,129,059	12,541,877	
Growth Rate of Passengers (%)	11.71%	7.88%	3.40%	
Passenger Revenue (in thousands NTD)	85,862,878	92,437,502	99,077,690	
Growth Rate of Passenger Revenue (%)	4.88%	7.66%	7.18%	
Customer Satisfaction with Passenger Service	4.36	4.39	4.42	
Growth Rate of Membership (%)	7.17%	6.04%	7.81%	
Growth Rate of Passengers with Membership (%)	7.28%	6.51%	8.10%	

Cargo Services

	2016	2017	2018
Cargo Volume (ton)	610,993	642,709	649,184
Growth Rate of Cargo Volume (%)	-1.79%	5.19%	1.01%
Cargo Revenue (in thousands NTD)	22,207,130	24,841,078	27,642,897
Growth Rate of Cargo Revenue (%)	-14.89%	11.86%	11.28%
Customer Satisfaction of Cargo Services	4.34	4.39	4.35
Cold Chain Service Points	28	28	28

Electronic Services

	2016	2017	2018
No. of downloads of EVA Mobile App	306,567	425,432	617,243
No. of visits of EVA Mobile App	13,286,698	20,426,328	28,273,994
No. of EVA Sky Shop App downloads	86,268	45,020	38,679
No. of times EVA Sky Shop App is used	7,372	11,346	13,896
No. of EVA Air Home Delivery Shopping App downloads	17,317	14,667	10,044
No. of times EVA Air Home Delivery Shopping App is used	1,967	2,092	2,116
No. of visits for Shipment Tracking on website	4,394,541	5,320,681	6,318,536
No. of EVA Cargo App downloads	2,793	4,966	1,830
No. of Visits on Cargo App	100,582	102,756	105,129

Sustainable Environment

EVA Air is the first airline in Taiwan to have followed the new standard of the ISO 14001;2015 environment management systems standard. In addition, EVA Air has obtained the certification of the ISO 50001 energy management system. Since 2016, EVA Air has conducted an annual self-inspection according to the ISO 14064-1 standard for quantification and reporting of greenhouse gas emissions and removal and passed the third-party validation; the results were better than what is stipulated in the national regulations.

	2017	2018
Aviation Fuel Efficiency	16 Actions	16 Actions
Amount of Aviation Fuel Reduction Due to Fuel Efficiency Measures	18,868.2 ton	20,560.2 ton
Aviation Fuel Efficiency Measures Reduces CO ₂ Emissions	59,435 ton CO _{2e}	64,765 ton CO _{2e}
Ground Operations Energy-saving Actions	204,334 kWh	194,521 kWh
Ground Operations Energy-saving Actions Reduce CO₂ Emissions	108.1 ton CO _{2e}	107.76 ton CO _{2e}
Total Water recycled	1,825 ton	2,253 ton
Waste Minimization	10 Actions	10 Actions
Total Weight of Recycled waste	71,184.8 kg	49,990 kg

Sustainable Society

- EVA Air is the first airline in Taiwan's aviation industry to gain CAA approval to conduct the flight crew recurrent training using Evidence-based Training module.
- In 2018, EVA Air was ranked 3rd in the "Top 100 Most Attractive Employer" by Cheers magazine and 1st in the transportation industry category.
- EVA Air is the first airline in Taiwan to have been certified as a 5-star airline by SKYTRAX.
- In 2018, EVA Air was involved in charity activities, sports events, artistic and cultural activities and local affairs by sponsoring money, tickets and other resources, which amounted around 94 million NTD. Through diverse channels, the resources can be used to help more people in need and promote social harmony and prosperity at the same time.
- EVA Air participates in academia-industry collaborations, organizing regular exchange programs with National Cheng Kung University, and assigning senior employees to give lectures in NCKU, which will help to nurture aviation talents and facilitate academia-industry information exchanges.
- EVA Air promotes local tourism. We integrated local tourism authorities by organizing three tourism promotional events overseas and sponsoring local governments to hold six local featured tours so that more people can see the beauty of Taiwan

Sustainable Strategy

Corporate Social Responsibility Policy

In order to fulfill corporate social responsibility and implement the concept of sustainable business development, the Board of Directors of EVA Air passed the "Corporate Social Responsibility Best Practice Principles" and the "Corporate Social Responsibility Policy," declaring to the public our expectations and commitment to economic, environmental and social issues. To further keep abreast of the trends in corporate sustainability, we invite external experts periodically to hold CSR education and training in an effort to improve the employees' awareness of sustainable development. We also extend our CSR philosophy to the subsidiaries, in the hope of promoting the philosophy of corporate sustainability through the influence of EVA Air.

Business Integrity:

protecting shareholders' rights and interests

Create maximum benefits for investors with professional operation, good faith and risk control/management.

Mutual Benefits:

growing with our partners

Properly manage suppliers, and jointly comply with the environmental, safety and health regulations to create a sustainable business environment.

Energy Saving and Carbon Reduction: safeguarding the Mother Earth

Implement the Environmental Sustainability Development Policy in conjunction with environmental laws and regulations to maintain a green earth.

Harmonious Teamwork:

looking after employees' welfare

Show concern for employees' standard of living, assist them in their career development, protect their rights and interests, and establish a friendly and fair working environ-













Service Innovation: exceeding customers' expectations

Care and Dedication, Contributions:

Help underprivileged groups, fit in the lives of

community residents, sponsor public welfare

activities and actively contribute to society.

promoting social welfare

Offer innovative services, enhance brand value and touch the customers' hearts with the "attentive, sincere, enthusiastic" service

Fair Trade:

saying no to corruption and bribery

Promote ethical education, abide by the laws and refuse bribery, corruption and illegal trading.

Sustainable Development Strategies and Blueprint

Sustainable Development Strategic Planning

EVA Air's vision of sustainability is built upon our commitment to establishing a new model of sustainable business management and service to provide safer flight measures, a greener environment and better customer service. We encourage our partners to work hand in hand with us to create sustainable aviation services and realize the dream of becoming a globally influential and iconic airline.

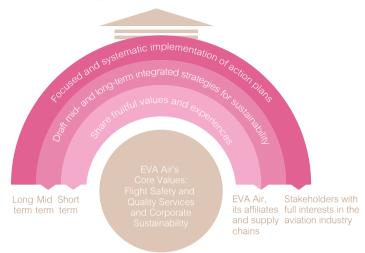
EVA Air's sustainable development framework centers on our core value "flight safety, quality service and corporate sustainability." Based on this core value, we have developed short-, mid-, and long-term strategies. The short-term strategy is to share results, values, and experiences with our subsidiaries and suppliers, based on which we devise integrated mid- and long-term strategies. In the end, we incorporate all stakeholders that concern the aviation industry to work hand in hand in the promotion of the systematic action plans. We will continue to work hard and invest more to achieve the ultimate goal of becoming an iconic airline with global influence.

Organization of Sustainable Governance

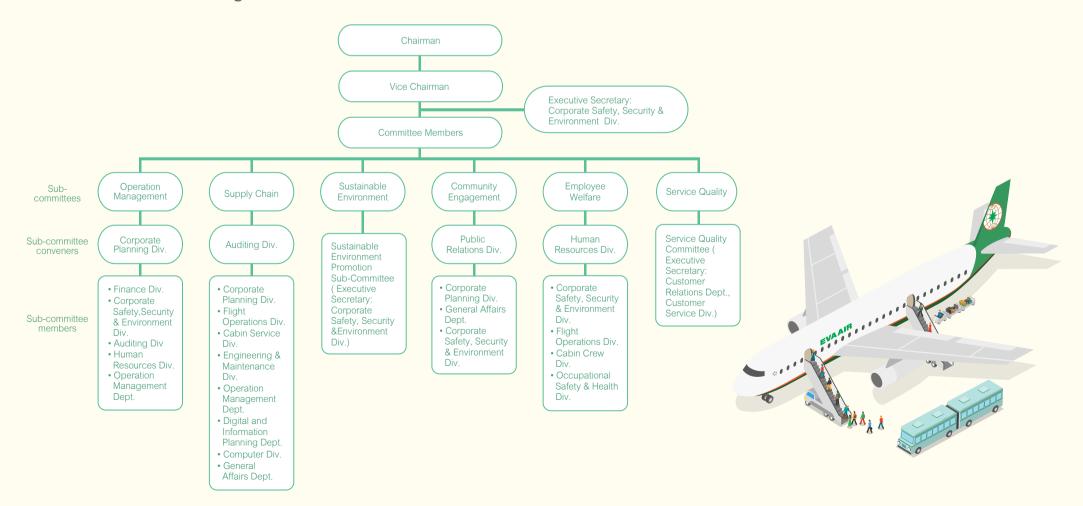
Realizing the importance of corporate social responsibility, EVA Air especially established the "Corporate Social Responsibility Committee" (the "CSR Committee") in order to ingrain the philosophy of sustainable governance and effectively implement various sustainability-related actions. The President serves as the chair of the Committee, and is responsible for implementing the corporate social responsibility policies and specific plans for sustainable governance. The CSR Committee meeting is held once every three months to have general discussions on the aspects of economics, environment and society. After identifying the responsibilities of each division, a variety of issues are then passed on to each relevant authorized team, which communicates with the stakeholders via various channels, and sets annual goals for the improvement projects. The specific implementation results of each improvement project are tracked by the CSR Committee and reported to the Board of Directors every year.

Blueprint for Sustainable Development Strategic Planning

Become a globally influential and iconic airline



EVA Air CSR Committee Organizational Chart



Implementation Results of the CSR Committee in the Previous Years

Operation Management Sub Committee

2017 Implementation Results

- The Audit Committee was established on June 26, 2017.
- The Investor Conference was held on April 14, 2017 to communicate with the investors.

2018 Objectives

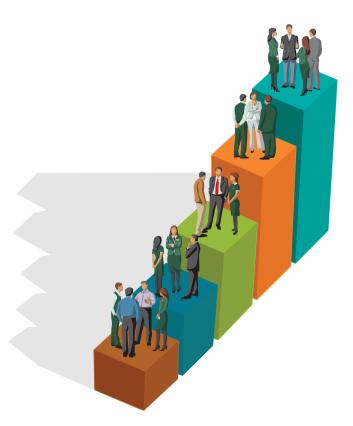
- Hold the Investor Conference to communicate with the investors.
- Execute performance evaluation of the Directors.

2018 Implementation Results

- The Investor Conference was held on March 30, 2018 to communicate with the investors.
- The result of performance evaluation of the Directors in 2018 was "Good"

2019 Objectives

- Hold the Investor Conference to communicate with the investors.
- Execute performance evaluation of the Directors.



Supply Chain Sub Committee

2017 Implementation Results

- · Continue the signing of the Chinese "Letter of Commitment".
- · Completed CSR awareness training for procurement staff.
- Reviewed supplier selection mechanisms and amended necessary and reference conditions.

2018 Objectives

- Continue the signing of the Chinese and English "Letter of Commitment".
- · Continue CSR awareness training for procurement staff.
- Formulate self-evaluation survey on suppliers' corporate social responsibility
- Continue green procurement; primarily purchase products with eco-friendly and energy-saving certifications.
- Improve lightweight design of service items and decrease unnecessary packaging.

2018 Implementation Results

- The recovery rate of signed Letters of Commitment (Chinese and English) was 65%.
- Completed the first session of CSR awareness training for procurement personnel.
- Identified 19 key suppliers in Taiwan and 140 abroad
- The amount of green procurement was NT\$ 38.489 million.
- Reduced the use of plastic packaging of utensils and removed the ties around the earphones in Economy Class cabin.

2019 Objectives

- Plan and implement tasks regarding supply chain management in response to the introduction of DJSI.
- 1. Revise the procurement procedure.
- 2. Revise the supplier code of conduct.
- 3. Re-define, and identify key suppliers.
- 4. Investigate and assess supplier risks.
- Achieve a 70% recovery rate of signed "Letters of Commitment" in Chinese and English.
- Continue the CSR awareness training for the procurement personnel.
- Continue green procurement and prioritize the products with green marks and energy labels in the procurement.
- Strengthen the lightweight design of service products and reduce unnecessary packaging.

Service Quality Sub Committee

2017 Implementation Results

- Customer satisfaction with our passenger and cargo transport continued to grow and achieved the target of 2017.
- Completed and launched the core features of the second phase of the newest generation of the cargo system "New CargoWing" on Oct. 16, 2017.

2018 Objectives

- Continue to plan on the enhancement of the service quality of our passenger transport to receive 5-star airline certification.
- Begin the third phase of business management function development for the cargo system New CargoWing.

2018 Implementation Results

- Rated as one of the World's 5-Star Airlines by SKYTRAX in 2018.
- 2018 customer satisfaction met the Company's quality objective.
- Launched the third phase of the business management function for the cargo system New CargoWing, Customer Profile, on September 3, 2018.

2019 Objectives

- Continue to plan the promotion of the passenger transport service quality to be rated as a 5-star airline.
- Continue to develop the third phase of the business management function for the cargo system New CargoWing and obtain CEIV PHARMA certification for the cargo cold chain services.



Sustainable Environment Promotion Sub-Committee

2017 Implementation Results

- Responded to Carbon Disclosure Project (CDP) questionnaires
- Completed the self-inspection of greenhouse gas emissions based on ISO 14064-1 standard and obtained the verification of a third party.
- Established EVA Air Green Travel Carbon Offset Project, providing passengers with the opportunities to travel with zero carbon footprint.

2018 Objectives

- Complete our EMP emission monitoring program in accordance with ICAO's Carbon Offsetting and Reduction Scheme for International Aviation.
- Continue to improve the practices of ISO 14064-1 inspection of greenhouse gas emissions, ISO 14001 environmental management systems and ISO 50001 energy management systems.

2018 Implementation Results

- Completed the EVA Air emissions monitoring plan (EMP) and submitted it to Civil Aeronaut ics Administration for approval.
- Responded to Carbon Disclosure Project (CDP) survey.
- Obtained dual international certifications: ISO 14001 environmental management system and ISO 50001 energy management system.

2019 Objectives

- Respond to environmental surveys of Carbon Disclosure Project (CDP) and review our environment management matters to meet the requirements of Dow Jones Sustainability Indices (DJSI).
- Monitor carbon emissions of aircraft in accordance with ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).
- Continue to advance the ISO 14064-1 GHG inventories and improve the operation of ISO 14001 environment management system and ISO 50001 energy management system.

Employee Welfare Sub Committee

2017 Implementation Results

- Implemented and reinforced "management by walking around" in Taiwan; regularly arranged to
 participate in departmental meetings to enable communication between the labor and management.
- · Communicated regularly with the unions to increase labor-management interactions and understandings.

2018 Objectives

- Value employee's work hours and break to help them achieve a balanced life.
- Continue to arrange job transfers according to the career aptitude of each employee to assist with t heir career development.
- Perfect the communication channels between labor and management; participate in collective bargaining with unions to reach consensus.
- Establish the Employee Relations Team, implement the employee consultation and assistance program, hold employee assistance educational courses, and organize the employee assistance network to actively improve the labor-management relationship.
- Plan to obtain ISO 45001 certification at the end of 2018 in response to the launch of ISO 45001 standards.

2018 Implementation Results

- Promoted multiple times that employees should be allowed a rest period of at least 11 consecutive
 hours between shifts. Assisted departments in examining shift rosters to ensure employee health.
 Encouraged employees to apply for annual special leave to keep healthy. Managers from each
 department took the initiative to keep track of each employee's work and gave timely assistance to
 actively enhance performance.
- An internal recruitment event was held once in the first and second halves of 2018, respectively.
 Employees could sign up for the test. This not only helped put the right people in the right jobs, but also assisted each employee in seeking a different career path. The selection of employees to be stationed in other locations was in progress.
- Apart from the routine meetings with the union, the Company also corresponded with the union by sending official letters to diversify the communication channels. The negotiation of collective contracts with the unions of EVA Air's affiliated companies continued.
- In the first half of 2018, 11 workshops on stress relief and emotion regulation, and 8 sessions of gender equality classes were held. In the second half of 2018, 4 sessions of gender equality classes and six Meimen Health and Wellness workshops were held; film watching was held to promote the awareness of liver health. Each department appointed employees as contact people for assisting in these activities. By working with these employees, we strove to distribute the information to all our employees (details are available on the HR section of the Company's internal website)
- Completed The Company's ISO 45001 and TOSHMS certification on December 25th.

2019 Objectives

- Understand employee needs and strive to seek proper solutions through regular meetings and official letters with the union.
- Implement the employee assistance program, hold employee care educational courses, build an employee care network and proactively facilitate labor-management relations.
- Assist in employee adaptability and career diversification.
- Examine employee salaries and benefits.
- Introduce the occupational safety and health management system and integrate information regarding occupational safety and health on this platform.

Community Engagement Sub Committee

2017 Implementation Results

- Sponsored various artistic and cultural activities, such as concerts, musicals, theater, art parties, museum collection exhibitions, which were all well-received.
- Collaborated with local governments in promoting tourism, and sponsored local festivals, which all led to great results and attracted more tourists from around the world.
- Our sponsored athletes performed well in the international sports games, among which, Tai Tzu-ying has gained the most riveting results.

2018 Objectives

- Continue to sponsor all kinds of artistic and cultural performances to improve artistic interactions bet
- Continue to work with various city and county governments to support the development of local tourism.
- Continue to sponsor sports events and athletes, and increase sponsored contents and items according to actual demands.

2018 Implementation Results

- Sponsored various artistic and cultural activities, such as concerts, musicals, ballets, and summer series exhibitions, which were all well-received.
- Collaborated with Department of Information and Tourism, Taipei City Government and Tourism and Travel Department, New Taipei City in conducting tourism promotions in Japan, Thailand, and Vietnam, and sponsored local festivals, which all led to great results and attracted more tourists from around the world
- Among the players sponsored by EVA Air, Tai Tzu-ying, the world No.1 badminton player, did the most outstanding job by remaining at the top of her game; other sponsored players in badminton, tennis and golf also performed excellently in international competitions.

2019 Objectives

- Continue to sponsor all kinds of artistic and cultural performances to improve artistic interactions between Taiwan and other countries.
- Continue to work with various city and county governments to support the development of local tourism.
- Continue to sponsor sports events and athletes, and increase sponsored contents and items according to actual demands.

Short-, Mid- and Long-term Goals of CSR Committee

Operation Management Sub Committee

Short-, Mid- and Long-term

- Hold the Investor Conference to communicate with the investors.
- >> Continue to strengthen corporate governance structure and system.
- Execute mid- and long-term plans for the passenger and cargo aircraft fleets.

Supply Chain Sub Committee

Short-term

- Plan and implement tasks regarding supply chain management in response to the introduction of DJSI.
 - Revise the procurement procedure.
 - Revise the supplier code of conduct.
 - Re-define, and identify key suppliers.
 - Investigate the assess supplier risks.
- Continue the CSR awareness trainings for the procurement personnel.
- Continue green procurement and prioritize the products with green marks and energy labels in the procurement
- Strengthen the lightweight design of service products and reduce unnecessary packaging.

Mid- and Long-term

- Plan and implement tasks regarding supply chain management in response to the introduction of D.ISI
 - Carry out supplier audits.

Service Quality Sub Committee

Short-term

Continue to improve services of all aspects of our passenger and cargo transport; request that the level of customer satisfaction reaches the target goal set for the year.

Mid-term

- Continue to implement customer satisfaction surveys and examine the results through the Service Quality Committee.
- Continue to implement customer satisfaction survey

Cong-term

Grasp the positioning of the Company in the global aviation industry based on the customer satisfaction surveys and aim to maintain our leading high-quality service standards so as to achieve the goal of sustainable management.

Sustainable Environment Promotion Sub-Committee

Short-term

- Examine the Company's strategies annually in response to climate change by responding to the CDP questionnaires.
- Continue to monitor environmental & energy performance indicators through the ISO 14001/ISO 50001 environment and energy management systems.

Mid- and Long-term

- Regularly examine corporate energy-saving and environmental protection goals and continue to make improvements in accordance the Company's environmental and energy management policies.
- Continue to pay attention to the latest information from Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), and formulate response strategies and the best supporting

measures beforehand to reduce

the corporate operation environ-

ment risks.

Employee Welfar Sub Committee

Short-term

>> Reassign employees according to job competence so that the right people can be put in the right jobs; to facilitate harmonious labor-management relations, establish the employment relations team to provide multiple communication channels for employees' feedback; ensure the functionality of the channels to maintain good labor-management interactions.

Continue to negotiate with each union in the hope of building good labor-management interactions; strive to earn and protect employees' various rights to create a win-win situation for both parties.

Mid- and Long-term

Create various functional communication channels and expand employee participation to facilitate harmonious labor-management relations.

Improve the pay and benefits system to actively attract talents to stay with the Company.

Continue to hold expertise trainings and provide work rotation based on job competence to explore the employees' potential and help them develop their careers, creating a win-win situation for the development of the employees and sustainable management of the Company.

Build a safe, healthy work environment and care for the employees and their families to create a happy enterprise jointly.

Community Engagemen Sub Committee

Short-terr

- Continue to promote social welfare and academia-industry collaborations
- Support and sponsor sports and cultural events.
- Continue to hold charitable events and combine local resources to promote the development of local tourism.

Mid- and Long-term

- Conduct the operations with implemented local community engagement, impact assessments, and development programs based on local communities' needs.
- Determine the long-term direction of our policies regarding social welfare and assess its effects on the Company and the society.

Participation in International Sustainability Initiative - 2018

Organiza	tion name	Managing Unit	Functions	Participating members	Description
IATA	International Air Transport Association (IATA)			Member	IATA is a trade association of the world's airlines that coordinates and manages airline activities and issues such as flight operation, air cargo, safety, service and environmental protection for civil air transport. Joining IATA will help the Company keep abreast of the latest developments in the global airline industry, aviation law and regulations.
AAPA ASSOCIATION OF ABILITIES APPLIES	Association of Asia Pacific Airlines (AAPA)	a		Member	AAPA comprises Security, Aeropolitical, Airline Service and Technical Committees, as well as various project task forces, which can help the Company keep abreast of the latest developments in the Asia -Pacific region, the global airline industry and aviation law and regulations.
FLIGHT SAFETY	Flight Safety Foundation, FSF		Assists in Devising Agenda of Flight Safety Annual Meeting	Board of Governors International Advisory Committee and ICARUS (Think Tank) Committee	EFSF holds various kinds of flight safety seminars and releases the latest flight safety information.
STAR ALLIANCE™	Star Alliance	Alliance Manage- ment Board (AMB)	AMB is the main management body of Star Alliance, comprising representatives from the member airlines. Its function is to negotiate and formulate Star Alliance's global marketing and annual plans, and submit them to the Chief Executive Board for approval.	Member	One of the organization members • Expand aviation network • Reinforce flight alliance cooperation • Sales promotions for ticket products and global corporate clients • Alliance procurement, joint system development and resource sharing • Frequent flyer's mileage rewards program cooperation
台北市航空運輸 商業同業公會 TAIPELAIRLINES ASSOCIATION	Taipei Airlines Association(TAA)	Board of Directors		Director	 To serve as a bridge for communication between the government and the local civil aviation industry; to assist the government in implementing civil aviation policies and decree; To coordinate with all members for mutual interests and benefits of the industry; to be entrusted by the government to provide relevant services. * EVA Air acts as the Chair of the 9th Board of Directors
Potential Post State Sta	Flight Safety Foundation-Taiwan		Assist the Aviation Safety Information Committee, Bird Strike Prevention Taskforce and Educational Training Committee	Committee convener	Provide various flight and ground safety-related courses and publish quarterly flight safety magazines.
	Chinese Society of Civil Aviation			Board Member	Conduct civil aviation academic activities; promote civil aviation knowledge and integrate with modern technology to strengthen civil aviation technologies and exchanges of experience.
CCS 台灣企業永續研訓中心 Center for Corporate Sustainability	Center for Corpora Sustainability, CCS			Advisory Committee Member	 Introduce the global ideological trend for corporate sustainability and create the vision of sustainable development for enterprises. Encourage sustainable innovation and seek transparent governance. Demonstrate business integrity and build a prosperous society with economic sustainability. Respond to climate change and avoid any excessive use of resources. Reduce environmental impacts to ensure a living space with environmental sustainability. Devote efforts to social integration and improve the living standard to reduce income inequality and create the happy future of a sustainable society

Sustainable Procurement Management

EVA Air Supply Chain

EVA Air works hard to provide the best products and services in close collaboration with all the partners of the supply chain. The number of suppliers in steady collaboration with EVA Air has reached approximately a thousand and can be divided into 7 categories; aircraft/engine/simulators, aviation fuel, aircraft maintenance and aviation materials, ground handling, in-flight service items and catering, IT and general affairs. Through close collaboration with these suppliers, we jointly strive to pursue sustainable management and create safe and wonderful flight experiences for the passengers.

EVA Air Supplier Categories



2018 EVA Air Procurement Percentages by Categories















Note: The above data take into account the procurement amount of items required for EVA Air's global operations.

Sustainable Procurement: Social Responsibility Policies for Sustainable Development of Suppliers

As a global corporate citizen, EVA Air has realized that the issue of sustainability is not restricted to corporate operations. An overall drive must be launched to help implement the concept of sustainable development. Therefore, in addition to fulfilling our own corporate social responsibility, EVA Air revised the internal procurement procedures with the enactment of "EVA Air: Supplier Partnership Social Responsibility Policy for Sustainable Development" by the President in 2015. The international sustainability criteria such as environment, human rights, labor practices and social impact were incorporated as the main items of consideration for selecting new suppliers. We hope that with the help of the procurement policies and practices, in combination with sustainability criteria, we can encourage our suppliers to make joint efforts to fulfill corporate social responsibility and constantly advance towards a sustainable future.

EVA Air Supplier Partnership Social Responsibility Policies for Sustainable Development - Letter of Commitment

- Actively participate in EVA Air's service innovation-related action plans to jointly create social and economic growth.
- 2 Join Eva Air in our efforts to improve flight service safety standards, and take actions to reduce flight safety risks.
- Adhere to honest and ethical management; never offer EVA Air employees and their relatives any rebates, bribes or other improper benefits.
- 4 Strictly abide by laws and regulations; never offer products or services that do not comply with laws, regulations and safety requirements.
- Value staff development and occupational safety; never hire child laborers; provide minor employees (including work-study students, interns) with working conditions and environment that comply with the law.
- Pay attention to environmental protection, energy conservation and carbon reduction; give priority to local procurement, reduce energy resource wastes, recycle and reuse, reduce the amount of wastes generated, comply with environmental laws, and create environmentally sustainable businesses.
- Fulfill the obligation of secrecy for all EVA Air's trade secrets learned during the cooperation period, and jointly maintain the good reputation of both EVA Air and our supplier partners.

Since 2015, we have requested our domestic and foreign suppliers to sign "EVA Air Supplier Partnership Social Responsibility Policies for Sustainable Development - Letter of Commitment." Between 2017 and 2018, we held the CSR awareness trainings for our supply chain team members. The trainings focused on the revised CSR aspects of the procurement procedures to examine the supplier selection mechanisms. In 2018, we also formulated the supplier categories (to identify key and regular suppliers) and identified 19 key suppliers in Taiwan and 140 abroad. To better manage EVA Air's supply chain sustainability risks, we expect to introduce DJSI in 2019, while planning and implementing tasks regarding supply chain management.

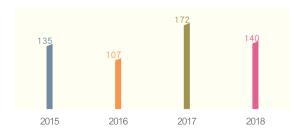
EVA Air Supplier Partnership Social Responsibility Policies for Sustainable Development Number of Signatures on the Letter of Commitment

2015	195 (20%)
2016	300(30%), a total of 495 suppliers (50%).
2017	100(10%), a total of 595 suppliers (58%).
2018	65% of suppliers signed.
2019 goal	70%

Selection Criteria for Screening New Suppliers

Criteria Category	Management System
Environment	ISO14001Environmental Management System
Human Rights	SA8000 CSR Management System
Labor Practices	SA8000 CSR Management System & OHSAS18001/ISO45001 Occupational Health and Safety Management System
Social Impact	SA8000 CSR Management System

Number of New Suppliers Inspected by Sustainability Criteria



For existing suppliers, we request that they sign a letter of commitment to honor our business philosophy of human rights, environmental protection and sustainable development, in addition to creating economic growth together, facilitating the entire industry to face and fulfill social responsibility and embark on the journey of sustainable development.

EVA Air Procurement Guidelines

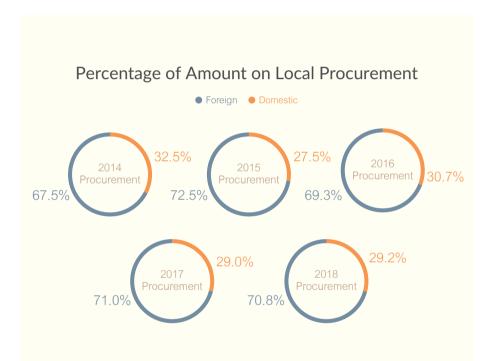
EVA Air aims to satisfy our suppliers' expectations by offering the most appropriate prices during procurement, and to meet our customer needs with the best quality service. To accomplish this, we adhere to the 3 requirements of "Safety, Quality and Price", as well as to other relevant laws and regulations, and formulated "Procurement Operating Procedures" to clearly state the responsibilities of each business department and the procurement process, and allow the business departments to work out the details concerning the procurement operation to maximize the benefits in each procurement.

EVA Air draws up the annual supplier audit plan every year. The outsourced maintenance suppliers at each destination airport are to be audited at least once every 2 years in principle. Audit methods include on-site audit and desk audit. Different levels of audit are adopted according to flight safety. In case of major aircraft maintenance, major components (engine, landing gear) maintenance, major repair/modification and main components maintenance, suppliers are primarily audited through on-site audits, and supplemented by desk audits. The other suppliers are audited through desk audits. A list of qualified suppliers is prepared after audits have been completed. Suppliers that failed the audits are requested to complete the root cause analysis and to put forward corrective and preventive measures after receiving the noncompliant items. The original auditors will then review their improvement results.

Before working with suppliers, EVA Air evaluates their past credit records as well as other aspects, including supplier image and whether there are any records of serious legal (regulation) violations. We have announced the "Supplier Partnership Social Responsibility Policy for Sustainable Development" to the internal main procurement departments, and all the contracts with our major suppliers include termination or cancellation clauses. If any supplier is found to have violated the corporate social responsibility policy, we have the right to demand improvement and reserve the right to terminate the contract if the violation is not improved or there is any major violation.

Supplier Selection Flowchart





Note: Aircraft and the peripheral products/services have their unique characteristics and the main suppliers are from abroad, so we prioritize flight safety quality in our procurement policies and practices.

Continue green procurement will, and prioritize the products with green marks and energy labels in the procurement.

Category	Items	2016 Amount	2017 Amount	2018 Amount
General Affairs	Energy-efficient LED lights, FSC certified paper cups, toilet paper, paper napkins, and copy paper	3,706	4,070	4,262
Service Items	FSC certified paper cups, toilet paper, paper napkins	2,872	3,076	6,966
Information	Servers, personal computers, laptops, printers, etc.	6,238	8,541	27,026

Flight safety is not only our core value and our commitment to customers, but also the foremost goal of the entire staff. EVA Air's safety vision is, "We aim to assure your safety whenever you are airborne. We never compromise safety in the air or on the ground.", and we instill the safety goal of "zero accidents" into every employee's mindset and action. With a proactive attitude and stringent self-discipline on policy-making, procedure establishment and job execution, we continue to maintain the predictive risk management system to improve fight safety. Our persistent efforts in the past have led to a perfect safety record, repeatedly recognized as being among the world's top safest airlines by civil aviation authorities, independent certification companies and various professional airline reviews. However, to EVA Air, there is no limit to the pursuit of safety. Looking ahead, we shall uphold the philosophy of safety vision and continue to maintain the safety goal of "Zero Accidents" to ensure flight safety and meet the expectation from society and customers.





Ranked 12th in the World's Top 20 Safest Airlines announced by the Jet Airliner Crash Data Evaluation Centre (JACDEC) in 2018.



7-STAR SAFEST

According to the safety ratings published in 2018 by the global professional airline rating website, AirlineRatings.com, EVA Air was again selected as one of "Top 20 Safest Airlines," and won 7-star full score for its safety performance.



Zero Findings

Passed the biennial IOSA certification for 8 consecutive times with "zero findings" and was the first airline to pass the certification in Taiwan.



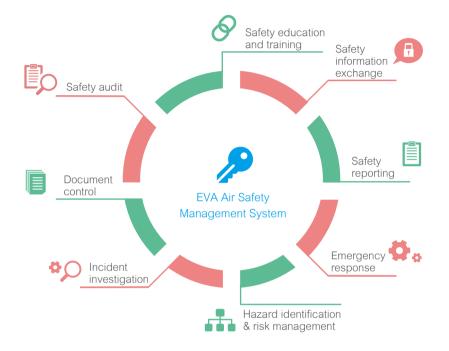


FLIGHT SAFETY



1-1 EVA Air Safety Management System

EVA Air has been known in the industry for its good safety record, and this is our commitment to our passengers, as well as the core value of the Company. We have established a comprehensive flight safety management framework, and the primary goal of the entire staff is flight safety. We strive to constantly improve flight safety through personnel training, maintenance quality, route planning, personnel management and the establishment and implementation of various safety management systems.



EVA Air's Safety performance Objectives & Actual Values

Safety Performance Indicator SPI	2018 target	2018 result	Achievement rate	2019 target
Flight safety: occurrence rate of irregular flight event for every one million flight	≦4.0 cases	2.68	100%	≦4.0 cases
hours accumulated over ten years. Ground safety: occurrence rate of aircraft suspension for repair due to damage resulting from improper ground operation or equipment failure for every 100,000 landing cycles.	≦3.8 cases	3.13	100%	≦3.8 cases

Note: Safety performance indicators/targets are based on national civil aviation safety plans

1-1-1 Safety Management Concept and Goal

Through the declaration of safety policies by top management, the shaping of a safety culture, the internalization of our safety concept, and the building of belief in safety, we aim to enhance employees' values and identity regarding safety. We require all employees to fulfill the requirements of Safety Guidelines with diligence, attentiveness and determination, "Use morals as the compass for developing teamwork in accuracy, diligence, consistency and creativity. We have to do things right the first time and aim for the greatest safety margin to secure passenger, crew and aircraft safety." Safety is a job that has a beginning but with no end, and is also something to be done right. It is the mission and responsibility of every member of EVA Air!

EVA Air's Safety Commitment to Customers





EVA Air compiles the achievement status of the previous year's safety quality objectives at the end of every January, sets the current year's safety quality target values, and has them reviewed every quarter, so as to fulfill and reinforce the Company's internal safety management system, thus increasing safety quality and providing passengers with safer and better quality service. The current year's safety quality objectives are set and reviewed by referring to actual values occurring over the years and other objective reference data, including the requirements of the competent authority and information from relevant overseas civil aviation institutions or organizations, so as to reinforce its reasonableness. In 2018, in order to achieve a higher safety performance standard, the safety performance target (occurrence rate) was lowered, which proved EVA Air's determination in actively and continuously promoting safety risk management.

Safety performance target value



Flight safety

Note 1: "Zero Accidents" is the ultimate safety goal that EVA Air has maintained since its establishment, based on which, relevant safety performance indices have been developed to ensure the achievement of this ultimate goal.

Target value of flight safety performance : occurrence rate of irregular flight event for every one million flight hours ≤ 4 cases.

Target value of ground safety performance : occurrence rate of aircraft suspension for repair due to damage resulting from improper ground operation or equipment failure for every 100,000 landing cycles ≤ 3.8 cases.

Note 2: Formula for calculating EVA Air's actual value of safety performance for the current year:

Occurrence rate of irregular flight event =



Occurrence rate of aircraft suspension for repair of damage resulting from improper ground operation or equipment failure =

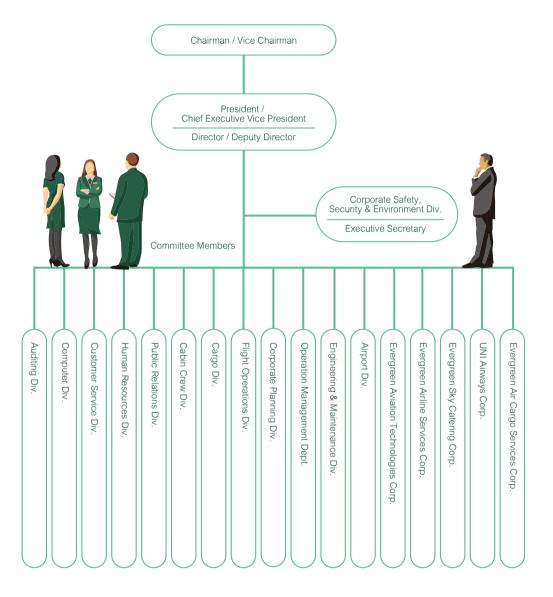
No. of incidents
(for last 100,000 landing cycles)
every 100,000 landing cycles

≤ 3.8 (cases/every100,000 landing cycles)

1-1-2 Safety Organization

The EVA Air Safety Promotion Committee (SPC) is the Company's highest decision-making and supervision unit for flight safety, with the highest power and authority to ensure overall operation safety and promote the Safety Management System (SMS). Its responsibilities include regularly examining the SMS for its continuous improvement and enhancement, and reviewing and evaluating the results of safety-related operations and the SMS.

Safety Promotion Committee Organizational Chart



The Committee integrates the Safety Management System (SMS) teams and Safety Coordination Meeting(SCM), and its main mission includes: collecting safety information, grasping operational risks, formulating improvement measures, implementing improvement plans, etc. Related improvement plans and goals are provided for issues monitored specifically by the respective teams, and the reports are regularly submitted to the SPC for approval. Through such mechanism, we aim to reduce the risk of human and organizational errors. In 2018, the Safety Promotion Committee (SPC), Safety Coordination Meeting (SCM) and SMS team convened 16 meetings, where 6 improvement plans were passed for SPC, 39 for SCM and 30 for SMS. The improvement measures target six major categories comprising flight safety, flight operation, cabin, ground handling, maintenance and security, to improve safety performance through enhanced safety efficiency.

1-1-3 Safety Management System (SMS)

EVA Air has been promoting SMS (Safety Management System) since 2006, and actively incorporating safety concepts into the management system, making safety part of the corporate culture. We incorporate the SMS's core element - "hazard identification and risk management" into the employees' thinking logic and daily operation, and allow it to work with strategic planning, procedure formulation and operation execution. Each department can use it to identify the various hazards present in the operating environment, and appropriately conduct risk management in a systematic manner for the impacts that may result from such hazards, in order to mitigate the risk caused by human and organizational errors.

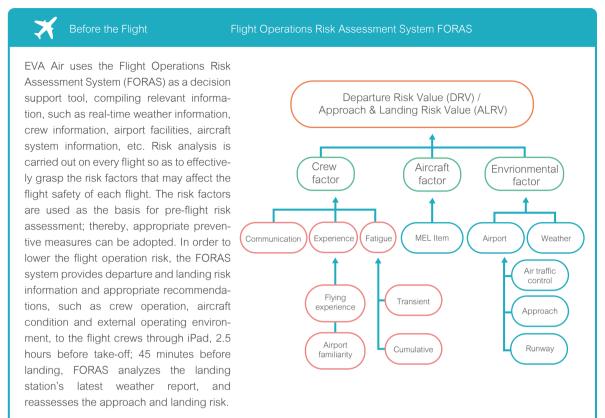


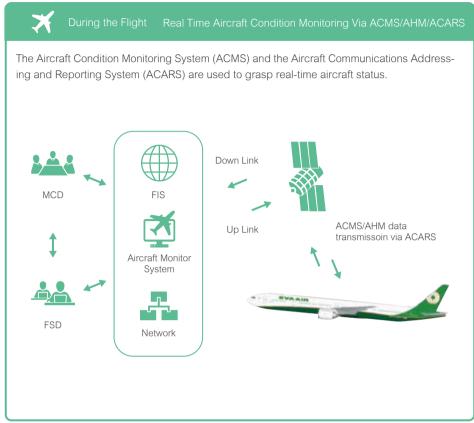
1-1-4 Safety Risk Management Measures

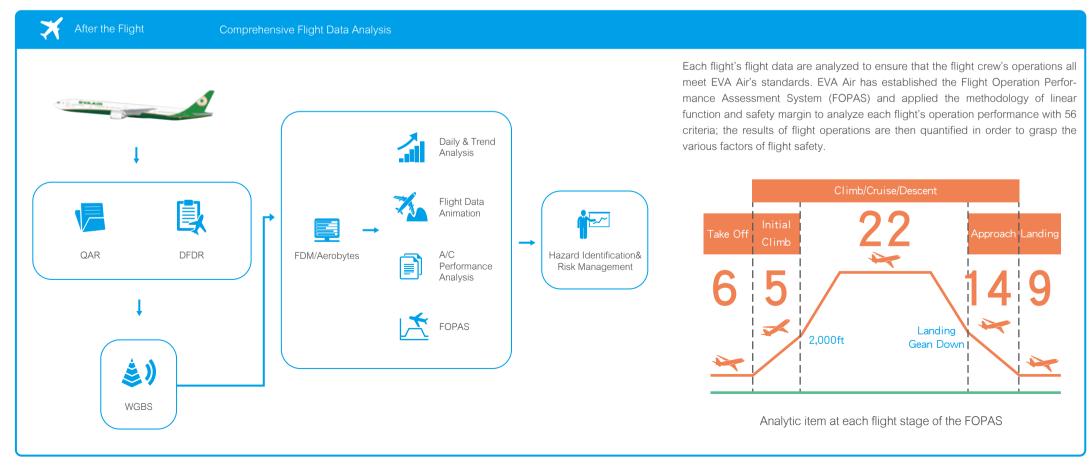
EVA Air applies risk management to flight operation to cultivate employees' keen observations and enhance information collection and application capabilities, thereby discovering existing hazards or potential risks. We manage potential risks in the operating system with a proactive and predictive attitude, preventing the occurrence of possible hazards and reducing hazards to an acceptable level.



Proactive and Predictive Approach on Flight Operation Safety Risk Management

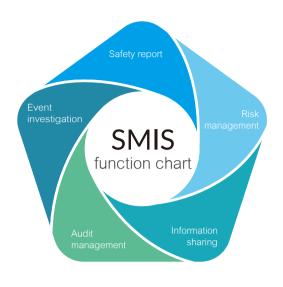






1-1-5 Safety Management Information System (SMIS)

To integrate the various data sources for carrying out event analysis, action tracking and monitoring current operating status to reduce risk factors and enhance risk control, EVA Air had developed the Safety Management Information System (SMIS) in 2010. The SMIS is a management system including flight safety, ground safety, cabin safety, aviation security and dangerous goods events. The system integrates the five major categories of flight safety events into a single platform; it summarizes the cause, tracking and operating improvements of the incidents and proposes necessary risk mitigation plan.



1-1-6 Diligent and Attentive Safety Management; Setting an Industry Model

International certification

The International Air Transport Association Operation Safety Audit (IOSA), a safety audit standard for airlines defined by the IATA, which is a set of internationally recognized and accepted airline safety inspection mechanisms with objective credibility used to assess whether various operational of an airline meet the operation safety standards of the International Civil Aviation Organization (ICAO). The certification and audit are conducted by the auditing accreditation organizations authorized by the IATA.

Being Taiwan's first airline company to pass the certification. EVA Air has, since 2005, achieved the outstanding results of "zero findings" 8 consecutive times and passed the biennial IOSA certification. EVA Air is Taiwan's first airline company to pass the IOSA certification. This certification not only proves that EVA Air's operating system complies with international safety standard, but also shows that EVA Air's outstanding flight safety has been recognized.



1-1-7 Honor and Recognition

Upholding the philosophy of Safety Vision, EVA Air continuously strives to improve fleet upgrading, staff training and service quality, and its safety performance has been recognized again. In 2018, EVA Air stood out among more than 400 airline companies in the world to receive the 12th place in the world's top 100 safest airline companies as selected by the Jet Airliner Crash Data Evaluation Centre (JACDEC). Also, the world's renowned airline companies' evaluation website, AirlineRatings.com, awarded EVA Air a full score of 7 stars, with recognition as one of the world's top 20 safest airline companies.

Awarded Cecil A. Brownlow Publication Award by Flight Safety outstanding quality in "Safety Magazine".

EVA Air was awarded Richard Teller Crane Founder's Award by Flight flight safety management.

EVA Air was awarded two major awards by professional airline evaluation website, AirlineRatings.com, which include the "Best Asia-Pacifthe "World's Top Ten Safest Airline"



EVA Air has been selected by German professional magazine, AERO International, as one of the world's top 20 safest airline companies several times. This international recognition is the result of EVA Air's years of hard work; it is also the pride of Taiwan.

EVA Air has been awarded 5 Golden Wing Awards for International category and 1 for the Domestic/ International category. The Golden Wing Award is an evaluation by the CAA for civil aviation operations and services. The evaluation items include: flight safety management, on-time performance, schedule execution rate, customer complaints handling, etc.

EVA Air stood out from more than 400 airline companies in the world to reach the 12th place in the world's top 100 safest airline companies as selected by the Jet Airliner Crash Data Crash Data Evaluation Centre (JACDEC). In addition, the world's renowned airline evaluation website. AirlineRatings.com, announced EVA Air as one of the world's top 20 safest airline companies, with a full score of 7 stars.

JACDEC ranking of world's top 100 safest airline companies Loss of aircrafts in last 30 years Year of Serious incidents Safety Rank Airline ICAO Code Home Base foundation in last 30 years Index Non-fatal Accident Fatal Accident Numbers 01 Finnair FIN Finland 1923 5 93.91% 0 02 2003 0 0 93.60% Singapore 0 3 Scoot Tigerair TGW 03 0 0 0 9 93.48% Norwegian Air Shuttle NAX Norway 1993 04 UAE United Arab Emirates 1985 1 0 28 93.39% **Emirates** 0 05 Air Europa AEA 1986 0 0 11 93.03% Spain 0 92.78% Transavia TRA 1966 0 0 10 07 United Arab Emirates 0 13 92.70% Etihad Airways 2003 08 United Kingdom 0 0 17 92.48% Virgin Atlantic Airways KLM - Royal Dutch Airlines KLM Netherlands 1920 0 24 92.33% 10 Australia 2004 0 0 10 92.31% Jetstar Airways 0 0 11 Cathay Pacific Airways CPA Hong Kong, China 1946 92.23% 12 0 0 0 92.13% EVA Air FVA Taiwan 1991 6 13 0 0 Ω 12 92.03% Vueling Airlines VLG Spain 2004 14 EasyJet F7Y United Kingdom 1996 0 45 91.85% 15 USA 2000 0 0 0 11 JBU 91.71% ietBlue Airways 91.37% 16 Singapore Airlines SIA 0 0 0 20 Singapore 1972 17 1981 0 0 0 2 91.31% Oman Air OMA Oman 18 WestJet Airlines 0 0 0 16 91.30% WJA Canada 1996 19 0 VOZ Australia 2000 0 0 14 91.23% Virgin Australia 5 91.11% 20 Air Transat Canada 1987

Note: only the top 20 airline companies are listed

1-2 Operation monitoring and aircraft maintenance

1-2-1 Operation monitoring management

EVA Air's Flight Control Department works around the clock for flight dispatch and control. The Company's Flight Information System (FIS) and Flight Trace System provide access to flight-related status, and tracks changes in the external environment (e.g. airport and weather). Up until the end of 2018, the control center had 80 employees, including 60 dispatchers. For flight dispatch operation, the personnel responsible for drawing up flight plans are all qualified dispatchers with licenses issued by the CAA. With their expertise and assistance from the system, a safe, convenient and comfortable journey is made possible on every EVA Air flight.



AirlineRatings.com



TOP 20 SAFEST AIRLINES FOR 2018

By Chtistine Forbes Smith January 03,2018

AirlineRatings.com the world's only safety and product rating website has announced its Top 20 safest airlines for 2018 from the 409 it monitors.

THE TOP 20 SAFEST AIRLINES FOR 2018

The Top 20 are the who's who of airlines and in alphabetical order are: Air New Zealand, Alaska Airlines, All Nippon Airways, British Airways, Cathay Pacific Airways, Emirates, Etihad Airways, EVA Air, Finnair, Hawaiian Airlines, Japan Airlines, KLM, Lufthansa, Qantas, Royal Jordanian Airlines, Scandinavian Airline System, Singapore Airlines, Swiss, Virgin Atlantic and, Virgin Australia.



1-2-2 Aircraft maintenance management

Aircraft maintenance quality is an important basis of flight safety, Aircraft maintenance requires compliance with the manufacturers' technical specifications and regulatory requirements, ensuring that every single step is completed. Hence, the spirit of "strict discipline and zero negligence" is our rule of thumb for aircraft maintenance. To ensure maintenance quality, specific work items upon completion of maintenance shall undergo a second round of quality control inspection based on the requirements that set forth in the General Maintenance Manual, or test flight conducted to verify the maintenance result. Precision Measurement Equipment used for aircraft maintenance shall comply with the original manufacturer's specifications, and are regularly sent to the manufacturer or qualified calibration laboratory for inspection and tracing to the national calibration standards of National Institute of Standards and Technology (NIST) of the United States or equivalent standards, to ensure compliance with process requirements and to fulfill the mission of flight safety.

EVA Air always believes in preventive maintenance over subsequent correction, and insists on truly grasping the service life of every component. Important components have to be replaced before their stipulated service life to prevent possible risks from occurring. To maintain quality, dispatch target rates for the "passenger plane" fleet and the "cargo plane" fleet have been set up respectively, and will be monitored in the monthly Quality Review Board to analyze flight delay causes, so that the aircraft maintenance program can be adjusted properly, and the engineering orders can be carried out in time. In this way, flight delays can be prevented, thereby maintaining the fleet dispatch target rates and securing flight safety.

Reliability Control Program

Pertaining to irregular aircraft events, various irregular information and problems generated from routine aircraft operation are collected in accordance with the Reliability Control Program, and various types of alert standards are established. When the occurrence rate of irregular incidents exceeds the standards, the alert notice is sent to respective engineers for analysis. Improvement measures are established to be included into the aircraft maintenance program to maintain the reliability of various aircraft systems, thus increasing maintenance quality and improving flight safety.

In terms of implementation of Reliability Control Program, the "reliability control measures" are established as the basis for execution and management. For the various technical information and problem characteristics generated from routine aircraft operation, the reliability control system categorizes four major items for monitoring. Through monthly "Supporting Committees" and "Quality Review Board", monitoring and discussion for improvement are carried out for issues such as reliability of aircraft maintenance, technical corrective and preventive measures and human error.

EVA Air's 2018 fleet reliability control trend chart:



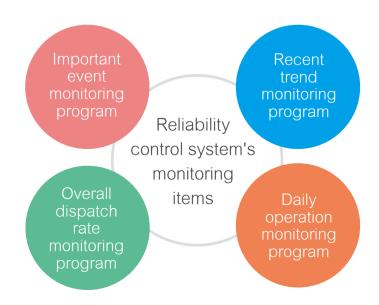


Modern Aircraft Maintenance Center

EVA Air's subsidiary, Evergreen Aviation Technologies Corp. **YouTube**, owns the largest modern aircraft maintenance center in Taiwan; it boasts four hangars which can house nine jumbo wide-body and three narrow-body aircrafts, two engine repair factories equipped with engine test cell of up to 120,000 pounds thrust, which can be elevated to a maximum of 150,000 pounds as required. It also provides engine repair services for various types of engines including the latest GEnx engine, satisfying the requirements for repair and maintenance of high-end fuselages of a variety of aircraft models. It has passed the certifications of civil aviation authorities from more than 10 countries, including Taiwan, the U.S., Japan and China, as well as the EU. It has been rated as Asia's best MRO by U.S.-based Aviation Week and U.K.-based UBM Aviation and has obtained ISO 14001: 2015 Environment Management System and AS9110: Quality Maintenance Systems certifications. EGAT has been the long-term parter with Boeing and Airbus, signifying international recognition of its maintenance ability and quality.

Aircraft maintenance personnel and technicians

Aircraft maintenance personnel and technicians need to go through two major stages of training at the repair station: basic training and departmental specialized training. They are also required to pass the examinations for the aforementioned training to be qualified as maintenance personnel and technicians. After obtaining CAA Aircraft Maintenance Engineer Certification, they will attend aircraft type training at maintenance training organizations to cultivate aircraft type professional maintenance capabilities and become authorized to sign the release.



Maintenance Personnel Training

Course Category	Basic Training	Departmental Specialized training	Aircraft Type Training
Content	 Safety Management System / Human Factor / Maintenance Specialty Training Basic Hand Skill Training Basic Aircraft Systems Training Maintenance Document Training Civil Aviation Legislation Training 	 Department Safety Regulations Work Order Studying Department Professional Training Department on-the-job training (OJT) 	 A318/A319/A320/A321(CFM56) A330(GE CF6) ATR 72-600(PWC PW120) 737-600/700/800/900(CFM56) 747-400(GE CF6) 777-200/300(GE90) 787-9/10 (GEnx)































1-3 Aviation physiological and psychological management for flight crew

To realize the Safety Vision of "Pursue safety, never compromise", EVA Air, in addition to grasping and ensuring various details of flight safety, has established a sound flight risk management system; it not only adopts the highest standards for the maintenance of aircraft, but also focuses on the physiological and psychological state of the flight crews. When conducting their flight duties, the flight crew must always pay attention to flight safety all the time. In their daily lives, they also have to proactively adjust physiological fatigue and psychological pressure to ensure that each duty is successfully completed in an appropriate physical and mental state. Therefore, for flight crew schedule management, EVA Air, besides introducing the world's best Crew Management System (CMS), has been continuously optimizing the flight crew's schedule, taking into account factors such as crossing time zones, working night shift, duty hours and vacation length to establish quantitative indicators of fatigue management, in the hope of reducing the impact of fatigue on flight safety. In terms of aviation psychology, EVA Air also provides flight crews with professional management and counseling on stress, health, alcohol and medication. It is expected that EVA Air flight crew can perform their duties under the optimal physical and psychological conditions.



Schedule management

- In terms of flight crew manpower and scheduling management, advance preparation for sufficient flight crew manpower is made according to the established operation plan, as well as the seasonal (off-peak, peak) operation requirements to allow the crew members to make reasonable arrangements for rest days and regulate the well-being of their bodies and minds appropriately.
- In order to establish the crew schedule for a greater safety margin, efficiency and friendly crew member participation (Bidding) and Real Time Tracking, we utilized the Crew Management System (CMS), complementing the Flight Information System (FIS) and Crew Record Management.



Stress and health management

- To allow the flight crew to perform their flight duties with healthy body and mind, besides providing a friendly CMS/Bidding module for the flight crew to arrange their schedule and leave with greater ease, so as to regulate their body and mind and relieve stress, we also offer our flight crew a maximum of 42 days of paid annual leave and 30 days of paid annual sick leave, a benefit package that is far better than that stipulated by the Labor Standards Act.
- EVA Air also has an infirmary that offers the flight crew advice on health and stress management at all times.
- Whenever a member of a flight crew suffers from any stress in his or her work or private life, he
 or she can seek the best solution through the profession consultation of the Company's employee consultation program.



Fatigue management

EVA Air is the first in Taiwan's aviation industry to implement the Fatigue & Risk Management System (FRMS), which refers to the scientific and quantitative sobriety values during the crew's period of duty. Monthly FRMS meetings are held, where dispatch methods are reviewed and feasible improvement measures proposed to target the 5% crew with the lowest sobriety index, so as to improve flight safety.



Management on alcohol, drugs and activities which can affect flight safety

• EVA Air has strict stipulations concerning flight crew members' consumption of alcoholic drinks or drugs and their engagement in activities which can affect flight safety prior to flight missions. For instance, flight crew members are strictly forbidden to ingest any alcoholic drink or engage in scuba diving sport within 12 hours prior to their flight. The full-time physician at the Company's medical office must be consulted before any drugs can be taken.

1-4 Safety Training

Striving to be one of the safest airline in the world, EVA Air requires every employee to bear the responsibility of "flight safety". Training is the cornerstone of safety assurance, and EVA Air requires all employees to participate in safety training. Since 1990, we have been promoting safety training to instill safety concepts into the heart of every employee, thereby eliminating the occurrence of human errors. Flight-related operators are requested to attend Safety Management System (SMS) training.

Safety Training Statistics in the past 3 years

Training	Trainee Hours -	2016 Training	2017 Training	2018 Training	
Training		Trainee No.	Trainee No.	Trainee No.	
Aviation Safety Basic Training	All Ground Staff	8	322	244	307
SMS Basic Course	Senior Staff or Supervisor	8	83	80	83
SMS Management Course	Management Level	8	74	76	81

1-5 Safety Culture

When it comes to establishing a corporate safety culture of "consensus, fairness, adaptability, and learning", EVA Air takes "consolidating safety awareness based on morality", "establishing a learning organization aiming at knowledge" and "pursuing safety-oriented economic benefits" as the direction where all the colleagues shall continuously apply their efforts.

Since 1996, EVA Air has conducted Safety Week activities every year to build up safety awareness among all employees; they include promotional materials competition, filming safety promotional video, holding seminars, outstation safety workshop, Safety Week conference, sports days, family days, etc. The objective is to enhance the team's cohesiveness, improve teamwork, and increase the safety responsibilities awareness of every member of air- and ground crews, to shape a positive and active safety culture and promote safety awareness among all colleagues.



Themes of Past Safety Weeks

2018	Safety comes from discipline, Service starts with innovation	2006	Think differently to overcome adversity, devise measures in times of problems
2017	Professionalism and zero negligence assure flight safety	2005	Cultivation and perfection striding towards the future with quality cultivation and culture perfection
2016	25 years of cultivation, the sky is the limit	2004	One person's negligence affects all, prudence reduces problems
2015	New Sky, New Horizon, New Era!	2003	Safe and heartwarming flight
2014	Sustainable growth requires creativity, flight safety relies on dedication	2002	Safe flight with EVA Air
2013	Across the globe with Star Alliance, EVA Air exhibits its strength	2001	Response strategies the aviation industry should have towards the impact of the 911 attack
2012	Devise strategies and make careful decisions, ensuring safe flights	2000	Challenge e -generation, fly towards e-future
2011	20 years of flying experience promises and delivers flight safety	1999	Happy employees, satisfied customers
2010	Innovative service begins with the heart	1998	Implement standard operating procedures to increase service quality and reduce human error
2009	Survive and Re -initiation: break through adversity and shine again	1997	Establish excellent service quality and safety culture
2008	Think differently to break through adversity; safety and diligence are the keys	1996	Total Quality, Total Safety
2007	Spare no effort, attain perfection		



2016 "25 years of cultivation, the sky is the limit"

- The activities include promotional material competition, safety promotional video, seminar, outstation safety workshop, Safety Week conference, etc. EVA Air continuously emphasizes the importance of flight safety to the Company's sustainability, ensures every employee is equipped with the concept, mindset and methods in terms of "hazard identification and risk management" at their workplace; it has the ability to adopt preventive measures in order to reduce or eliminate the occurrence of hazards.
- The theme of the 2016 safety promotional video is "Safety, because of me". Through the working day of a typical worker, it conveys to the employees that safety is accumulated over the days, requiring the cooperation of employees from all departments. Every small screw seems unimportant, but in fact plays a big role in ensuring safety.



2017 "Professionalism and zero negligence assure flight safety"

- The theme of the 2017 safety week is "Elevate professionalism to ensure safety", re-emphasizing the importance of professional spirit in assuring safety. Professional spirit refers to being able to uphold a professional attitude and complete a task correctly regardless of being supervised. From a law abiding passive attitude, safety is being transformed into a proactive attitude of actively preventing hazard occurrence, in other words, it progresses from the attitude of "require me to be safe" to "I want to be safe". Exhibiting a professional spirit is our commitment to self-responsibility, as well as a safety commitment to customers.
- The activities include: promotional materials competition, safety promotional video, seminar, outstation safety workshop, Safety Week conference, etc. Through the ongoing promotion every year, the aim is to instill the thought of "safety is the foundation for the company's sustainability" in the heart of every staff member, and implement "professional spirit" in every task.



2018 "Safety comes from discipline, Service starts with innovation"

• Service means nothing without flight safety. Every employee of EVA Air is well aware that behind the first-class service is the importance of our motto: "pursue safety, never compromise." Safety is the most important aspect of insistence in the aviation industry, and also a red line that shall never be crossed. The theme of Safety Week this year: "Safety arises from discipline and service begins with innovation" signifies the practice that EVA Air expects all its employees to implement as self-discipline. Even when supervised by no one, EVA Air staff will do everything right, be prepared for danger and plan ahead to avoid the occurrence of an accident, which is our best practice for passenger safety and service commitment.

















02

We have always aimed to become the best airline in the world. In order to provide a comfortable and safe journey for the passengers, the end of each service is a new start for creating the next opportunity. We have earnestly carried out our service declaration: be attentive to customers' needs, respond proactively, and provide seamless service; be sincere in caring limited resources and environment, benefit your neighbors in every corner of the world, share service with a no-boundary value. Be enthusiastic in offering hospitality, treat customers as family, and establish a warm, friendly relationship. EVA Air continues to uphold the attitude of "always striving to provide better service" and constantly enhancing our service quality. Through collecting information from diverse sources and referring to international trends, we put effort into considering passengers' needs. With the spirit of providing more thoughtful services, we would like to provide customer experiences that are "safe, comfortable, unique, and honored." We expect that customers will be able to experience our boundless service enthusiasm with joy, while enjoying a safe journey.

Chapter Highlights

SKYTRAX, a Prestigious UK-based Airline Survey Organization World's Top 20 Safest Airlines EVA Air won a total of 13 awards in 2018 EVA Air has earned a coveted spot among AirlineRatings.com's The World's Best Airport Services No.1 • World's Top 20 Safest Airlines with its maximum seven-star Best Airline Staff Worldwide in Asia No. 2 • World's Best Premium Economy Class Airlines No. 7 • safety rating and met its high standards for 2018. World's Best Airline Cabin Cleanliness No.2 • Best Economy Class Airline Catering No.7 • The Best Airlines in Asia No.3 • Best Premium Economy Class Airline Catering No.8 • Best Business Class Comfort Amenities No.3 • World's Best Economy Class Airlines No.8 • The World's Top 10 Airlines No.5 • Best Economy Class Airline Seats No.8 • **Best Services Awards** The World's Best Airline Cabin Crew No.5 • World's Best Business Class Airlines No.10 • Next Magazine **Business Traveller** Best Seat Comfort in Asia and Best Food Silver Medal for Best Business Class Sparkling • Gold Medal for Best-presented Business Class Wine List • and Beverage in Asia Airline Passenger Experience Association (APEX) Highest Honor from SKYTRAX Cheers Magazine • Top 3 in the "2018 Top 100 Most Attractive Employers for *** Younger Generations" 5-STAR AIRLINE • Number 1 in the "2018 Most Attractive Employers for Younger SKYTRAX, a prestigious UK-based airline rating organization Generations - the transportation industry' AirlineRatings.com World's Top 20 Safest Airlines • **TripAdvisor** • Top10 World's Best Airline Award - 5th place World's Top 10 Airlines 2019 (8th place) • Top10 Major Airlines in Asia Best Long-Haul Airline Asia/Pacific • • Best Business Class in Asia

Best Premium Economy Class in AsiaTravellers' Choice Economy Class in Asia



2-1 Attentive Services

Since its establishment in 1989, EVA Air has been working hard to improve its services. EVA Air sees flight safety as the core of its management and providing the passengers with diversified and attentive services as its ironclad duty. It means recognition and honor for EVA Air to have been ranked as one of the top 5-star airlines, which is also the beginning for EVA Air to face the challenge of protecting this honor. In the future, we will work incessantly to pursue better safety records and pay more attention to every little detail of our services for the passengers, thereby offering the perfect flight experience for passengers around the world.

EVA Air started to introduce the 787-9 Dreamliners in 2018 and plans to bring in the 787-10 Dreamliners, which have more passenger capacity, in the second quarter of 2019. We expect to introduce twenty-four(24) 787 aircraft by 2022. The inclusion of the new 787 fleet will rejuvenate EVA Air fleet and also represents an important indicator for the enhancement of our service quality.

This new model of aircraft features Boeing's multiple state-of-the-art aerospace technologies. As for its cabin layout, BMW Group's Designworks was invited to design a brand new Royal Laurel Class. In the meantime, the economy class was designed by Boeing's long-term design partner, Teague, and the seats were made meticulously by RECARO, the famous German motorsport seat manufacturer, enabling passengers to enjoy a better flight experience, and demonstrating EVA Air's brand image as an airline striving for 5-star flight services.

The Boeing 787 Dreamliners are made with a large quantity of composite materials, including lightweight carbon fiber, which are applied in the fuselage, wings, engine blades, etc. The percentage of such materials accounts for more than 50% of the total weight, drastically reducing the weight of the fuselage. Also, the new materials are less readily subject to fatigue and corrosion compared with the traditional aluminum alloy; this helps to reduce maintenance costs. In addition, LED lighting is used to replace fluorescent lamps, reducing about half of the electricity consumption. With the latest model of GEnx engine manufactured by General Electric, the adoption of new aircraft reduces fuel consumption and greenhouse gas emissions by 20%. Their high fuel efficiency and flight endurance will help enhance EVA Air's operating performance.

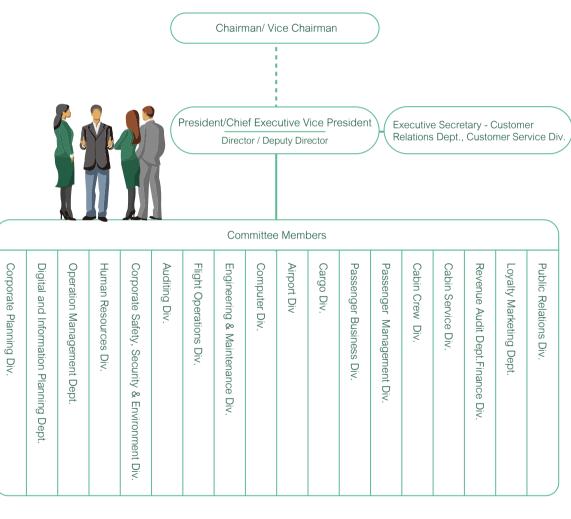
With respect to cabin comfort, the Boeing 787 Dreamliners feature advanced equipment, such as the state-of-the-art air filtration systems and air compressors to improve the air quality in the cabin. In comparison with traditional aircraft, the humidity in a 787 Dreamliner can increase 3 to 4 times, while the noise level decreases by 60% compared to other similar aircraft models. In addition, the extensive use of composite materials enables 787 Dreamliners to effectively control the cabin pressure, lowering the pressure from the equivalent of an altitude of 8,000 feet to 6,000 feet. This helps increase the passengers' blood oxygen and alleviate the common motion sickness and discomfort, allowing a more comfortable and quality journey in the air.



2-1-1 Service Quality Committee

The President acts as the Chairperson of the Service Quality Committee, and the Chief Executive Vice President as the Vice Chairperson. The heads of various service business departments serve as the ex officio members of the Committee. The Committee meeting is held every quarter to conduct internal analysis and review to improve the Company's service quality through grasping customer satisfaction and customer opinions, and jointly examining the progress of the goals in each service area and the implementation of policies on quality. Each member has to report the implementation progress of each service item in the meeting, and the Chairperson/Vice Chairperson supervises the implementation results of the resolutions in order to execute improvement plans and provide better services for the passengers.

Organizational Chart of the Service Quality Committee











2-1-2 Service Quality Management

In order to constantly improve our service quality and provide the best services for our customers, EVA Air holds an evaluation meeting on service quality with the responsible department every quarter to evaluate the progress of the services that the customers value one by one (e.g. reservation /ticketing, official website, airport ground services, in-flight services, punctuality of flight departure and arrival). EVA Air listens carefully to the customers' advice and tries to identify the reasons behind each customer complaint and the subsequent response measures, implement plans, review the results, and take corrective and preventive measures. At the same time, the Company continues to track the status of customer satisfaction and requires relevant departments to immediately make improvements to meet the target values, ensuring the accomplishment of the highest service quality.

2-1-3 Reliable and Trustworthy

In order to provide passengers with reliable and trustworthy service quality, EVA Air has set up the punctuality rate goal of 15 minutes (excluding uncontrollable factors such as weather and air traffic control). In 2018, the punctuality rate of 15 minutes for all routes was 96.9%. In 2018, the long-term renovation of runways and taxiways for three major airports in Taiwan is expected to influence aircraft towing and ground operations, which will in turn affect flight departures and the ground handling of subsequent flights as well as punctuality rate. Therefore, the punctuality rate goal of 15 minutes in 2019 for all routes is set at 95.0%.

Year	2015	2016	2017	2018	2019(goal)
Teal	94.9%	95.6%	96.2%	96.9%	95.0%

2-2 Innovative Services

EVA Air provides a wide variety of innovative services to meet customers' demands for better services. With our quality and thoughtful services, passengers can enjoy a wonderful and relaxing flight experience.

2-2-1Delicacies- In-flight Meal

In-flight Meals

Innovative and diverse meals made with fresh seasonal ingredients are EVA Air's insistence on in-flight meals. We regularly update in-flight meals and collaborate with world-renowned chefs. In combination with all types of alcohol and other beverages, in-flight meals will make passengers feel at home during their journey in the air.

EVA Air actively introduces cuisines from all over the world to our guests. We continue to serve the world-famous meals from Din Tai Fung, which provides Xiaolongbao, braised beef noodles, house steamed chicken noodle soup, and noodles with spicy wontons on different routes. In addition, the desserts come from famous shops around the world, such as creative desserts from SEASON, macarons from LADU-RÉE, Osteria by Angie snack box, and pound cake from Paul, another famous French bakery.

In response to the increasing popularity of healthy food, we offer the century-old French A L'Olivier's Olive Balsamique Vinaigrette for passengers of Royal Laurel Class and Premium Laurel Class on their flights to the U.S., Canada, Europe, and Oceania and those of Premium Economy Class on some long-haul flights. Passengers can dip into it with bread or mix it with salad.

First Airline that Works with Michelin 3-Star Chef

Since 2015, Mr. Motokazu Nanamura, an 8-time Michelin 3-star master chef, has been working on creating the highest quality food services for EVA Air passengers. Such delicious exquisite meals are served in fine china by Narumi, the world-leading Japanese bone china manufacturer, exclusively for the Business Class on routes from Taoyuan and Songshan to Tokyo and Osaka. Each Narumi chinaware piece was specifically designed to meet Chef Nakamura's inspiration behind his Kyoto themed dishes and made with its traditional techniques. The combination of both brings the in-flight dining experience to a new level and all passengers would feel like they are on could nine.

Chihshang Rice

Upholding the corporate social responsibility and local environments, EVA Air provides meals with the award-winning "Premium Grade Rice" for Royal Laurel, Premium Laurel and Business Class of the flights departing from Taipei. Passengers from around the world can glimpse the beauty of Taiwan and the dedication of the farmers in Chihshang through a single full and pure grain of rice. We hope that this award-winning rice will make a favorable impression on each traveler we encounter.

Experience the Changing Seasons

Taiwan can be home to everyone. Its diverse and rich qualities allow us to embrace differences and welcome different people. The Island is where our hearts can find a place of belonging. EVA Air has launched a brand new in-flight menu in 2018 with the concept of "Observing Taiwan's Four Seasons." The menu reflects the abundance of beauty in Taiwan from an aerial aspect. The views from a plane from day to night depict people's hard work; seasonal alterations and changing tides, together with monsoons, embody our lives, just like migratory birds flying South and returning North during different seasons. When looking over the magnificent views of Taiwan's landscape, you can enjoy the seasonal beauty from a detailed perspective and embrace this land of abundance.

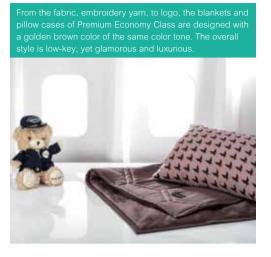
No matter where you are from and where you are going, Eva Air flies with you to where your heart belongs. The best time is the time when you return home.



In-flight Products









2-2-2 Eat Safe: In-flight Meal and Airline Catering Management

EVA Air's airline catering food safety management complies with the hygiene standards assessment form for airline catering set by IFSA, as well as HACCP regulations. We ask our caterers to comply with related regulations, such as supplier management, personal hygiene, staff training, pest control, cleanliness and environmental hygiene. From food source through delivery, storage, cooking to loading on board, all steps are under strict control to ensure food safety and quality.

Availability of EVA Air Meals over Years

	2016		2017		2018		2019(goal)
Item	Meal Availability	Target	Meal Availability	Target	Meal Availability	Target	Target
Business Class	99.995%	99.992%	99.995%	99.992%	99.995%	99.992%	99.992%
Premium Economy Class and Economy Class	99.999%	99.996%	99.999%	99.996%	99.999%	99.996%	99.996%

Note: Meal availability (Actual % (Target %): The quarterly meal availability was calculated based on meal irregularity cases reflected by our passengers (such as foreign articles and food spoilage.)

In 2018, there were 36 airline caterers providing in-flight meals for EVA Air. All caterers are qualified suppliers and acquired relevant certifications, including HACCP, ISO22000, ISO9001, ISO14001, OHSAS18001, ISO50001 and Halal. 30 out of 36 (83%) have obtained the international certifications for food safety HACCP or ISO22000. Also, in 2018, there was no violation of laws or voluntary standards by EVA Air which is related to food safety and health concerns.

Airline Catering Hygiene Inspection Rate

Item	Execution Rate in 2016	Execution Rate in 2017	Execution Rate in 2018	Target in 2019
Airline Catering Hygiene Inspection Rate	100%	100%	100%	100% (EVA Air conducts airline catering hygiene inspections on all collaborating caterers every year.)

Note: Execution of airline catering hygiene inspection: Annual hygiene inspection will be conducted in accordance with the audit checklist, which is based on the hygiene standards assessment form for airline catering set by IFSA.

Types of Certification for EVA Air's Airline Catering Worldwide

Types of Certification

Number of Certificated 23

Catering

HACCP

14



26

Optimized Food Safety Control Process

Evergreen Sky Catering Corporation, the major in-Flight meal supplier for EVA Air, has a very strict standard procedures of food safety control. Here are the 7 steps: raw material testing, delivery truck control, low temperature preservation, food and tableware cleaning, cooking control, meal quality control, temperature control of aircraft loading. With the insistence on quality control and service enthusiasm, we provide various airlines with tasty in-flight meals that are hygienic, safe, and convenient.



All raw materials are procured according to the procurement standards. Upon receiving raw materials from the vendors, we check the package, expiry date, foreign objects, impurities and other potential contaminants to ensure that there is no sign of spoilage or unsafe food (e.g. taste, color and texture). Temperature measuring and random testing are conducted thereafter.)

Temperature Standards

Food Type	Food temperature requirements
Chilled Food	≦5°C
Frozen Food	≦-10°C No sign of pre thawing
Hot Food	>60°C

Delivery Truck Management



All food delivery trucks must be clean, well-maintained and fully functional (i.e. no odor, trash, dirt, pest, rust or corrosion). The temperature control of the delivery trucks must be kept in the best condition to maintain the food quality.

Food Type	Storage Temperature Standards for Delivery Trucks
Chilled Food	≦5°C
Frozen Food	≦-18°C
Hot Food	>60°C

Raw Material Low Temperature Storage



The basic principle to handle the raw material is "First in, First out". Those raw materials will be separated and labeled by boxes, baskets, pallets and trucks. These processes are conducted from we purchase the items, then we unpack, storage, prepare and cook the food, until we dispatch them. All food preservation is followed the standard cold storage temperature control for chiller and freezer.

Chiller/Freezer Temperature Control Standards

- Paperless records and tracking system and 24 -hour alarm for freezers and chillers are required.
- 2. Chiller Critical limit: 0-5°C
- 3. Freezer Critical Limit: < -18°C



Food and Tableware Cleaning

First, all ready-to-eat vegetables and fruits are washed to clean the surface, then soaked in water containing 50-100ppm of chlorine for 1 to 5 minutes for disinfection. Last, rinsed with drinking water (0 ppm of chlorine residual) till they are visually cleaned. The cookware and tableware cleaning should meet the sanitation and safety requirements. For example, the temperature of the cleaning machine should be higher than 82°C, use the heat-sensitive paper to check the surface temperatures of the equipment, temperature for utensils and tableware must reach at least 71°C. Random daily microorganisms tests must be conducted for water and ice cubes, including chlorine residual, turbidity, total hardness, plate count, Coliform bacteria and E. coli.

Cooking Control



There are standard procedure guidelines for hot food cooking and temperature control:

- Hot food core temperature exceeds 75°C for at least 15 seconds.
- To cool down the hot food safely, food core temperature should be reduced from 60°C to 21°C in two hours, and subsequently reduced from 21°C to 5°C in four hours. Or, the core temperature must be reduced from 60°C to 10°C in four hours.
- Potentially hazardous food safety control: Surface temperature doesn't exceed 15°C and meal preparation time doesn't exceed 45 minutes.

Meal Quality Control

We keep close tabs on the daily cooked food to make sure the meal quality, the control procedures including:

- 1 Using X-ray, foil detectors and metal /weight detectors to prevent foreign articles.
- To protect food safety and quality, the internal shelf life standard for food is established. Maximum 24 hours for cold food, 48 hours for hot food from preparation to scheduled departure time.
- Daily microorganisms tests include plate count, Coliform bacteria, E.coli, Salmonella, Staphylococcus aureus, Listeria, Bacillus cereus, Clostridium perfringens, Campylobacter, Vibrio parahaemolyticus, mold and yeast.
- 4 Chef will arrange daily in-flight meal check to assure all meal process is stable.

Temperature Control of Aircraft Loading

We follow the standard rules made by Quality & Safety Alliance for In-flight Services (QSAI), Food Processing Safety Standards (FPS), Food Processing Quality Standards (FPQ) and IFSA/AEA World Food Safety Guidelines to monitor and control the temperature of loading meals to the aircraft. For instance, the surface temperature of potentially hazardous food does not exceed 5°C; maximum 3 hours for meals taking out from the chillers to scheduled departure time.

2-2-3 Cabin Cleanliness

Cabin cleanliness management is important to EVA Air. Before departure, the seats, tabletops, TV screens, aisles, toilets, overhead and front storage compartments are thoroughly cleaned. During the flight, our cabin crew check and clean the cabin periodically to maintain a clean and comfortable cabin environment. Our airport staff or supervisory management unit also assign staff to conduct re-checks from time to time to ensure the cabin cleanliness quality. In 2018, EVA Air once again earned excellent results with the title of the "World's Cleanest Aircraft Cabins" by SKYTRAX, the well-known airline service rating site, which proves that EVA Air's service quality is internationally recognized.

2-2-4 Care for Passengers' Rights and Health

In order to protect the passengers' rights and health, all the products and services provided by EVA Air comply with the statutory laws and regulations. There was no case of large fines resulting from the violation of laws and regulations concerning the provision and use of the products and services. The reporting procedures in relation to EVA Air's flight ticket sales are made in accordance with the laws and regulations and approved by the Civil Aeronautics Administration (CAA). All the passenger products and services provided by EVA Air have complied with the statutory laws and regulations, so our passengers' interests are protected by an excellent governance system and specific rules. No significant law or relevant voluntary codes violation has been observed during the marketing and advertising, promotion and sponsorship processes of the passenger products and services. All EVA Air's in-flight products for cabin service conform to the laws and regulations. The tender invitation clearly states the relevant laws and regulations that must be met. All suppliers must provide the relevant certificates of inspection at the point of tender submission for evaluation. For example, food containers must comply with the Sanitation Standards for Food Utensils, Containers and Packages stipulated by the Ministry of Health and Welfare, Executive Yuan. In 2018, there were no cases of non-compliance with the laws and regulations concerning product and service information labeling or other relevant voluntary standards for the in-flight products used for cabin service. Prohibited and controversial products were not sold.

In-flight Products for Cabin Service Comply with Laws and Procurement Standards

Product category/	Total Number of Items							
Procurement standards	% of Compliance	2013	2014	2015	2016	2017	2018	
Children's toys (ST safety toy inspection mark is required)	100%	17	18	15	12	12	11	
Plastic tableware (Certificate of inspection is required)	100%	66	67	45	50	46	47	
Food (Certificate of inspection is required)	100%	51	56	33	37	44	45	

2-2-5 Automated Services

Self Check-in

To help passengers save time spent waiting in queue to check in at the airport counter, EVA Air launched the self check-in service in 2009. Currently, the departure halls at the following airports offer the self check-in service: Taoyuan International, Taipei Songshan, Taichung, Kaohsiung, London, Bangkok, Hong Kong, Osaka, Tokyo Narita, Fukuoka, Amsterdam and Los Angeles. Simply follow the instructions and print out the boarding pass to complete the self check-in procedure. This service shall be progressively made available at other airports around the world. In 2018, the usage rate of the self check-in service was 21.78%, a 0.55% increase from 2017.



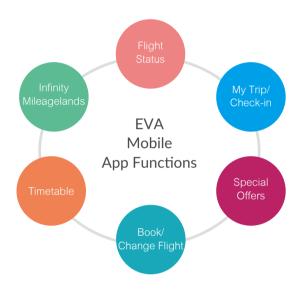
Self Check-in Counter

To provide passengers travelling abroad with convenient and fast services, EVA Air continues to promote the self check-in service, which allows passengers to begin an easy trip by saving time checking in at the counter. EVA Air collaborates with shops at Taoyuan/Songshan/Kaohsiung Airports in 2018, providing limited-time discounts on food and drinks and in-flight WiFi for those who use the self check-in service. EVA Air also provides a complimentary ticket luck draw, extra free mileage for members, and in-flight WiFi experience vouchers.



EVA Mobile App

To provide foreign passengers with friendlier and more convenient user interface, 9 more languages, apart from the existing Traditional Chinese, Simplified Chinese, Japanese and American English, were added to the EVA Mobile App, including French, British English, Global English, German, Thai, Bahasa Indonesia, Korean, Vietnamese, and Dutch. EVA Air mobile commerce team will continue to develop and optimize various functions.



EVA Sky Shop App

EVA Sky Shop App is a convenient option for passengers to purchase in-flight duty free goods. EVA Air passengers may pre-order our exclusive in-flight duty free goods before their flight and collect the goods on board; getting great gifts for family and friends is now made easy! EVA Sky Shop App was downloaded 38,679 times in 2018.





EVA Sky Shop App



EVA Home Delivery Shopping App

"EVA Air Home Delivery Shopping" is an online shopping mall launched by EVA Air. It offers fast and convenient shopping by using your smartphone. Customers can purchase EVA Air exclusive goods and other premium products, then delivered to the doorstep free (home delivery service is limited to the Taiwan region only). Everyone can enjoy shopping anytime and anywhere. EVA Air Home Delivery Shopping App was downloaded 10,044 times in 2018.





EVA Home Delivery Shopping App



EVA Air Automated Services	Self Check-in		EVA Mobile App		EVA Sky Shop App		EVA Home Delivery Shopping App	
	Number	Percentage	Number of Downloads	Number of Visits	Number of Download	Number of Usage	Number of Download	Number of Usage
2016	1,828,705	15.02%	306,567	13,286,698	86,268	7,372	17,317	1,967
2017	2,835,556	21.23%	425,432	20,426,328	45,020	11,346	14,667	2,092
2018	3,018,502	21.78%	617,243	28,273,994	38,679	13,896	10,044	2,116

Note: In 2018, the global number of passengers flying with EVA Air was 12,541,877. The self check-in services consist of 3 types: kiosk, mobile phone, and web, among which, the kiosk was used the most.

The Pepper, a semi-humanoid robot, joined EVA Air's service team in December 2016, making EVA Air the first airline in Taiwan to introduce Pepper. From its first launch till the end of 2018, the number of people who had interacted with Pepper was 30,000. Passengers will be able to experience the brand new service at the VIP lounge of Taoyuan International Airport and the check-in counters of Songshan Airport. Apart from its original Chinese service, Pepper is now even more internationalized by supporting English and Japanese, and providing guided airport tours. In particular, it provides the world's first boarding pass scanning function, allowing passengers to grasp the latest information effortlessly. Pepper can simply scan your boarding pass to acquire the latest information, including boarding time and boarding gate; it can even quickly calculate the time you need to walk to your boarding gate. Furthermore, the robot also provides the weather information of your destination, so that you can keep track of the latest weather forecast. Meanwhile, the newly-added airport guided tour service introduces in detail all the facilities at Taoyuan International Airport, including duty-free shops, food courts, and breastfeeding rooms. Pepper's recently launched interactive services will make your journey even more enjoyable.

Web Accessibility Design and Diversified Service

The U.S. Department of Transportation (DOT) requires all airline companies with flights to the U.S. to have their websites that are targeted at the U.S. market meet the "Web Content Accessibility Guidelines (WCAG) 2.0 Level AA" established by the World Wide Web Consortium (W3C). Therefore, the American English version of EVA Air's official website has been set up with reference to the U.S. laws and regulations, to provide users with hearing impairment, visual impairment, physical disabilities or learning disabilities with a user-friendly interface. For instance, color blind users cannot distinguish between colors so the website design cannot rely solely on colors to transmit information. Certain colors may stand out to some people but appear inconspicuous to others. Hence, EVA Air's website uses images to convey information, and avoids the utilization of colors to categorize information. For example, the cabin seating plan uses icons to indicate the classes and services.

Web Accessibility Example



With an increase in leisure travels and business trips, EVA Air takes into account the potential needs of passengers during their flight and after reaching the destinations; also, to expand the scope of our services and assist passengers in integrating the different aspects of their travels, we provide a variety of additional services: prepaid excess baggage allowance, prepaid inflight WiFi access, chargeable seat, online car rental, online accommodation reservation, etc. All passengers can purchase these services according to their personal needs and access more diverse options for their flight

and trip. In addition, the rapid advancement of technology has contributed to many changes in user preference. The traditional payment methods can no longer satisfy passengers' wish for a faster and more convenient experience. The ever-changing mobile devices are now a powerful payment means. For sales of either tickets or other product services, EVA Air has introduced diverse and prevailing payment methods, such as Apple Pay or Google Pay, to cater to customers' user preference and fast-changing trends.

2-2-6 Brand New VIP Lounge Services

To ensure that passengers can have enough rest before the trip, EVA Air offers four VIP Lounge of four different styles at Taoyuan International Airport: The Garden, The Infinity, The Star, and The Club. We provide excellent services that will make passengers feel at home, and through the enjoyment of the different recreational spaces and atmospheres, they can embark on their next journey in a pleasant mood.

The Garder

Equipped with a pool of flowing green, the Garden VIP Lounge allows travelers to get away from their busy schedules and enter a modern utopia to enjoy some worry-free rest. Made into a wide space with a high ceiling that soaks in the warm light emitted naturally from the sky while combining the spirit of Zen of oriental gardens and the geometrical concepts of western gardens, the VIP Lounge constructs the poetic feeling of a modern garden with a contrast of virtuality and reality. Under the British Bone China fish lamps symbolizing a bountiful harvest and perfection that move as if they were swimming with the ocean currents, you can find the food counter providing all sorts of beverages, delicious eastern



and western delicacies, and snacks. In addition, many kinds of fresh-made traditional Taiwanese noodles are served here to satisfy the travelers' stomachs and warm their hearts. Passengers can relax in the lounge area with lanterns swaying in the wind, or work and read in the individual booths. They can also sit at the elegant deluxe stone-made bar in the modern bar area, enjoying various specially made drinks. During the leisurely afternoon tea time, you can have a warm cup of pour-over coffee to help you relax before boarding. The whole area is equipped with WiFi so that our guests can keep tabs on firsthand business opportunities. Meanwhile, the spacious and bright showers have the wet and dry areas separated. The 5-star facilities make passengers forget they are in a bustling airport and allow them to get ready happily for the next leg of the journey.



he Infinity

The INFINITY VIP Lounge is decorated with a resplendent sky tree and sparkling stars. The elegant curved walls construct a trendy, futuristic room, providing a vast space and aesthetic pleasure. Not only is the lounge acclaimed for its spatial design, but it also features well-planned facilities that satisfy passengers' needs. The INFINITY VIP Lounge was also named one of the world's Top 10 Business Class Airline Lounges by SKYTRAX in 2016. When passengers come here to wait for their flights, they can enjoy appetizing Chinese and Western buffet dishes. Also, the lounge

provides four shower stalls of different styles to help transferring passengers relax and continue the next journey with refreshed body and mind. Meanwhile, in consideration of many passengers' business needs, the lounge is equipped with comprehensive international standard socket-outlets and a business center where business passengers can work.

The Sta

The STAR VIP Lounge has a cozy, bright atmosphere that allows passengers to have sufficient rest during a busy and intense trip. This lounge features a lounge chair zone, in which passengers can relax their tired bodies and minds. Also, there are different types of tables and chairs catering to passengers' different needs. The area next to the windows is well-lit with natural light and equipped with bar chairs. In here, you can see the excitement and expectations of travelers going abroad. There is also a seating area with relaxing floor level sofas, where passengers can relax and enjoy the appetizing food comfortably.

Kaohsiung International Airport VIP Lounge

The EVA Air VIP Lounge at Kaohsiung International Airport adopted the concept of "flying in the clouds" and combined vintage airplane models and contemporary design aesthetics to create an artistic aviation temple exclusive to Siaogang. Guests can rest in the elegant and comfortable atmosphere with peace and enjoy all sorts of beverages, fresh-made coffee, and delicious eastern and western delicacies, and snacks. Wi-Fi is available throughout the lounge, so you can efficiently keep track of firsthand business opportunities.

The Club

Furnished with a simple and open-air style, The CLUB VIP Lounge is unique among numerous VIP lounges. Here, the penetrating morning sunlight offers an air of freedom at the airport. Passengers can rest here and contemplate the meanings of traveling. You can also choose your own meal at the buffet; with one cup of coffee, a slice of freshly toasted bread, and the sound of people walking at the airport, you can fill your stomach, relax your mind, and enjoy the wait for your flights elegantly.

Suvarnabhumi Airport VIP Lounge

EVA Air VIP Lounge in Bangkok features a unique perspective as well as light effects to create a blurry and dreamy space for rest. The brand new, modernized, and thoughtful facilities satisfy passengers' needs during their busy business travels. Wi-Fi is available throughout the lounge. A socket can be found next to each seat. The lounge is equipped with a business center, buffet bar, drink bar, two shower rooms, and two rest areas. We provide appetizing Chinese, Western, and Thai cuisines, with the Thai menu changing twice a month, to help passengers relax during a busy trip.



2-2-7 Joyful Aircraft Livery

Infused with creativity, the aviation industry is no longer just a transportation industry, but the best platform for carrying the talents of Taiwan to every corner of the world. In recent years, EVA Air launched the world's one and only Hello Kitty Jets together with Japan's Sanrio. The colorful jet was exquisitely built along with the provision of more than 100 in-flight amenities, meals, various limited Hello Kitty Jet products and an exclusive website. With the themed design inspiration, from jets naming to creative events experiences, Hello Kitty Jet will convey the happiness and expectation to passengers right at the moment they start the journey.





2-2-8 Inflight Entertainment System, IFE

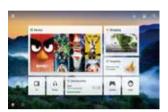
Inflight Entertainment System is the best companion for every passenger flying with EVA Air. In November 2018, we introduced the brand new 787 Dreamliners successively, together with the latest inflight entertainment systems. The system adopts an open Android platform. Apart from movies, TV programs, music, games, flight maps, electronic menus, and inflight duty-free shopping, its user interface has also been revised to improve user experience.

Friendlier language selection for foreign passengers



There are 9 languages in total, including the existing ones (Traditional/Simplified Chinese, English, and Japanese) and the newly-added German, French, Vietnamese, Thai, and Korean.

Intuitive interface



The interface is of an interactive design similar to that of a personal mobile device.

Welcome Screen



The background image of the welcome screen changes to a local scenery picture by flight destination.

Day/Night Mode



Day/Night Mode is provided. Passengers can also adjust the screen display according to the brightness of the cabin or during late evening flight.

Movies that suits your mood



The system recommends movies that match the mood.

Search Feature



Passengers can search for movies, TV programs, and music, and easily find the desired content. Inbox Feature



Messages are stored in the inbox to make sure no message is missed. Passengers can also set up their own reminders for taking the medicine and stretching. Flight Map



The new-generation interactive flight map allows users to interact with the maps, thereby increasing the convenience and fun of reading the flight maps.

2-3 Customer Relationship

2-3-1 Customer Satisfaction Survey

Customer opinion is essential to our improvements in service quality. To gain deeper insight into customer satisfaction, we inspect the questionnaire every year to meet actual requirements. We actively send the "EVA Air Online Customer Satisfaction Survey" to members after travelling and invite them to evaluate their flight experience. The scope of the survey includes ground services and in-flight services items. By tracing the fulfillment status of customer satisfaction, EVA Air continues to improve and be innovative, offering services that fulfill customers' needs. In 2018, 474,670 questionnaires were sent to our active members who are willing to receive the survey and 74,565 responses were mailed back to us; the response rate was 15.71%. The statistics showed that the overall passenger satisfaction level for 2018 was 4.42 (5-point Likert Scale), which exceeded the target value of 4.34.

Customer Satisfaction with Main Service Items of Passenger



Overall Customer Satisfaction with Passenger Services



For services which have not reached the target satisfaction value, the related divisions of the respective services shall hold a service review meeting every month. Also, service quality committee meetings will be held every quarter to report the results of the review and analysis on the operations and the description of the improvements in order to continue to refine and improve the overall service quality.

2-3-2 Listen to Customers' Opinions and Communicate

EVA Air attaches great importance to customers' feelings and listen to their needs attentively. We respond to those needs earnestly and deal with their opinions with a discrete and focused attitude in order to provide services that meet the customers' needs. When there is any abnormality in our services, we immediately fix the problems. We instantly grasp the "turning point of services" at the critical moment as authorized, in order to win the trust and support of our customers.

To constantly improve our service quality, we hold regular meetings to jointly examine the status of the services, identify the causes of abnormal operations, and devise response measures. In addition, through conducting internal service quality audits on service quality, executing plans, examining the results of operations and taking corrective and preventive measures, we can effectively manage our service quality.

Handling Process of Customer Feedback



In 2018, there were 30,840 entries of customer feedback, equivalent to 246 entries per 100 thousand customers. The customer opinions primarily involved airport/baggage service (48.1%), cabin crew service (29.4%), flight schedule and official website service (5.6%), reservation/ticketing service (4.5%), and in-flight meal and beverage service (3.5%), which accounted for 91.1 % of the total entries of customer feedbacks.

Reasons for Increased Proportion of Customer Opinions

Item	Reason
Airport / Baggage Service	The increased number of entries in 2018 was mainly due to uncontrollable factors such as airport runway maintenance and air traffic control.
Cabin Crew Service	More entries involved passengers' praise of cabin crew service.
In-flight Meal and Beverage Service	More entries involved passengers' comments regarding meal hygiene and quality.

Customer Service Webpage

Contact us



Product Service Hotline

In order to improve the service quality of all EVA Air's shopping platforms, in the event of any questions, customers may call our product service hotline for personnel assistance regarding tax-free products bought on the airplane or EVA Air's exclusive website. The product service hotline had received a total of 16,200 calls as of the end of December 2018. The calls consisted mainly of enquiries about the products, discounts or replacements and refunds.



2-3-3 Membership Servies

In May 2018, the process of joining "Infinity MileageLands" on EVA Air's website was optimized. Now, it only requires a few steps online to become a member. New members can earn up to 1,000 miles: 500 miles for joining and another 500 miles for filling out all the member information. This fast-track scheme aims to attract passengers to become a member of "Infinity MileageLands."

To continuously enhance the diversity of "Infinity MileageLands," we planned a series of loyalty programs and activities in 2018. The Special Promotion-Mileage Accrual activity allows our members to accumulate more miles by buying tickets, making it easy to reach the thresholds of membership upgrade and renewal. Offers such as upgrade award and award ticket redemption promotions to encourage members to using their mileage. With the new 787 Dreamliners, we launched the special offers for the members. They only need 7,870 miles to redeem one-way tickets to Hong Kong or Macau, making mileage redemption easier than ever. In October, 2018, we once again launched the "Miles & Cash" program, which allows members to use miles as cash when buying tickets on EVA Air's website, making mileage redemption more convenient. The various mileage accumulation and redemption promotions are great incentives to our members. In addition, by holding the first-ever "EVA AIR MARATHON" together with the Company, we encourage our members to go outdoors. Members who signed up for this event and participate can earn 2,500 miles. With all of these special offers and activities, the number of our members increased by 6%, and the number of passengers flying with us grew by 8%; the accumulation of mileage by flying with us increased by 9%, while the miles redeemed for tickets grew by 18%. Furthermore, the expectation target of 2019 is the number of our members increase by 6%.

We have continued to increase the partners for mileage accumulation and use. In 2018, we have been joined by partners from different industries in our mileage programs: the banking industry (Hua Nan Commercial Bank in Taiwan; Barclays and Capital One® in the U.S.; Industrial and Commercial Bank of China and Ping An Wanlitong in China; Commonwealth Bank of Australia), the insurance industry (Cathay Century Insurance and Cathay Life Insurance), the travel industry (EverFun Travel), and the department store (Breeze Center) as well as Japan's EDY pre-paid card and The Economist, which enables our members to easily earn miles in daily life or during travel. In 2018, we also added a new mileage redemption project: redeeming miles for EDY pre-paid cards, so that our members can travel without cash by paying with an EDY card. Moreover, we launched the vouchers for Mountain and Sea House, whereby our members can enjoy exquisite Taiwanese cuisines. What's more, the TaipeiEYE e-tickets provide members from Taiwan and abroad with the opportunities to enjoy Taiwan's traditional opera. Our members can also get discounts on the commodities of Breeze Center by redeeming their miles for reward points. In the meantime, WI-HO! Sim Cards make it easier to get internet access while traveling, and help members save money. Lastly, there are many printed and electronic magazines on travel, management, and design available for members to redeem their miles and enrich their mind.

To thank the continued support of the members of "Infinity MileageLands" and to forge good relationships with our members, we held an event, "Night For EVA AIR's Honored Guests—Centre Pompidou Kids Atelier" in the early spring of 2018 for our premium members. In this event, the members accompanied their children to experience modern art by participating in the workshop. We also organized the French musical "Roméo et Juliette", "Moscow Classical Ballet Swan Lake" and the classic French musical "Mozart, l'opéra rock," allowing our premium members to enjoy a wide variety of artistic performances. In addition, in the unprecedented "Eight-hand Gala Lunch" we invited four chefs, all from Michelin-starred restaurants or those named among Asia's 50 Best Restaurants by William Reed to prepare the best cuisines for our diamond card members with their top culinary talent. At the end of the year, we held the "Night For EVA AIR's Honored Guests—Voice of Starlight" and invited singer Rachel Liang and Golden Melody Awards winner Hsiao Huang-chi to perform with Evergreen Symphony Orchestra, showing our gratitude to the diamond/gold card members of "Infinity MileageLands" and other honorable guests who have been supporting EVA Air.



Fly and Farn an Extra 2 000 Miles!"

While enjoying a safe and comfortable flight with EVA/UNI Air, earn extra miles without breaking a sweat. You can become a Silver Card, Gold Card or Diamond Card member faster or accrue sufficient miles for award tickets, award upgrades, and other benefits sooner. You could earn up to 2,000 miles!



"Upgrade Your Flight for as Little as

Infinity MileageLands welcome members to enjoy an upgrade award special offer for as little as 6,000 miles. Members travelling on EVA/UNI Air scheduled international flights with eligible ticket during the eligibility period can purchase an upgrade award with less mileage.



"Travel Right Away for as Little as

Infinity MileageLands members can enjoy big savings right away by booking EVA Air or UNI Air award tickets on certain travel dates. Special offers for award tickets cost as little as 20.000 miles!



Earn Miles Faster. Fly and Earn

Those who purchase tickets via the EVA Air global website or EVA Mobile app will earn even more extra miles! The extra miles you earn can be redeemed for award tickets and upgrades, and will count toward membership tier renewal or advancement to the next level.



"Fly One-way to HK & Macau for Only 7,870 Miles!"

To celebrate the debut of our new Boeing 787 Dreamliner, we're giving Infinity MileageLands members the chance to fly Economy Class one-way to Hong Kong or Macau for just 7,870 miles! A round-trip ticket will cost you just 15,740 miles, representing a discount of over 4,000 miles.

2-3-4 Customer Information and Privacy Protection

EVA Air has great respect for customer privacy, and abides by the operating locations' relevant personal privacy protection regulations in regard to the collection, processing and use of customer information. No major complaints were received in 2018 for the violation of customers' privacy rights or the loss of customer information.

EVA Air provides our members with relevant services, and at the same time makes every effort to protect their information, privacy and interests. Information on personal information collection and application, and the privacy protection and security statements are clearly stated in the "Privacy Policy and cookies" on EVA Air's corporate website.

When joining us as members, they must read and agree with EVA Air's Privacy Policy & cookies Terms and Conditions, and complete the application process either by checking the box on the website or signing on the paper application form. When we collect information for marketing, members may choose to "Accept" or "Reject", and the relevant department shall proceed with marketing accordingly. EVA Air will give authorization in accordance with Regulations for Application System Authorization Management". Only a few authorized employees from EVA Air have permission to handle member data. When there is a change to the data, the employee and the time at which the change was made, as well as data regarding the change, must all be logged.

2-3-5 Online Security Management

GeoTrust has verified the legal identity of the server digital certificate applicant's company for both EVA Air's official global website and mobile website, and confirmed that the website addresses of the registered websites come with website security seals.

EVA Air adopts comprehensive information security maintenance and management measures, to protect the security of member particulars in all aspects. It includes measures like masking the customer information in the application, data encryption during transmission, password authentication, access management of confidential and sensitive information, as well as maintenance, operation and monitoring of IT equipment and network, various backup mechanisms and regular verification exercises. Private information provided through transactions on the official websites are protected by high-tech encrypted transmission; the industry's standard 256-bit SSL (Secure Sockets Layer) encryption technology is adopted to encrypt data before transmission across the network to prevent data from being intercepted and misused.

EVA Air will continue to observe the laws and regulations relevant to information management that are established in the countries where our branch offices are located.

2-4 Cargo Service

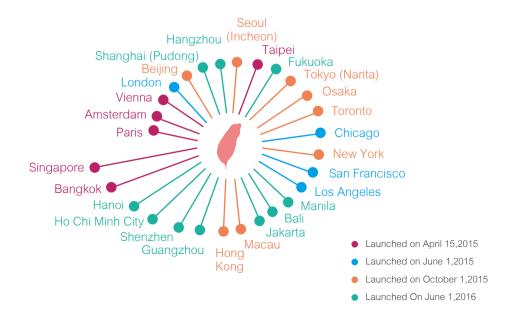
EVA Air enjoys an unrivalled reputation for outstanding flight safety records and professional cargo transport capacity in the global cargo industry, and therefore has repeatedly won the "Air Cargo Excellence Award." Over the past few years, EVA Air launched the cold chain cargo service and expanded the cold chain network, while reinforcing staff training and optimizing the process control and emergency response mechanisms in response to the demands of market growth. In consideration of both mid- and long-term development strategies, EVA Air cargo service continuously boosts its market competitiveness and operating efficiency to improve its business performance.

2-4-1Temperature-controlled Cold Chain Service

For high-value goods such as biotechnology products, drugs, vaccines, high-end foods and semiconductor wafers, EVA Air offers cold chain service that uses temperature-controlled containers to keep the temperature within specifications during the transport process. Since the launch of the cold-chain service in 2015, EVA Air has been expanding the number of service locations. Currently, there are 28 airports around the world that offer EVA Air's comprehensive and trustworthy cargo cold chain service.

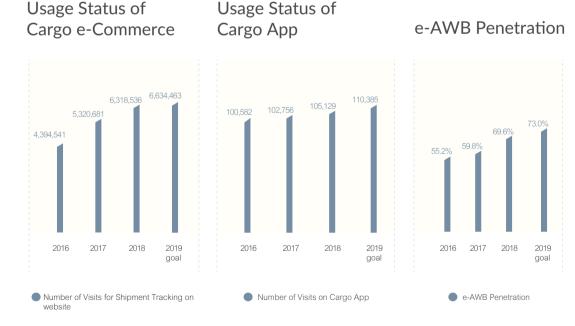
Year	2015	2016	2017	2018
Revenue Growth Rate	-	548%	84%	30%

Cold-chain Transport Service Points in 2018



2-4-2 Cargo Transport E-Commerce

In response to the global trend of automation, EVA Air provides the Cargo e-Commerce online inquiry system and Cargo App mobile device inquiry system, allowing customers to keep track of the status of their cargo and flight updates anywhere and anytime. We also actively devote ourselves to the "e-freight" project initiated by IATA, in striving to promote the e-AWB for our global cargo agents and advance towards a more convenient paperless operating environment to facilitate energy conservation and carbon reduction.



Note:In the 2017 CSR report, the data regarding the usage status of e-AWB were the amount of e-AWB used yearly. Yet, the amount varied with the cargo space and operating status. Therefore, from 2018 onwards, the usage status of e-AWB in the CSR report is indicated using the e-AWB penetration.

2-4-3 Customs AEO Certification

EVA Air worked in conjunction with the Customs Administration, Ministry of Finance of Taiwan to extend the AEO certification, and has established the supply chain security protection mechanism for trade security and convenience to ensure logistic safety. The Company was awarded the Customs AEO Certification on November 18, 2011. As the certification must be renewed every three years, we passed the certification again on

AEO Certificate



November 14, 2017. This certification means that EVA Air has gained the Customs' trust and is able to provide a safe air cargo supply chain environment and ensure the safe transport of cargo

2-4-4 Cargo Customer Satisfaction Survey

EVA Air attaches equal importance to customers using our cargo transport services and insists on providing excellent service quality. We constantly track the customer satisfaction level, service requirements and other suggestions for improvements regarding the cargo service we provide. Every year, we conduct a cargo customer satisfaction survey on our main freight forwarders, which comprises 6 major assessment categories: "Performance of sales representatives", "Booking service", "e-Commerce service", "After-care service", "Cargo service" and "Warehousing service."

Overall Cargo Service Satisfaction



- Target Value of Overall Cargo Service Satisfaction
- Actual Value of Overall Cargo Service Satisfaction

Survey on Customer Satisfaction with Main Cargo Service Items



The main factors that influenced the satisfaction level of warehousing service, cargo service, and after-sales service in 2018 included: the accessibility of warehouse entry procedure of exports, efficiency of devanning tally of imports, quality of truck transportation, quality of pallet operations of exports, pick-up notices of imports and cargo release efficiency, and handling/response to abnormalities in cargo. We have made improvements on the relevant problems

Warehousing, Cargo Service and After-sales Service Improvement Measures



Accessibility of warehouse entry procedure for exports

Our customers mainly complained about the ground handling agents' attitude problems. The distribution centers should raise the issue of enhancing service quality in the monthly meetings with ground handling agents in order to maintain good customer relations.



Efficiency of devanning tally of imports

The distribution centers have been required to supervise the efficiency of the truck companies and ground handling agents in order to provide the customers with real-time enquiry service. Meanwhile, to ensure the effect of the supervision, we have proposed changes to the system so that the distribution centers can be reminded of expediting real-time information on truck transportation. Also, in the SLA (Service Level Agreement) with the ground handling agents, this Department will introduce penalties with KPIs for efficiency of devanning tally of imports to enhance work efficiency at each center.



Service quality of truck transport

To maintain the quality of our global information network, we have requested the distribution centers to supervise the efficiency of the truck companies and ground handling agents, and provide real-time maintenance information. This Department has proposed changes to the system so that the distribution centers can be reminded of expediting real-time information on truck transportation. The new features are expected to be available in the first half of 2019 to guarantee the effect of supervision.



Quality of pallet operations of exports, pick-up notices of imports and cargo release efficiency



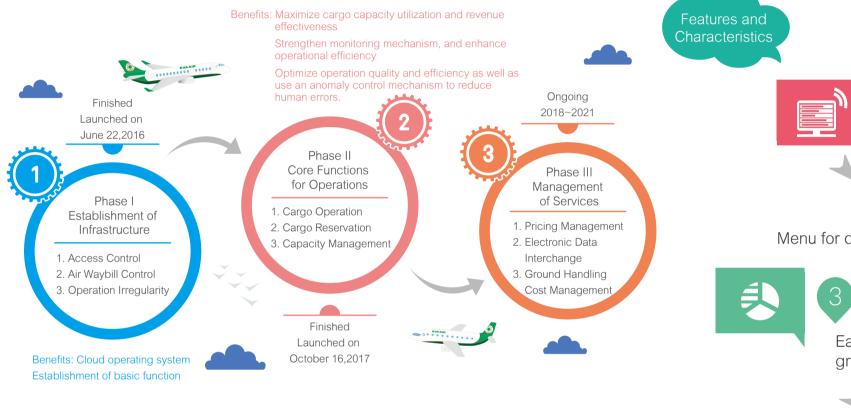
According to the provisions of COM CH1-3.7, to maintain safe cargo delivery, the distribution centers have been asked to require the GHAs to check the number of pallet records, implement inventory, and in case of wrong deliveries of imports, notify customers immediately and report tracking progress.

Handling and Response to Cargo Irregularities

According to the provisions of COM CH1-3.7, any abnormalities found during the devanning tally of imports should be noted in CargoWing to help clarify accountability when the recipient collects the goods. If more time is needed for investigation, we will also notify the customer in advance and ensure proper job handover to avoid complaints and misunderstandings. The distribution centers should raise the issue of enhancing service quality in the monthly meetings with ground handling agents in order to maintain good customer relations.

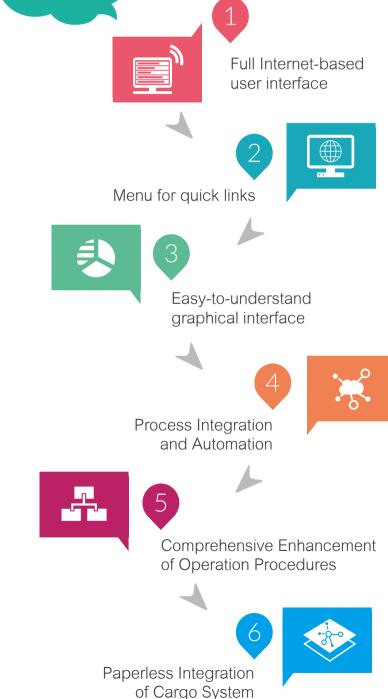
Establishment of New Cargo System: New CargoWing

Ever since the self-developed cargo system CargoWing was launched on August 14, 2001, EVA Air has been comprehensively expanding the automation and digitalization of many cargo operations that can increase work efficiency, including import/export operations and booking, timetable, cargo capacity monitoring and control, instant pricing management, transportation cost management, digitalized customs clearance, etc. Yet, the continuous development of advanced functions has encountered bottlenecks due to the limitations of the existing development tool (Goolgen) (e.g. failure to multitask and apply Excel tables). In addition, whenever there is a new feature going online, the system has to be shut down and software downloaded. The process of downloading and installing has caused interruption and inconvenience to users. Therefore, we have planned to develop a new web-based core cargo system by introducing the latest online technology; we have gathered the required information and integrated and developed the system in stages. Also, through the introduction of new development tools and reconstructing the features of integration and optimization, the overall operations of the system have been sped up to provide our customers with more quality services.



Reference picture





03

EVA Air values every employee and aims to create a safe and inspiring environment for the employees. In addition to comprehensive wage and benefit packages, educational training, and promotion channels, we also hope to cultivate the employees' professional attitude and employment competence. In the aviation industry, every professional category is like a different industry. We provide our employees with opportunities to change their job fields. Through job rotation and overseas dispatch, employees are able to accumulate their experience and become versatile international talent. Meanwhile, EVA Air has been constantly investing more resources in creating a more well-rounded work environment, allowing employees to balance work and family life, and obtain security and happiness. In so doing, employees will continue to work hand in hand with EVA Air to advance towards a better future.



Chapter Highlights

1st place ISO 45001

The first airline in Taiwan to have obtained the certification of ISO 45001.



1st Airline with Evidence-Based Training

The first airline in Taiwan's aviation industry to have obtained the approval of Civil Aeronautics Administration to conduct recurrent training for the flight crew in the evidence-based training mode.

3rd place in Most Desirable Employers

Cheers Magazine: Ranked 3rd in 100 Most Desirable Employers of the New Generation in 2018.





Response to Major Events in 2018

The labor-management negotiation with the Taoyuan Flight Attendants Union is described as follows:

Taoyuan Flight Attendants Union EVA Air Branch (hereinafter referred to as the "TFAU"), in the 20th collective bargaining meeting with EVA Air on November 29th, 2018, claimed that prohibiting freeloaders was the key for the Union to exercise the right to organize and that it's not necessary to continue the negotiation, thus ending the collective bargaining meeting.

EVA Air stated that improving the labor conditions of its cabin crew is a goal shared by the Union and the Company, and the Company has proposed solutions in every bargaining meeting and reached certain consensus with the Union on issues such as 60 hours of guaranteed flight pay and optimizing flight schedules, but the fact that the TFAU unilaterally ended the bargaining meeting on the ground of prohibition of freeloaders had prevented the content under the negotiation from becoming actual terms and conditions. EVA Air found their actions unacceptable and regrettable and will continue to negotiate in accordance with the law. EVA Air will uphold its belief in improving labor conditions and benefits for employees, treat all employees fairly and equally, and successively implement the terms and conditions agreed upon by the TFAU and EVA Air. As for the conditions that lack consensus between both parties, EVA Air will continue to discuss and study them, despite the fact that the TFAU unilaterally ended the collective bargaining meeting.

TFAU immediately turned to mediation on December 27th immediately after ending the collective bargaining meeting. It is hoped that the Union can express its requests rationally by all means possible. The Company will respect the requests of the Union and continue negotiations as long as the Company can run normally and meet the expectations of the consumers and the investors to create a win-win situation together.

The labor-management negotiation with the Taoyuan Flight Attendants Union is described as follows:

On July 16th, 2018, the Taoyuan Flight Attendants Union EVA Air Branch (hereinafter referred to as the "TFAU") made requests on 16 issues, based on the claim of flight safety, including salaries, decrease in the minimum service years, flight crew scheduling and vacations, etc., and voted on whether to hold a strike because of many issues that cannot be resolved in a short period of time by the on-going labor-management negotiations, and dispute mediation between the TFAU and EVA Air. On August 7th, 2018, after announcing that it had obtained the right to strike, the TFAU agreed to hold off the exercise of the disputed act during the negotiation after 4 back-to-back negotiations involving the Ministry of Labor, Civil Aeronautics Administration and Taoyuan City Government's Department of Labor, and prioritize the achievement of consensus on core requests on August 30th, 2018, while giving other issues a year to be resolved by negotiations. The Company agreed to gradually decrease the minimum service years; in addition, regarding flight safety and tiring flights, the Company agreed to allow pilots flying certain routes to rest overnight after reaching their destinations and fly back the next day, increase the number of pilots for flights from Los Angeles to Taipei from December 1st, and grant the captains the authority to call off or delay a flight in the event of bad weather.

Flight safety has always been the core value of EVA Air since its establishment. The Company views its employees as the most important assets, remains in absolute compliance with all the relevant regulations of this country, fully realizes the labor rights of its pilots, and actively reviews and improves the labor conditions and benefits of its employees based on the principle of taking care of its employees. The Company respects all the suggestions and requests brought up by its pilots and the TFAU. From September of 2018, the Company has been engaged in monthly negotiations with the TFAU hosted by the Department of Labor, Taoyuan City Government, and made significant progress at the end of 2018. The Company made reasonable responses to some requests made by the TFAU and both parties agreed to avoid labor disputes for the next few years that may impact society and the air travel of the public.



3-1 Appointment and Retention of Talent

3-1-1 Human Resource Policies and Recruitment

The aviation industry is an extremely attractive dream industry. In addition to providing basic passenger and cargo transport services, the service quality has currently become increasingly important in this fiercely competitive market. Therefore, we have relied more on our employees' passion and devotion. To attract more passionate and ambitious young people to come work in the aviation industry, we have recruited via all sorts of public channels and provide a comprehensive work environment as well as attractive wages and benefits to attract talents from all fields. After hiring, we actively train the employees' professional skills and conduct adaptive career planning so that they can prosper in the right roles and grow stronger with us.

Our employees are mainly divided into two categories: "Inflight Service" and "Ground Service". Inflight service personnel include flight crew and cabin crew, while ground service personnel include the staff of airport transportation, passenger and cargo sales/ reservation/ticketing, aircraft maintenance and flight dispatch, as well as other administrative personnel. In 2018, there were 636 new recruits, whereas 590 employees resigned. In 2018, the main reason for employees leaving the Company was personal career plan. Based on the premise of sustainable management, we will continue to examine the policies of remuneration, benefits, and training to improve the work environment so that the employees' health and safety can be protected. In this way, the turnover rate will be even lower, with outstanding talents more willing to stay.

Statistics on new recruits worldwide

Statistics on new recruits worldwide (by nationality)



Note: The percentage of new recruits (%) equals the number of new recruits in the particular year/ the number of employees at the end of the particular year.



Statistics on new recruits worldwide (by age)



Statistics on new recruits worldwide (by region)

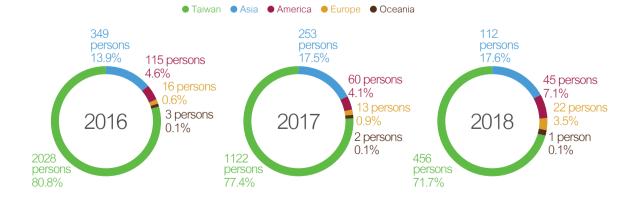








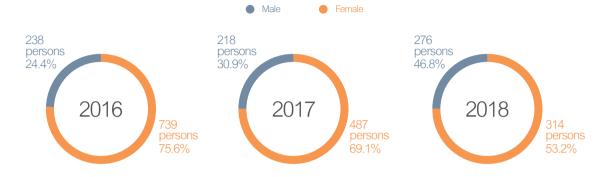




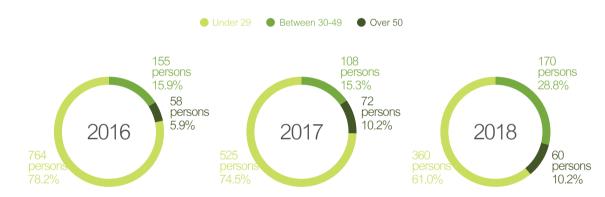
Statistics on resigned employees worldwide

Number of resigned employees The percentage of resigned employees (number 2016 2017 2018 of people) 1,100 977 1,000 900 800 705 700 590 600 500 400 300 200 100 0 9.3% 6.2% 5.2%

Statistics on resigned employees worldwide (by nationality)

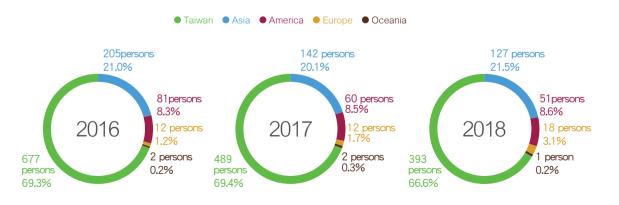


Statistics on resigned employees worldwide (by age)





Statistics on resigned employees worldwide (by region)



3-1-2 Employee Composition

Employee composition(by category)

Employee Distribution

In 2018, there were 11,305 employees worldwide, of which 7,322 were female, accounting for 64.77%. The number of male employees was 3,983, accounting for 35.23%. The number of regular employees was 11,071, including 18 with fixed term contracts. The number of contingent employees was 234, including 88 interns and 146 inflight trainees. Meanwhile, a majority of employees were under 30 years old, accounting for 51.24%. The hiring of employees at all operating locations worldwide complies with the local regulation of labor. No child labor was hired and no employees were forced or ordered to work, either.





















Employee composition (by age)



Employee composition (by contract)



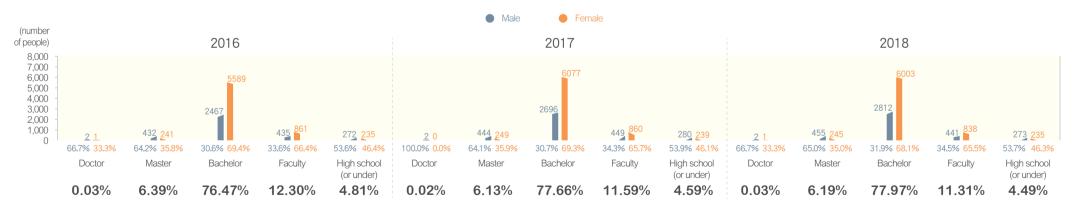
Employee composition (by position)



Employee composition (by region)



Employee composition (by education)



Note 1: The position refers to ground service supervisory employees, including high-level executives (rank of deputy senior vice president and above), mid-level executives (rank of deputy junior vice president and junior vice president) and first-line managers (rank of deputy manager and manager); non-management level comprises ground service non-supervisory employees and inflight service personnel.

Note 2: Regular employees with fixed term contracts include doctors, flight training consultants, senior specialists, and massagist. The remaining regular employees are those with non-fixed term contracts. Contingent employees include trainees, excluding the interns from the cooperative education system

Note 3: In response to the adjustment of the basis of calculation for resigned general employees (by age), the data on 2016 should be based on the disclosure in this version.

Diverse and Equal Work Environment

EVA Air's operating locations are distributed throughout the world. Our employee composition is diverse and the Company's constant operations rely on the efforts and devotion of employees worldwide. We do not discriminate on the basis of gender, race, nationality, health, religion, political stance or marital status. We provide a friendly and equal work environment for all employees around the world. Up till the end of 2018, the local employees in Taiwan accounted for 95.40% of the entire staff, while the local management-level personnel accounted for 99.86%. The percentage of hired local employees worldwide accounted for 92.38% of all employees. At the major operating locations overseas in the U.S. and Canada, the local employees accounted for 80.56% and 58.00%, respectively, while the local management-level personnel totaled 49.30% and 25.00%, respectively. Either in Taiwan or other countries, EVA Air provides many job opportunities for the local residents, benefiting local employment and economic growth.

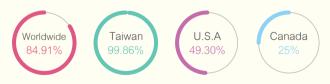
Percentage of hiring local employees worldwide and at major operating locations in 2018



Percentage of local employees holding high-level management positions (%)



Percentage of local employees holding management positions (%)



- Note 1: Formula for percentage of local employees: total number of local employees / total number of employees in the region.
- Note 2: Formula for percentage of local employees holding management positions: total number of local employees holding management positions / total number of management employees in the region.
- Note 3: Formula for percentage of local employees holding high-level management positions: total number of local employees holding high-level management positions / total number of high-level management employees in the
- Note 4: The major operating locations include the U.S. and Canada.
- Note 5: The position refers to ground service supervisory employees, including high-level executives (rank of deputy senior vice president and above), mid-level executives (rank of deputy junior vice president and junior vice president) and first-line managers (rank of deputy manager and manager); non-management level comprises ground service non-supervisory employees and inflight service personnel.

EVA Air takes the initiative to support the employment rights of the disabled by periodically publishing vacancies at the Employment Service Center of Workforce Development Agency, Ministry of Labor. In the meantime, considering the conditions of the disabled, we have evaluated the content of some administrative positions and redesigned the roles. We also arranged for other employees to offer assistance to the employees with disabilities in a bid to create a friendly work environment, thereby increasing their willingness to work and stay employed. In recent years, since there has been more hiring, the weighted number of disabled employees reached 96 at the end of 2018, which was in compliance with the number required by law, creating employment opportunities for the disabled and building a diverse workplace.

Number and percentage of employees with disabilities

	2014	2015	2016	2017	2018
Number of employees	48	55	54	54	66
Weighted number of employees	68	78	76	76	96
Total number of employees	6595	7197	8537	8537	9562
Percentage (%)	1.03	1.08	0.89	0.89	1.00

- Note 1: Total number of employees: the number of employees who took out labor insurance on December 1st in the particular
- Note 2: Percentage (%): weighted number of employees / total number of employees; statutory percentage is 1%.

3-1-3 Labor-Management **Communication and Interaction**

Communication and Complaint

EVA Air holds labor-management meetings according to the Regulations for Implementing Labor-Management Meeting. The term of each labor-management meeting's representatives is four years and can be extended by election. The management comprises the superiors, including (Vice) Associate or above. In 2015, the term of the labor-management meeting representatives came to an end and another election was held. The Meeting was then composed of five representatives from the management side and five from the labor side (two males and three females). Apart from the Meeting, there are also all kinds of channels, such as interviews, interactional meetings, and the Employee Welfare Committee, which allow the Company to communicate and interact with employees in terms of different topics. Employees can also voice their problems at work via diverse communication channels.

Labor-management channels/ frequency and main content

Communication Channel	Frequency	Main Content
Labor-management meeting	Quarterly	Complaints, coordination, communication and agreement regarding labor-management issues.
Departmental Meeting	Monthly	Convey the Company's future development, operation strategy, and significant information and measures so that employees can better understand and give their feedback and opinions.
Union Regular Communication Meeting	Every 2 months	The union puts forward labor-management issues for coordination, communication and agreement.
Cabin Crew Meeting	5 times/ month	Convey the Company's internal and external information, promote service and exchange of ideas and conduct two-way communication with related departments.
Chief Purser Meeting	Monthly	Convey the Company's internal and external information, promote service and exchange of ideas and conduct two-way communication with related departments.
Flight Crew Seminar	3 times/ half year	Convey the Company's internal and external information and latest news on international air transportation, and exchange ideas.
Employee Welfare Committee	Thrice a year	Planning, coordination, and application of employee benefits.
Occupational Safety and Health Committee	Quarterly	Review, coordinate, and provide suggestions on issues regarding safety and health.
Performance Evaluation and Interview	Annually	Through performance interviews, employees can voice their problems at work. We can, in turn, convey our requirements and expectations clearly and provide timely guidance and assistance.

To protect employees' rights, EVA Air has established guidelines for dealing with employees' complaints. Employees can file their complaints via official channels. We will then communicate and negotiate with the employees in a proper manner to achieve a mutual agreement between the labor and management sides. From 2014 to 2018, there were 42 cases of complaints about practical labor issues submitted via the official complaint mechanism. The new cases of complaints were about the controversies over the amount of compensation for the training, and employment relationship. In the future, we will strengthen labor-management communication regarding the terms of employment to prevent such controversies from happening again. As for the current complaints, we will try to resolve peacefully

Statistics of Employee Complaints

	2014	2015	2016	2017	2018
Total number of complaints regarding labor practice issues submitted through the official complaint mechanism (for the current year)	11	3	3	8	17
Number of complaints handled (incl. the preceding year)	16	8	4	10	19
Number of complaints resolved (incl. the preceding year)	6	5	2	6	17
Number of complaints in process (unresolved)	3	1	2	2	0

- Note 1: The statistics above refer to the numbers of cases which employees filed with an external mediation unit or the court. Those cases were handled through the official complaint channel, whereby an impartial third party unit intervenes to handle the complaint, which effectively protects the rights of both labor and management. EVA Air took appropriate actions according to the handling results.
- Note 2: The number of complaints handled and resolved during the reporting period, including complaints filed during the current year and preceding year.
- Note 3: The number of complaints in progress (unresolved) refers to the number of formal complaints filed during the current year which have not been resolved.
- Note 4: The settlement rate for all of the complaints filed by employees and settled within a year was 100%, except for one case filed in 2016 and two cases filed in 2017 which are still in process.

Due to the characteristics of the aviation industry, the employees' working hours are often not in keeping with the schedule because of the weather and air traffic control factors. EVA Air has been monitoring and managing the occasional overwork situations. However, working extra hours due to abnormal conditions such as natural disasters is unavoidable. In the event of working extra hours, regulations of the Civil Aviation Act and Article 32 of the Labor Standards Act were complied with.

Sexual Harassment Prevention and Gender Equality

To ensure gender equality in employment, eliminate sexual discrimination, and prevent sexual harassment incidents, EVA Air published the "Advocacy of Sexual Harassment Prevention in the Workplace" on the Company's internal website. In 2017, we continued to provide courses on Workplace Gender Equality Act and sexual harassment prevention, and added lessons on mothers' health protection for our female employees, proactively promoting awareness of human rights issues, including gender equality and sexual harassment prevention. If employees encounter sexual discrimination or sexual harassment, they may file a complaint by filling out the "complaint form for EVA Air Employees" in accordance with the "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at the Workplace" and inform the head of the Human Resources Division. Cases shall reach resolution within one month from the day a complaint is received. In 2018, there was 1 case of complaint in relation to human rights issues (e.g. sexual harassment or sexual discrimination) filed via the formal complaint channel. After investigations were completed, we made improvements to our public facilities. We also invited speakers to hold courses on gender equality and female protection to effectively promote gender equality.











Sexual Harassment Complaint Procedure

1

Sexual harassment complaint filed

Accept the complaint, confirm the details and sign or affix seal on the complaint form.

2

Set up a "sexual harassment investigation team" within 7 days from the date the complaint was filed.

The team comprises 3 to 7 members, among whom the number of female representatives must not be less than half of the total number of team members.

3

A resolution must be reached within one month from the date the complaint is received (may extend by 10 days when necessary; the maximum number of extensions is 2 times and the party involved must be notified).

The complainant and respondent may file an appeal in writing within 20 days from the day after the written notification is received if either party is not satisfied with the resolution.

Gender Discrimination/Sexual Harassment Complaint Channel



Course Implementation on Gender Equality and Human Rights Education

Item	2014	2015	2016	2017	2018
Expected Number of Trainees	2,348	2,923	3,567	4,872	5,648
Actual Number of Trainees	2,348	2,923	3,567	4,872	5,648
Implementation Rate	100%	100%	100%	100%	100%

Note 1: Depending on the participants, the gender equality training hours range from half an hour to 3 hours. The training total man hours are 4,706 in 2018.

Note 2: The implementation rate = the actual number of trainees in that year divided by the expected number of trainees in that year. The equation has been adjusted since 2017 as stated.

3-1-4 Salary and Benefits

Fair and Motivating Salary System

In the labor-intensive aviation industry, EVA Air has established a well-rounded performance evaluation system. Every year, evaluations take place according to the standards for performance evaluation in each job category; pay raises are then given according to the evaluation results together with the overall wage system. Every year, year-end bonuses are given based on the operation performance and the extent of contribution of the employees to boost employee morale and motivate them to work hard. In this way, hard work is associated with higher salaries, which will motivate the talents of the industry to stay with the Company. EVA Air adheres to the local labor laws of each country regardless of gender. We provide competitive salaries in an effort to attract passionate talents from around the world to contribute to the Company.

Male/Female Average Wage Ratio- Employee

Item		2014	2015	2016	2017	2018
	Flight crew members	1.38	1.38	1.60	1.23	1.17
Basic Pay Ratio (Male/Female)	Cabin crew members	-	1.21	1.10	1.26	1.16
	Ground staff	1.10	1.14	1.11	1.10	1.10
	Flight crew members	1.42	1.36	1.56	1.26	1.21
Remuneration Ratio (Male/female)	Cabin crew members	-	1.06	1.29	1.27	1.17
	Ground staff	1.13	1.16	1.11	1.06	1.08
	Taiwan (Note 4)	2.34	2.36	2.57	3.11	3.06
Basic Pay Ratio at Major Operating Locations (Male/Female)	America (U.S)	1.13	1.13	1.18	1.18	1.18
(Malen emale)	America (Canada)	1.18	1.18	1.09	1.09	1.09
	Taiwan (Note 4)	1.92	1.70	1.91	1.76	1.76
Pay Ratio at Major Operating Locations (Male/Female)	America (U.S)	1.07	1.08	1.13	1.11	1.11
,	America (Canada)	1.17	1.10	1.09	1.07	1.10

- Note 1: Basic salary is defined as base salary + duty allowance+ overtime pay; remuneration is defined as basic pay + bonuses included in supplementary premium of health insurance (employee reward and year -end bonus)
- Note 2: Formula to calculate remuneration ratio: male average remuneration / female average remuneration.
- Note 3: Employment of male cabin crew members started in 2015; the standard for calculating the salary of flight crew members and cabin crew members will not differ due to gender differences.
- Note 4: For the categories of male/female minimum salary and remuneration ratio according to operating locations, employees in the Taiwan region include inflight crew members. Therefore, the male/female pay ratios are higher.
- Note 5: Considering the fact that different countries have different price levels, America, one of our major operating locations, is subdivided into the U.S. and Canada

Male/Female Average Salary Ratio-Management Level

Level	2014	2015	2016	2017	2018
High-level Executives (Male : Female)	1.110	1.075	1.111	1.093	1.070
Mid-level Executives (Male : Female)	1.030	1.054	1.046	1.029	1.007
First-line Managers (Male : Female)	1.020	1.020	1.020	1.012	1.020

Note: Average salary of male executives (base pay + duty allowance) / Average salary of female executives. (base pay + duty allowance)

Male/Female Average Remuneration Ratio-Management Level

Level	2014	2015	2016	2017	2018
High-level Executives (Male : Female)	1.255	1.191	0.995	1.262	1.170
Mid-level Executives (Male : Female)	1.004	0.942	0.988	1.020	1.019
First-line Managers (Male : Female)	1.011	0.995	0.982	1.003	1.014

Note: Management-level average remuneration is defined as base salary+ duty allowance+ bonuses included in supplementary premium of health insurance (employee reward and year -end bonus)

Ratio of Standard Salary of First-line Personnel at Major Operating Locations to Local Minimum Wages

Gender	Region	2014	2015	2016	2017	2018
	Taiwan	1.816	1.749	1.749	1.761	1.682
Male	America (U.S)	1.153	1.139	1.089	1.196	1.051
_	America (Canada)	1.156	1.131	1.116	1.246	1.032
	Taiwan	1.816	1.131	1.749	1.761	1.682
Female	America (U.S)	1.153	1.139	1.089	1.196	1.051
	America (Canada)	1.156	1.131	1.116	1.246	1.032

- Note 1: The starting rate of pay of female (male) first -line personnel / Local statutory minimum wage
- Note 2: Local statutory minimum salary: Monthly salary in the Taiwan region; hourly wage multiplied by the statutory standard working hours in America.
- Note 3: Considering the fact that different countries have different price levels, America, one of our major operating locations, is subdivided into the U.S. and Canada.
- Note 4: EVA Air's number of employees in Los Angeles accounts for more than one -third of the total number of employees in America. Hence, the basis of calculation for statutory minimum salary in America follows that of Los Angeles.
- Note 5: In Canada, as the number of employees does not vary much among the various branches; the highest statutory hourly wage (Toronto) is used as the basis of calculation.

Ratio of Average Salary of Executives at Major Operating Locations to Average Salary of All Employees

Gender	Region	2014	2015	2016	2017	2018
	Taiwan	1.69	1.68	1.78	1.73	1.74
Male	America (U.S)	1.38	1.41	1.40	1.34	1.32
	America (Canada)	1.57	1.60	1.58	1.64	1.49
	Taiwan	1.66	1.68	1.69	1.67	1.67
Female	America (U.S)	1.66	1.64	1.67	1.53	1.49
	America (Canada)	-	-	2.03	1.91	1.62

Note 1: Average salary of female (male) management executives / Average salary of all female (male) employees, excluding aircrew (executives include those with the position of Deputy Section Manager (included) and above.)

Note 2: America, one of our major operating locations, is divided into the U.S. and Canada; there were no female management executives in Canada before 2015.

Sufficient Workers' Retirement Reserve Funds

With respect to employee retirement, EVA Air engages external accountants every year to calculate if there are sufficient workers' retirement reserve funds. The money contributed to the retirement reserve funds now accounts for 15.0%, higher than the statutory rate 2.0%. The new system requires 6.0%. The employees in both the old and new systems are 100% included in the pension system. As of December 31, 2018, the balance of EVA Air's Labor Retirement Reserve Fund Account with the Bank of Taiwan was NTD 4,339,393,242. As the balance increases every year, it is sufficient to meet the requirements of the employees eligible for retirement.

Personnel Costs (UNIT: NTD thousand) Percentage of Amount (%)

Item	2014	2015	2016	2017	2018
Salary	8,747,243 (73%)	10,122,945 (72%)	11,993,169 (72%)	13,297,537 (71%)	14,050,888(72%)
Labor and Health Insurances	488,250 (4%)	552,671 (4%)	603,078 (4%)	723,951 (4%)	770,778(4%)
Benefits	2,329,422 (19%)	2,703,703 (20%)	3,480,019 (21%)	4,203,677 (22%)	4,113,438(21%)
Total Amount of Pension	446,677 (4%)	510,493 (4%)	546,112 (3%)	605,011 (3%)	635,257(3%)

Balance of Labor Retirement Reserve Fund Account (UNIT: NTD thousand)

Item	2014	2015	2016	2017	2018
Balance of Labor Retirement Reserve Fund Account	3,635,149	3,720,280	3,812,016	3,762,812	4,339,393

Employee Benefits

With the same spirit of serving our customers, EVA Air provides employees with a 5-star work environment and wholehearted care. In addition to an employee leave system in accordance with the law, we also provide many benefits, such as a wedding cash gift, burial subsidies. injury or sickness benefits, and group insurance. We also provide recreational facilities such as staff cafeteria, swimming pool, gym, badminton court and library, so that the employees can have a place to relax after work to maintain their mental and physical balance and

Employee Benefits

Taiwan Area



Taiwan / Regular Employees / Indefinite-termContractbased Employees

- Marriage subsidy
- Funeral subsidy
- ✓ Injury and sickness consolation cash benefit
- Annual leave
- ✓ Parental leave applied pursuant to laws
- Retirement system in compliance with the Labor Standards Act
- ✓ Overseas medical insurance for inflight service personnel / expatriates
- Group accident insurance, hospitalization and injury medical insurance for employees on overseas business trips
- ✓ Group term life insurance preferential premium rate
- ✓ Year-end Bonuses
- Employee health check
- Rebate Tickets



Employees

- Marriage subsidy
- Funeral subsidy
- Injury and sickness consolation cash benefit
- Annual leave
- ✓ Parental leave applied pursuant to laws
- Retirement system in compliance with the Labor Standards Act
- Group accident insurance. hospitalization and injury medical insurance for employees on overseas business trips
- ✓ Group term life insurance preferential premium rate
- Year-end Bonuses
- ✓ Employee health check
- Rebate Tickets

American Area



America / Regular Employees

- Marriage subsidy
- Funeral subsidy
- Meal allowance Annual leave
- ✓ Insurance (health/dental/vision/life
- insurance)
- Year-end Bonus
- Rebate Tickets ✓ Parental leave (Note)
- Retirement benefits (401(k), discounted tickets for retired employees)

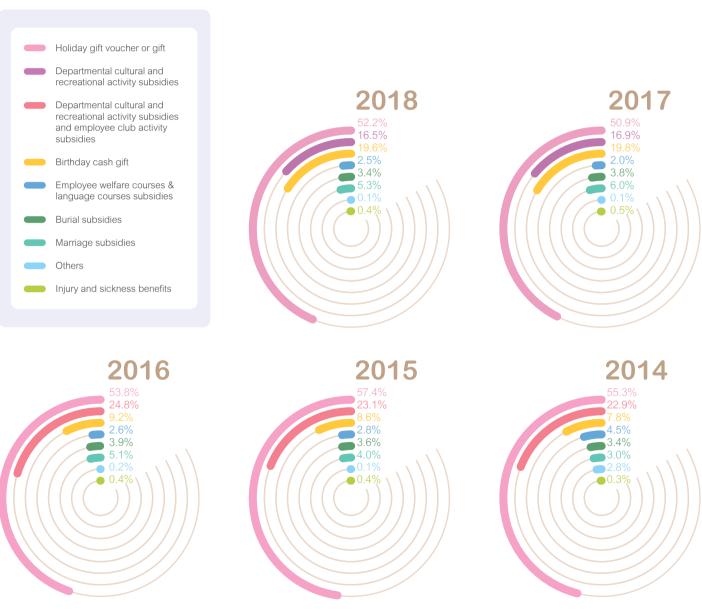
Note 1: America comprises the U.S. and Canada.

Note 2: Parental leave: America provides Family and Medical Leave (FMLA) in accordance with the law. while Canada provides Parental Leave. Those who require parental care and meet the eligibility requirements may apply.

Employee Welfare Committee

To enhance employee welfare, the "Employee Welfare Committee" was established for organizing employee benefits-related matters, including various subsidies, allowances, and special mortgage rate for young employees. We also support our employees in attending language courses, and provide them with free language courses and/or subsidies. Meanwhile, we allot funds and subsidies for each department to hold cultural and recreational activities every year in a bid to improve the interactions among employees and to elevate team cohesion. To help relieve stress from work, we arrange employee welfare courses every year, including cooking, baking, aerobics yoga, pop music, etc., to provide employees with outlets for relaxation and stress-relief. In so doing, employees can maintain an exercise routine and stay healthy. By providing activities from different areas, we allow our employees to join leisure activities after work to relieve stress from work and subsequently enhance work efficiency.

Expenditure of Welfare Committee Benefits Ratio (%)



Employees Care

EVA Air takes the initiative in promoting its "employee support scheme" by organizing the staff in various units of the Company, playing the role of "care taker" and creating a caring network with Human Resource Division to timely discover, appropriately prevent and actively help lessen or solve organizational or personal issues that may lead to a decrease in productivity, to make our employees healthy physically and mentally and devoted to their jobs, maintaining a competitive edge and creating a win-win situation. The items in this support scheme include providing information beneficial to all aspects of our employees' lives on the Company's internal website, holding health and stress management workshops, tracking and managing the health examinations of employees, providing, advocating prohibition and prevention of sexual harassment, and providing counseling for employees to adapt to their work, care for employees' working hours and working overtime. meals, legal and psychological counseling, medical consulting, stress relief messages, books and articles on health-related issues, courtesy umbrella, referral procedure for employees in need of professional help, and subsidies for sports clubs.

Besides, EVA Air understands the hardships endured during pregnancy. Therefore, the female members of the aircrew may apply for transfer to ground services and undertake relatively less stressful administrative tasks during pregnancy. Male and female employees can both apply for unpaid parental leave, and will be given priority to be reinstated to their former department when they return to work. For nursing female employees, EVA Air is equipped with nursing rooms, providing the space and time for the nursing employees to breastfeed. The Company also signed agreements with excellent childcare facilities nearby to offer discounted services, which will support the employees in their child care. In 2018, the number of female aircrew members temporarily transferred to ground staff was 136. Meanwhile, the number of employees applying for unpaid paternal leave was 224; males accounted for 2.23%, whereas the majority was female, accounting for 97.77%; 32.28% of employees who were eligible applied for unpaid parental leave, and all applications were approved; 93.02% of these applicants returned to their workplace after their leaves. This demonstrates that we provide an excellent and sound work environment which motivates our employees to return to work.



Statistics of Employee Unpaid Parental Leave in Taiwan

	Female	Male	Total
Number of people eligible for unpaid parental leave in 2018	459	235	694
Number of people applying for unpaid parental Leave in 2018	219	5	224
Percentage of people applying for unpaid parental leave in 2018 (%)	47.71%	2.13%	32.28%
Number of people who should be reinstated after unpaid parental leave in 2018 (A)	230	7	237
Number of people applying to be reinstated in 2018(B)	181	5	186
Reinstatement rate (B/A)	78.70%	71.43%	78.48%
Number of people reinstated in 2017(C)	124	5	129
Number of people applying to be reinstated and serving for more than 1 year in 2017 (D)	115	5	120
Retention rate (D/C)	92.74%	100%	93.02%

Note 1: Formula of reinstatement rate: number of people applying to be reinstated/ number of people who should be reinstated

Note 2: Formula of retention rate: number of people applying to be reinstated and serving for more than 1 year / number of people reinstated in the previous year

3-1-5 Employee Evaluation and Career Planning

EVA Air carries out performance evaluations for ground staff, flight crew and cabin crew every year, in which the supervisors of respective departments conduct the evaluation and analysis to serve as the basis for promotion, year-end bonus, pay raise, transfer, and personnel training. In 2018, the implementation rate of performance assessment was 100%. For those who score lower in the evaluation, we provide all kinds of guidance, interviews, and examinations to encourage them to voice the problems they encounter at work. Then, we help to formulate improvement plans to improve their professional skills and work efficiency, so that they can achieve standard work performance. Our sound promotion channels are the key to attracting professional talents. Starting from training for new recruits, EVA Air puts the right people in the right roles. The direct supervisor of each department will rotate employees according to the performance evaluation results, employees' career plan, and the organization's needs in an effort to find the perfect role for each person so that they can give full scope to their expertise. We also regularly hold evaluations for promotion, providing the outstanding employees with the opportunities and means to be promoted. In so doing, we are able to keep our professional talents, creating a win-win situation for the Company and its employees.

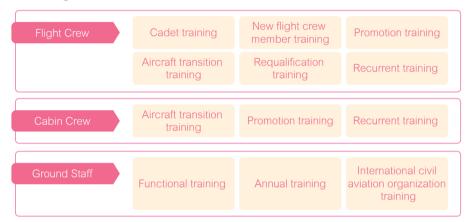
Performance Evaluation and Personal Interview

Objects	Methods
Ground staff	We conduct performance evaluations twice a year. For those who score lower in the evaluation, the departmental executive and the employee will have a preliminary evaluation interview, followed by assessing the progress of the employee's improvement.
Flight crew	Each year, there is an annual examination and two evaluations of administrative management. For those who score lower in the evaluation, the departmental executive will have an evaluation interview to inform the employee what should be improved and to listen to the employee's ideas.
Cabin crew	The frequency and methods of performance evaluation vary according to the position. Every month, the scores of the evaluations and comments will be analyzed and organized. The cabin crew can check their scores and levels on the cabin crew website as a reference for their motivation and improvement. For those who score lower, we provide guidance and a competence examination, or implement the "Enhancement project", in which the flight purser will comment on the details of the cabin crew's performance. The crew can check their service performance based on the evaluation comments and give feedback and improve themselves accordingly.

3-2 Employee Education and Training

Cultivating talents is the foundation of the corporate sustainable development and an imperative task to enhance service level. EVA Air has established a training center, in which resources have been invested in the attempt to implement the latest training mythology in the aviation industry. Also, in response to the needs of diverse job function and the requirements of aviation regulations, three main training systems have been established for ground staff, flight crew and cabin crew, respectively. These standardized training effectively increase the employee's professional capacity and work efficiency, thereby boosting the Company's competitiveness. In 2018, every employee received an average of 34.3 training hours, 31.3 hours for female employees and 39.9 hours for male employees.

Training structure



Training Hours of All Job Categories

Subject		2014	2015	2016	2017	2018
Average hours of training for each employee		35.2	41.8	38.4	40.0	34.3
Average hours of training for each female employee		34.1	40.3	38.0	39.2	31.3
Average hours of training for each male employee		37.0	44.5	39.0	41.4	39.9
	Flight Crew	69.5	84.4	70.0	68.5	66.0
Average hours of training for each employee category	Cabin Crew	43.1	51.8	47.0	49.7	35.6
	Ground Staff	22.4	24.7	24.1	24.5	25.4

Note 1: In 2018, Eva Air did not recruit any trainee who requires academic ground school, and thus reduced aircraft transition training hours. Consequently, the average yearly training hours was lower. Note2:. Since 2016, the CPL and MPL courses for the flight crew have been included in the training period for flight cadets. This is why the average number of training hours of the flight crew saw a larger drop for the year.

Note 3: The table above shows the average hours of training for regular employees, and excludes those of contingent employees: about 23 months for the training period of flight cadets (average training hours for each cadet were 1,286 hours) and 2.5 months for cabin crew trainees (average training hours for each trainee were 464 hours).

Note 4: The average training hours of employees = the total training hours that year / the total number of regular employees at the end of that year.

Note 5: The 2018 management training hours for managerial ground staff ranges from 3 to 14 hours, and total man hours comes to 3,273, as completed by 633 staffs.

3-2-1 Flight Crew

Flight safety and flight crew performance are closely related in providing passengers with a safe flight service. Thus in addition to continual purchase of the highest certified level Full Flight Simulators to conduct aircraft transition training, upgrade training and annual recurrent training for our flight crews, our flight crew members are required to pass two recurrent trainings and checks every year. Additional training may be arranged based on their evaluation to ensure that their performance in the operation of the aircraft compiles with the Company's standards. In 2018, the average rate for additional training of our fleets was between 2% to 5%. To fulfill EVA Air's safety mission statement, "We never compromise on safety in the air or on the ground." we have implemented a new training program and have become the first airline in Taiwan approved to host regular recurrent training for flight crews with evidenced-based training.

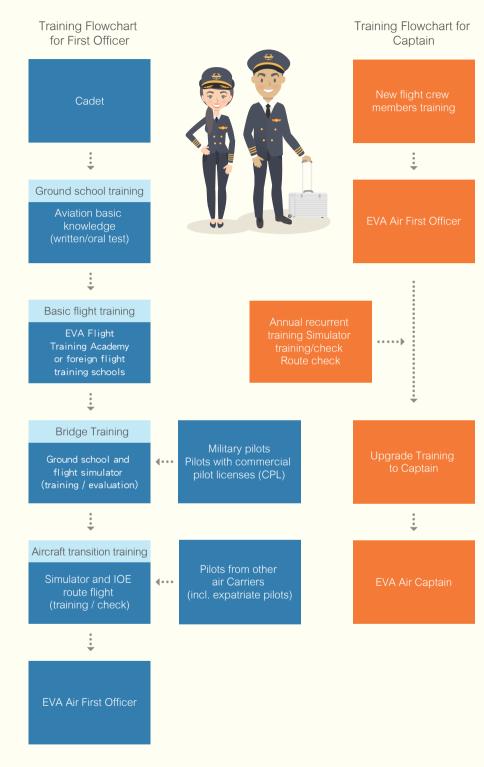
The EVA Flight Training Academy was established in California in May 2013. This made EVA Air the first airline in Asia to have its own flight training academy in the U.S. It currently houses 8 single-engine and 1 twin-engine aircraft trainers. It has been certified by the local civil aviation authority' to provide Private Pilot License (PPL), Commercial Pilot License (CPL) and Multi-crew Pilot License (MPL) flight training. In January 2017, the construction of the instruction building and apron were completed and put into operation. The Academy is also aiming to establish a repair station and other instruction buildings. With more and more basic facilities in place, we expect to train 80 students per year. In an attempt to contribute to the cultivation of talents for the international aviation industry, apart from providing training for the flight crews of our affiliated companies, such training is also available to flight crew members of other airlines. Through our own training program, we nurture our own flight crews to ensure the quality of our pilots. At the same time, we aim to enhance the quality of basic flight training to better accord with the Company's rigorous flight safety standards. By the end of 2018, 177 students had completed their training.

Case Sharing: B787 Aircraft Transition Training

In 2018, by introduced of new aircraft type - Boeing 787 Dreamliner, training programs has been planned and conducted. Which including cabin configuration, emergency equipment, door operation, galley loading and in- flight entertainment system, etc. With newly purchased high-fidelity door trainer and emergency equipment, crews are able to be trained to proficient in the safe operation of all normal, abnormal, and emergency scenarios, in order to achieve the goal of flight safety. The training program also contains operating the new designed seats and galley. Which allows crew to utilize the high-tech equipment while providing every passenger safe and comfortable journey by high quality service.



Training Program Flowchart for New Flight Crew Members (4 phases over approximately 24 months)



Note: Since 2015, the training for the cadets has been re-planned to include the MPL Program, decrease the training hours for small aircraft operations, and increase the training of this aircraft model's simulator from 120 hours to 180 hours, so as to enhance the effectiveness of the training.

Flight Crew Members Course Category



Cadet Pilot Training

Training completion rate (%)

90%

Number of trainees

336

Contents

- Ground School Training
- · Basic Flight Training
- Bridge Training
- Aircraft Transition Training
- Initial Operating Experience



Initial New Hire Training

Training completion rate (%)

88%

Number of trainees

32

- Ground School Training

- · Initial Bridge Simulator Training
- Initial Operating Experience

31

Requalification Training

Recurrent Simulator training

completion rate (%)

100%

Number of trainees

completion rate (%)

Number of trainees

100%

2,010

Ground School Training

Contents

- Requalification Simulator Training
- · Initial Operating Experience

· Evidence-based Training

Transition Training

Training completion rate (%)

100%

Number of trainees

192

- Ground School Training
- Aircraft Transition Training
- Initial Operating Experience

On-type Upgrade (SFO to PIC) Training

Training completion rate (%)

93%

Number of trainees

15

- Command Training and Assessment
- Upgrade Simulator Training
- Initial Operating Experience

1,141

100%

Training

completion rate (%)

Number of trainees

CRM-Joint Emergency Training

Annual Ground School

- Annual Ground School
- CRM-Joint Emergency Training

Upgrade Training (FO to SFO)

Contents

Command Training and

Upgrade Simulator Training

Assessment

Training completion rate (%)

100%

Number of trainees

80

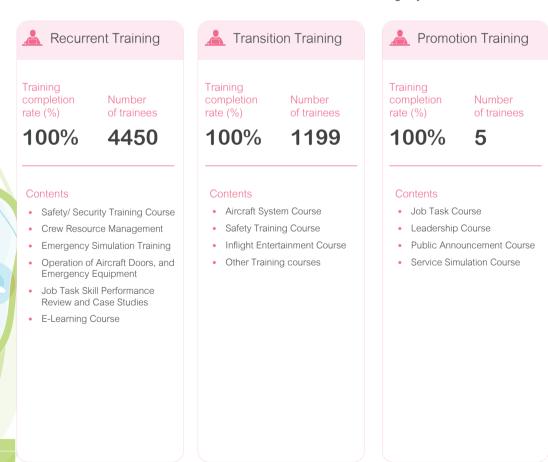
3-2-2 Cabin Crew

To maintain cabin safety and service quality, EVA Air's training courses make use of simulated real facilities/devices on board and SOPs to conduct simulation training. The courses mainly focus on the operation of all sorts of emergency equipment on an aircraft, countermeasures during emergency situation, as well as learning the techniques and professional knowledge of all service procedures. At the same time, to improve the response operations and service competency of the cabin crew. Apart from hiring teachers from outside the Company to help the crew understand customer attributes in order to provide the best service, we also conduct the courses with role plays and team competitions, focus on teamwork and promote compliance with SOP in our lively training sections. It's expected that through simulation practice, case sharing and proper two-way communication, the crew can naturally show their confidence and professional demeanor to satisfy the needs and expectations of our customers, making our customers feel well cared for and safe during their flights.



Training Flowchart for Cabin Crew

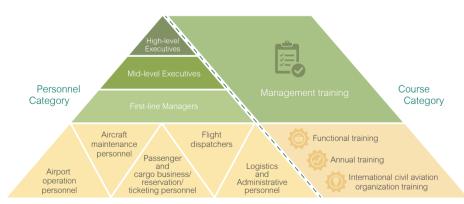
Cabin Crew Members Course Category



3-2-3 Ground Staff

Ground staff training is divided into three categories: functional training, annual training and international civil aviation organization training. Training programs for the following year are planned at the end of each year. The courses are instructed by either internal or external professional lecturers. Evaluation is conducted at the end of the courses to serve as the basis for future course adjustments, which will ensure the quality of the courses and achieve training goals.

Ground Staff Training Structure



Note: In 2018, Eva Air did not recruit any cabin crew trainees and thus did not hold any initial new hire training (as shown in the preceding table).

Ground Staff Training Course

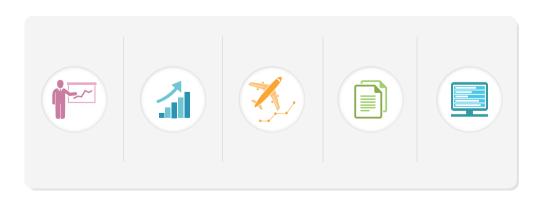


Note: IATA stands for International Air Transport Association.

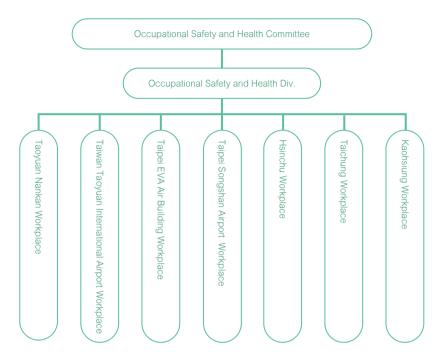
3-3 Workplace Safety

3-3-1 Management System and Goal

EVA Air has established the "Occupational Safety & Health Committee," responsible for reviewing, coordinating and making recommendations for health and safety matters. There are total 24 committee members include 1 commissioner, 1 executive secretary, 1 occupational safety and health management staff members, 1 supervisory staff member related to occupational safety and health operations, 1 medical staff members, 11 head of department and 8 union representatives. The Committee convenes a meeting every 3 months, in which occupational safety and health policies and related recommendations are discussed and then submitted to EVA Air's relevant departments for review and implementation. The "Occupational Safety & Health Division" will supervise and track the implementation progress and report the results to the Committee regularly.



EVA Air Occupational Safety and Health Management Organizational Chart



To enhance the safety of our work environment, EVA Air's goal of occupational safety and health is zero violation, zero occurrence, and zero risk. The hazards and risks of the work environment are reduced through the establishment of occupational safety and health management systems such as the national-level Taiwan Occupational Safety and Health, Management System (TOSHMS) and international-level Occupational Safety and Health Management System (ISO 45001). Also, by strengthening staff involvement, occupational accident prevention, change management, procurement management, contractor management, emergency response management, etc., we are able to boost the performance of occupational health and safety management. In response to the implementation of ISO 45001, EVA Air has obtained the certificate on December 25, 2018, so as to continuously achieve our goal of occupational safety and health.





Goal







Response Measures

Safety Management Tasks

- Implement safety and health inspections of workplace
- Statistical analysis of occupational accidents and promotional campaign using case study
- Automatic inspection and examination of equipment and vehicles
- · Hazard identification, risk evaluation and control in the workplace
- Prevention of Unlawful Workplace Violations and Environmental Health Risk Assessment on Maternal Health Protection.

Emergency disaster drills

- Two self-defense and firefighting team trainings and drills are conducted each year.
- Hold emergency disaster drill review meetings to review deficiencies and recommend future improvements

Health Management Tasks

- Free influenza vaccines for crew members, frontline employees, and influenza vaccines for employees' families dependents at their own expense
- Free hepatitis A vaccines for Culinary Section personnel
- Periodically publish information and preventive measures of of occupational diseases and high risk diseases such as measles, influenza and other infectious diseases
- Set up AED in main office premises and buildings, and conduct first aid and AED trainings.
- Prevention of long working hours, repetitive tasks and illegal violations, and maternal health protection program
- Hearing care program for machine operating workers

3-3-2 Prevention of Occupational Accidents and Health Protection

EVA Air will do the occupational safety and health risk assessment every year, the 2018 annual assessment results was no high-risk operations. In consideration of industrial characteristics and job categories, we carry out safety control and set up warning signs at the areas of operation. We also provide employees with the use of protective devices and arrange regular physical examinations for the entire staff at a frequency higher than that required by the law. Except for those that have left the company, those on unpaid leave, and expectant employees, the employees that are obliged to go through health checkups must complete their checkups in that specific year. In addition, we also offer health promotion activities and psychological consultation resources to help employees relieve work stress and reduce the risk of occupational diseases. Moreover, to improve the health care for employees, besides setting up an infirmary and hiring medical personnel to provide employees with on-site health care services, AEDs have been set up in all the office buildings, and trainings of usage are conducted for employees to lower the occurrence of accidents.

Onsite Medical Personnel Service

times a year

360

Periodically, doctors and nurses come to our workplaces to provide health consultations and health education to achieve the goal of looking after our employees' physical health.







In terms of implementing occupational safety and health management, besides conducting regular automatic checks and on-site inspections, EVA Air also regularly works with related departments to examine the current state of occupational accidents. We devise safety and health improvement strategies based on the causes of occupational accidents to reduce the rate of occurrence. EVA Air's 2018 Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate (SR) were lower than those in 2017. The occupational accidents of the cabin crew accounted for 85.6% of the total occupational accidents. To effectively reduce the occurrence of occupational accidents in the cabin crew, we also promoted quarterly case examples and increased our communication with the cabin crew. The relevant information was published on the Company's internal "Occupational Safety and Health Blog," to enhance cabin crew members' safety awareness and instill the correct work principles. Since most occupational accidents of the Company happen in the cabin, in order to understand the in-flight operating environment and potential hazards, the Occupational Safety & Health Division provides on-site cabin services every half a year with the doctors from the Clinic Division to offer medical counseling for cabin crew members, carry out an observation of the in-flight operations, and then present suggestions for improvement and measures.

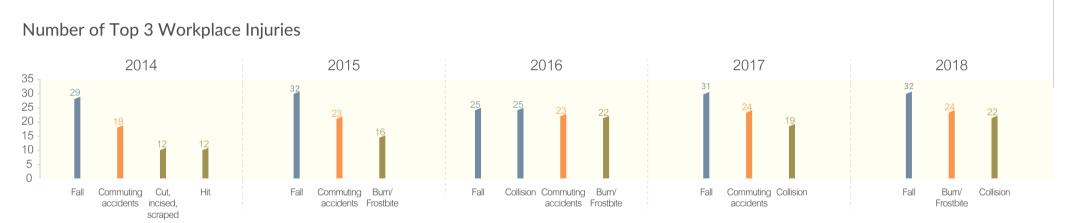
Case Description:

First

Second

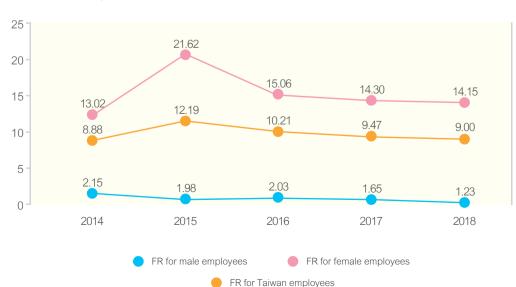
Third

In 2018, an occupational accident happened when a colleague was sent to the new Bonded Warehouse Building to help with the storage operation of automatic warehousing. When the forklift truck was backing up, preparing to move into the warehouse, he was not aware of the truck behind him waiting and operated by the ground crew, and bumped into the side of the fork, thus fracturing his lower leg. He was sent to the hospital for surgery and hospitalization. For this occupational accident, Warehousing Sec. has actively stressed the issue in internal meetings, was informed of the importance of workplace safety and hazard, implemented the safety and health education and training, and specified that staff entering into the operation area of forklift trucks should wear reflective safety vests that meet the requirements and walk on the pedestrian priority crosswalk, and also that fork lift trucks should obtain TS labels. The emergency response measures for operation of fork lift trucks have also been added to working instructions to avoid the occurrence of similar incidents.

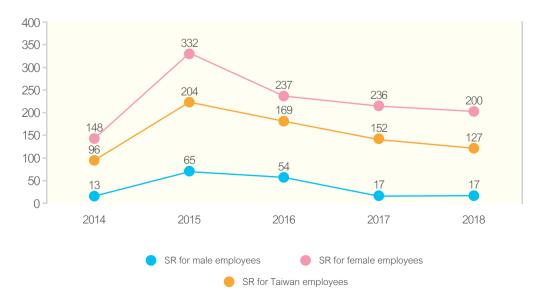


Note: Most workplace injuries of the Company happen in the cabin mainly because the cabin is small and narrow so movements are rather restricted. Personal behaviors were the main reason why cabin crew members suffered from workplace injuries (e.g. violating the rules, not paying attention to the surroundings, nor alerted).

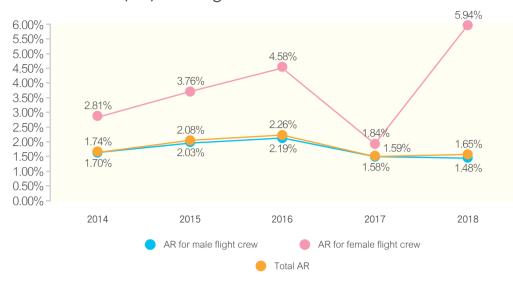
Disability Injury Frequency Rate



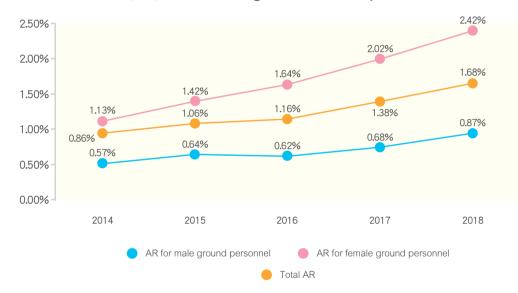
Disability Injury Severity Rate



Absence Rate (AR) - All flight crew

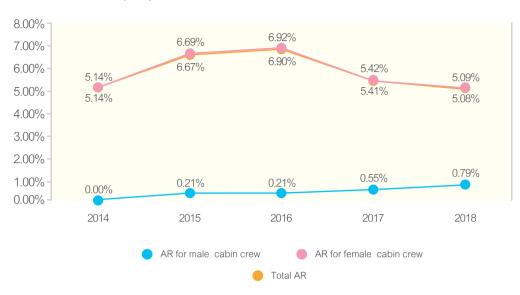


Absence Rate (AR) - Domestic ground service personnel



- Note 1: Disabling Injury Frequency Rate (FR)= number of people suffering from disabling injury ×10⁶ total working hours
- Note 2: Disabling Injury Severity Rate (SR) = number of days of disabling injury ×10⁶ total working hours (the working days lost should be calculated in calendar days, excluding the day when the injury happens and the day of returning to work)
- Note 3: Absence Rate (AR) = (Total absence hours / total working hours) x 100%. The total hours absent comprise the hours of sick leave (not restricted to the sick leave due to work-related injury) and casual leave (excluding family care leave).
- Note 4: The statistic data on occupational accidents include only cases involving more than one day of loss, including traffic accidents happening on the way to the office and when going home from the office.
- Note 5: In respect of disabling injury frequency rate (FR) and disabling injury severity rate (SR) from 2015 to 2017, the data were corrected because some of the cases have been closed.

Absence Rate (AR) - All cabin crew



Health Protection Measures

Subject	Protection Measures
Cabin crew members	Since most occupational accidents of the Company happen in the cabin, in order to understand the in-flight operating environment and potential hazards, the Occupational Safety & Health Division provides on-site cabin services every six months together with the doctors from the Clinic Division to offer medical counseling for cabin crew members, carry out an observation of the in-flight operations, and then present suggestions for improvement and measures.
Apron personnel	Though the apron personnel do not work all the time on the apron, we still schedule hearing tests for these employees in order to enhance their health and protect their hearing. If any irregularity is found, the infirmary will provide them with health education.
	 Since cancers and cardiovascular diseases have become the leading killers threatening the health of the people in Taiwan, we have already added eight blood pressure meters with which the employees can examine and monitor themselves at any time. We also provide free screening tests on four types of cancers for our employees and their families in order to prevent these diseases.
Entire staff	 For those whose health examinations indicate abnormalities, we actively provide health management and heath consultations.
	 The EAP (Employee Assistance Program) has been expanded from psychological counselling service to also cover health and legal consultation in a bid to comprehensively solve the troubles our employees face at work and in life.

Statistics on the Use of Psychological Counselling

Year	2016	2017	2018
Use Count (person)	27	43	70
Time spent (hour)	73	111.5	203.5

04



Chapter Highlights



A total of 101.69 tonnes of CO_2e from flight GHG emissions were offset since the start of the "Green Travel" EVA Carbon Offset Program in May 2017 until the end of 2018.





473 tonnes of CO₂e

Reduced GHG emissions from our ground service power-saving project during the period from 2015 to 2018, an equivalent of 876,489 kWh of electricity saved.



33.5% Energy Use Intensity (EUI)

Energy Use Intensity (EUI) 123.75 kWh/m², 33.5% lower than the annual reference value (186.2 kWh/m²) of the office building announced by the Bureau of Energy, MOEA.



18.37% Waste Recycling Rate

The daily average general waste produced per capita in 2018 was 0.715 kg, 18.37% lower than the mean value during 2015-2017 according to the statistics announced by the Environmental Protection Administration, Executive Yuan.

Reduced flight GHG emissions from our flight energy conservation





Special Report: "Green Travel" - EVA Carbon Offset Program

Background

According to the statistics by International Air Transport Association (IATA), the annual carbon dioxide emissions by the aviation industry accounts for 2% of the global emissions, but in terms of the global economy contribution value, the aviation industry contributes 8% of the global gross domestic product (GDP). Nearly 3.5 billion people conduct various air activities each year. In order to reduce the global carbon dioxide emissions and mitigate global warming, IATA has set the shared industry goals of carbon-neutral growth from 2020 and a 50% reduction of the world air transport's carbon footprint by 2050. Therefore, EVA Air established the Fuel Conservation and Carbon Reduction Committee in 2006 to continuously promote various aircraft fuel conservation projects and to introduce fuel-efficient models. 298,474 tonnes of carbon dioxide emissions were already successfully reduced between 2013 and 2018, an equivalent of 24,872,846 trees.

Objective

Since the founding of EVA Air, we have been committed to the motto: "Caring for Taiwan and Contributing to Society". As a member of the global community faced with climate change and global warming, we are fully conscious of the value and finite nature of the Earth's resources. Therefore, through the establishment and execution of various management systems, EVA Air implements environmental protection in every aspect of its operations, and aims to protect the planet and our passengers with the idea of "Environment Harmony". Climate change has become a global issue that cannot be overlooked. EVA Air is the first to roll out a "Green Travel" EVA Carbon Offset Program in Taiwan, in which passengers can make donations based on the calculated carbon emissions of their flight to offset the ${\rm CO_2}$ created during their flight and achieve "zero-carbon travel".

Action

The "Green Travel" EVA Carbon Offset Program is a formal collaboration between EVA Air and ClimateCare, the renowned British climate management and sustainable development company. The carbon discharge coefficient per kilometer (or mile) for each passenger is calculated according to the carbon emissions calculation guidelines published by the International Civil Aviation Organization (ICAO), using fuel consumption and passenger capacity data of various EVA Air aircraft models. After a ticket purchased at the EVA Air global website, passengers can go to the dedicated website (evaair.climatecare.org) to calculate their carbon emissions based on the seating class, flight distance, and number of passengers. The passenger may select to donate an equal or optional amount in support of ClimateCare's international carbon reduction project and complete the "zero-carbon travel".

The project will initially focus on the international carbon reduction projects and gradually expand to domestic projects. All the carbon reduction projects through ClimateCare have been certified by independent institutions using international standards including the Gold Standard (GS) or the Voluntary Carbon Standard (VCS) in order to reduce the global carbon dioxide emissions or improve the living environment of impoverished regions. EVA Air has never received any economic benefits from these projects.

Investment

From March 2016 to April 2019, 175 labor hours and NT \$ 430,000 have been invested in the system implementation.

Achievement

Since the system went live in May 2017 until the end of 2018, a total of 101.69 tonnes of CO_2e had been offset, an equivalent of the amount absorbed by 8,474 trees in a year. We hope to gradually expand our influence in the future, and encourage more passengers and staff to develop the correct attitude to protecting the earth's resources.

About Flight Carbon Offsetting



What is carbon offsetting

Carbon offsetting is a globally recognized method to finance internationally approved carbon reduction projects through "carbon credits". It helps reduce the carbon dioxide emissions in the air and compensates for the inevitable carbon emissions

After a carbon reduction project has been investigated and approved by an independent and international institution, each tonne of carbon emissions reduced will earn a "carbon credit", which will be removed from the original registered account after being purchased to avoid duplicate application. To put it in simple terms, one tonne of carbon emissions offset means one tonne of carbon dioxide emissions reduced from the atmosphere, while in reality, the carbon reduction requires the execution of specific projects, such as reducing fossil fuels consumption or replacing with clean



How to calculate carbon emissions

Our carbon emissions calculation tool can calculate the amount of carbon dioxide produced during your flight and help you offset the carbon emissions. Simply select your departure/arrival airports and the number of passengers and seating class, click on Calculate, and then the system will calculate your impact on the climate, and you can proceed to offset your carbon emissions for this flight.



How the payment is being used

In contrast to many carbon offset schemes, EVA Air does not charge any fees or extra ees for the passenger's carbon offset. Your payment goes directly to ClimateCare and is used to finance carbon reduction projects EVA Air covers the cost of the system's development, implementation, update, and administration.



Why we are doing this

Climate change is a huge challenge for humankind at the moment. The burning of fossil fuels has increased GHG in the earth's atmosphere (such as carbon dioxide, methane, nitrous oxide), causing an imbalance in the earth's natural ecosystem and changes in the climate and weather patterns, resulting in heat waves, frequent floods, and the rise of the sea level.



Can the carbon offsetting receive international certification

Yes, you will receive a carbon offset certificate issued by ClimateCare, in which your offset amount of carbon emissions and offset items are listed, as well as relevant information on





How do we calculate vour carbon emissions

Currently, the carbon discharge coefficient per kilometer for each passenger is calculated according to the carbon emissions calculation guidelines published by the International Civil Aviation Organization (ICAO), using EVA Air's data on existing fuel consumption amount and passenger capacity, and then your carbon emission amount is calculated based on the seating class, flight distance, and number of passengers. Concerning the flight distance, the shortest distance (great-circle distance) of each flight segment is used for the calculations.

Steps to Follow for EVA Air Carbon Offset







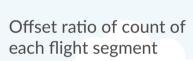
Select the layover airport











0.6	%	Oth	er	
	1.2%	0	Oceani	а
15.			ope	

Obtain the offset emissions amount and cos







Offset ratio of tonnes of each flight segment

0.1%	Other	NN			
4.5	% Oce	ania			
.1% Eur	ope T	H			
22.9%	Asia F				
11	N N N N N N N N N N N N N N N N N N N				
.3% Am	erica			maill	
	1.5 .1% Euro 22.9%	0.1% Other 1.5% Oce 1.9% Europe 22.9% Asia	1.5% Oceania .1% Europe	1.5% Oceania .1% Europe	1.5% Oceania .1% Europe

4-1 Environment and Climate Change Governance

In recent years, EVA Air has begun to adopt international standard management systems. The P-D-C-A (Plan-Do-Check-Act) quality management operation procedures help us execute various environment protection measures, and reduce the negative impacts brought by our operations. EVA Air shares the impacts and obligatory responsibilities with the whole world by tackling the issue about which the international community has been most concerned, climate change. Our proactive actions include greenhouse gas (GHG) inventory, risk/opportunity identification, energy-saving projects, performance monitoring, etc. As a member of the global industry facing the rapidly changing ecosystem, EVA Air regards its dedication to the local and global environments as its own responsibility. We hope that through various environment protection policies, we will motivate our industry chain partners and passengers to join our cause and share in our utmost effort to protect the environment.

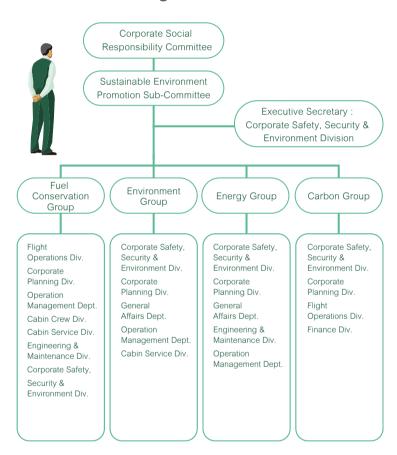
4-1-1 Management System Certification and Environmental Policies

Introducing International Management Systems

In 2015, EVA Air formed the "Sustainable Environment Promotion Sub-Committee" .which is EVA Air's highest decision-making supervisory unit for environment management policy. The Sub-Committee is divided into four task groups: fuel conservation, environment, energy, and carbon rights; the Sub-Committee members consist of the heads, or their authorized agents, of the Corporate Planning Division, Flight Operations Division, Finance Division, General Affairs Department, Cabin Crew Division, Cabin Service Division, Operation Management Department, Engineering & Maintenance Division and Corporate Safety, Security & Environment Division. The Sub-Committee convenes at quarterly meetings to discuss the status and achievement performance of all responsible duties, ensures the effectiveness of the Company's environment and energy management guidelines and policies, effectively reduces the adverse global impact of GHG emissions, and establishes EVA Air's positive image in the international community as a sustainable and green corporation. EVA Air's headquarters in the Nankan Park has promoted and obtained certification to the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, to implement the aforementioned environmental and energy policies. These actions enable our employees and supply chain to carry out various "Green Earth" and energy management practices accordingly and fulfill our obligations as "citizens of the global community". We continuously improve our environmental and energy management performance, and based on the concept of "environmental harmony", we work in solidarity towards achieving environmental and corporate sustainability. EVA Air protects Mother Earth alongside our customers, and laid the foundation for business sustainability; we have since become an exemplary model of green enterprises. In compliance with the requirements of ISO 14001:2015, EVA Air has identified potential major environmental risks from the operation, while reducing threats and taking advantage of our opportunities through the establishment and improvement of our policies.

Major issues / Major Environment Concerns	Threats	Opportunities	Standardized Document	Name of Standardized Document	Actions on Risks	Response Measures
Office electricity consumption A minimum of 1% of the power is legally required to be conserved annually Reduce energy cost.		and air conditioning.	Yes	Environment and energy operation management procedures	Reduce risks	Monitor energy performance index
Office water Water supply shortage sy		Invest in rainwater, condensed water recycling system and increase water reuse amount.	Yes	Environment and energy operation management procedures	Reduce risks	Continue recycling rainwater and condensedwater. Monitor water consumption in the park.
company does not support the		Company executives fully support the operations of the management system	Yes	Environment and energy operation management procedures	Bear risks	Continue monitoring waste production and establish contract guidelines and rules.
Natural gas pipeline leaksdue to natural disasters	Damage to office area	Company executives fully support the operations of the management system	Yes	Emergency response management procedures	Bear risks	Execute natural gas inspection services and regular disaster response drills
General business waste produced	None	Properly sort waste and reduce company waste production	Yes	Environment and energy operation management procedures	Reduce risks	Increase recycling ratio
		Company executives fully support the operations of the management system	Yes	Environment and energy operation management procedures	Reduce risks	Monitor the discharge water quality
support the operation		Company executives fully support the operations of the management system	Yes	Procurement procedures	Diversify risks	Select among many suppliers
Contractor management	Improper treatment of construction waste	Company executives fully support the operations of the management system	Yes	Procurement procedures	Diversify risks	Select among many suppliers
Law changes	After the Greenhouse Gas Reduction and Management Act went in effect, the government will gradually begin control on emissions	Participate in various GHG reduction response measures	Yes	None	Bear risks	Quarterly follow up on changes in the law and draft response measures

Sustainable Environment Promotion Sub-Committee Organizational Chart



EVA Air has obtained ISO 14001: 2015 Environment Management System and ISO 50001: 2011 Energy Management System certifications in full demonstration of the Company's commitment towards environment protection and energy management. We will continue to devote our efforts to mitigate the increasing GHG emissions and extreme climate changes. With the implementation of ISO 14001 Environmental Management System and ISO 50001 Energy Management System. EVA Air has established specific goals, objectives and action plans, including waste, noise and wastewater pollution control, and GHG and energy management. At the same time, an email account was set up to receive feedback on environmental issues (environment@evaair.com), which serves as the complaint channel of environmental issues for external stakeholders, and will help the company to improve its environmental protection measures based on suggestions. The email complaint channel has received no complaints of environmental issues from stakeholders in the past 4 years.

EVA Air's Environment and Energy Management Progress and Devotion Over the Past 4 Years

Year	2015	2016	2017	2018
Major Events	Formed the Environmental Management Team under the Corporate Safety, Security & Environment Division, and merged the original Fuel Conservation and Carbon Reduction Committee with the Sustainable Environment Promotion Sub-Committee under the CSR Committee Introduced the ISO 14001 Environmental Management System Introduced the ISO 50001 Energy Management System Announced EVA Air's Environmental and Energy Policy	Continued to run the ISO 14001 Environmental Management System and ISO 500001 Energy Management System to improve management performance Completed the 2016 ISO 14064 -1 GHG emissions verification process	Started the "Green Travel" - EVA Carbon Offset Program	· We hope to continue our advancement towards a sustainable green enterprise with the recertification every three years of the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, and the expansion of the certification range to the EVA Air Taipei Building.
Benefits to EVA Air	Through the introduction of the management system, the Company can completely grasp the use of various resources, establish relevant performance indicators, and reduce non -essential consumption of energy or resources.	The action plans carried out in 2016 resulted in a 1.29% energy-saving rate, higher than the national standard of 1%, and effectively reduced GHG emissions and the consumption of energy and resources. The Company's annual GHG emissions were also re-confirmed by third-party inspection, which improved the accuracy of emission data, and shall be used for future management reference.	With a system co-developed with Climate Care, a British climate management and sustainable development company, EVA Air enables passengers to make voluntary contributions based on their journey or one-time instance to offset the carbon dioxide emissions produced during the flight and achieve "zero-carbon travel". Since the system went live in May 2017, until the end of 2017, a total of 43.03 tonnes of carbon dioxide had been offset.	The three year cycle of the system recertification process is an efficiency evaluation of the operation of the systems by a thir party certification institution that sets performance indicators, improvement methods, and actio plans, which will efficiently utilize energy and resources, reduce unnecessary waste, and reinforce the philosophy of corporate sustainable management.
Total Environmental Protection Expenditure (NTD 1,000)	139,179	149,887	153,906	152,542
Environmental Protection Expenditure Items		noise prevention, the European Union Emi and energy management systems, and p	ssion Trading Scheme (EU ETS), the carbon o roject research	ffsetting project installation,

4-1-2 Introducing TCFD to Manage Environmental Risks and Opportunities

Task Force on Climate-Related Financial Disclosures (TCFD) is a project task force founded by the Financial Stability Board (FSB). The task force, established on December 4, 2015, mainly develops suggestions for more beneficial and efficient climate-related disclosures. EVA Air is the first in the industry to implement the four main core elements of TCFD disclosures, which identify and control high risk factors caused by climate change and extreme climates, and expand risk monitoring to all environmental aspects. EVA Air assesses the negative impact, the impact target, and the impact strength of every major environmental risk, and discloses response measures for all currently identified environmental risks from the aspects of "the highest level of management and duties, the strategic plan, the risk management action, and the goal". We adopt active and advance projection safety management methods to prevent potential hazards, regularly review operation procedures, and list adverse weather operations in the flight crew manual. Moreover, we provide educational trainings and comprehensive information, adopt risk manage procedures and fully grasp various hazard information. In addition to the elimination or reduction of the impact brought about by climate change, EVA Air identifies opportunities for the company's operations resulting from climate change. We actively establish strategies and management measures to properly and timely pursue any development opportunities with potential short, mid-, or long-term benefits to the Company's business.

Environmental Energy Policy

Since EVA Air's founding, we have been committed to the Evergreen Group's motto: "Caring for Taiwan and Contributing to Society". Faced with increasingly severe climate change and global warming, the Company, as a member of the global community, is deeply aware that Earth's precious resources are non-renewable. This is why in 2015, through the establishment of various management systems, EVA Air implemented our vision for the environment and energy in every aspect of our operations by adopting a new motto: "EVA reaches for the sky with energy-saving: a pursuer of efficiency and a leader of environmental protection". EVA Air's "Environment and Energy Policy" applies to EVA Nankan Park operations and employees which are in the scope of the environment and energy system. The EVA Air corporate website allows every employee to access the Company management methods and educational information on climate change or other major.

Our commitment	Measures
Complying with environmental and energy laws and regulations	Constantly monitoring legal changes, evaluating possible impacts, and operating with complete legal compliance.
Promoting the concepts of environmental protection and energy conservation	Allowing the staff to access relevant informationthrough the internal environment and energy blog, which periodically publishes the latest environment protection information.
Joining the green procurement movement	Announcing the environment and energy procurement guidelines, with which all relevant procurement actions of the Company comply.
Establishing a low– carbon green environment	Using green products and creating a culture of environment protection.
Increasing efficiency of energy utilization	Continuously replacing old equipment with new ones to reduce wasteful energy consumption.
Reducing resources and the impact on the environment	Using eco-friendly products, reducing resource waste, effectively recycling/ reusing and lessening the related impact.
Continuing the improvement of environment and energy performance	Regularly evaluating and inspecting the environment and energy -related performance for continuous improvement.
Reducing energy consumption and carbon emissions for a better environment	Introducing the environment and energy management systems to reinforce management and facilitate environment sustainability.

Level	Index	EVA Air's Current Actions
	a) Describe how the Board of Directors supervises climate-related risks and opportunities	The Corporate Social Responsibility Committee (CSR Committee) supervises operations on climate-related risks and opportunities via its subordinate unit, the Sustainable Environment Sub-committee. The President serves as the Chair of the CSR Committee, which reports the results to the Board of Directors each year.
	b) Describe the function of the management level on the assessment and management of climate-related risks and opportunities	The management level must inspect, review, and approve climate-related risks and opportunities each year, and supervise the execution of response measures.
	a) Describe the short-, mid-, and long-term climate-related risks and opportunities identified by the organization	Transitional, physical, and other types of risks and opportunities
Strategy	b) Describe climate-related risks and opportunities which would have major impact on the organization's business, strategy, and financial plans	Transitional, physical, and other types of risks and opportunities
	c) Describe the robustness of the organization's strategy, while taking various climate change scenarios into consideration	Conduct annual ISO 14001 risks and opportunities assessment, consider various potential impact and opportunities caused by climate change, and conduct corresponding management measures.
	a) Describe the processes of the organization's climate-related risks identification and evaluation	The climate-related risks identification and evaluation focuses on the following three items: 1. annual evaluation from the environmental aspect; 2. the internal and external environment issues of the organization; 3. stakeholders and the environmental issues of concern. Then related departments meet to discuss the risk response and treatment methods based on the risk and opportunity response measures plan table.
Risk Management	b) Describe the organization's climate-related risk management process	Evaluate risk control level, control costs, and plan feasibility based on the risk evaluation results, and control risks by adopting one of the four different approaches: eliminating risks, reducing risks, diversifying risks, or bearing risks.
	c) Describe how the organization's climate-related risk identification, evaluation, and management processes are integrated into the overall risk management	Risk identification, evaluation, and management are based on the standard processes of ISO 14001 and ISO 50001, and the results are regularly reported to the CSR Committee to be summarized, planned, and integrated into the Company's overall risk management strategies.
	a) Disclose the climate-related risk and opportunity evaluation index used by the organization in compliance with its strategies and risk management processes	Fill out a CDP survey every year to serve as the Company's climate-related risk and opportunity evaluation index.
	b) Disclose the emissions of Scope 1, 2, and 3 and their related risks	The organization's GHG emissions are disclosed in the annual CSR reports in accordance with the ISO 14064 organizational GHG verification standard. According to the 2018 GHG inventory results, Scope 1's emissions account for 99.76% of the overall organizational emissions; therefore, fossil fuel consumption and price fluctuations are major operational risks.
	c) Describe the goals of the climate-related risk and opportunity management, and the performance of related goals	According to the EVA Air Environment and Energy Policy, the ultimate goals of our environmental management are to reduce energy consumption and the carbon footprint for a better environment. The Company also regularly inspects every process in aircraft operations, service, and ground support through a series of measures to minimize GHG emissions. Related performance of these actions will be described in detail in this section.

Transitional Type

	Item European Union Emission Tradi (EU ETS)		Aircraft noise prevention	Taiwan GHG reduction and management policies	Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)	
Description of legal risks		In 2012, the EU began to apply carbon emission control measures to all operating airlines inside the EU .	The International Civil Aviation Organization (ICAO) and the US Federal Aviation Regulations (FAR) require Stage 4 noise level and verification standards compliance for new aircraft leaving the factory, and demand all aircraft to operate under the noise limit, to ensure environment quality and economic benefits.	The nation's long -term GHG reduction target is to reduce the 2050 emissions by more than 50% of the 2005 emissions. The current target stage is for a five-year period, and emissions exceeding the allowance will be charged three times the carbon market price per excessive tonne, or a fine of NTD 1,500 per excessive tonne.	The International Civil Aviation Organization (ICAO) stipulates that all international airlines should conduct carbon emissions monitoring according to the Emission Monitoring Plan (EMP) starting in 2019, and comply with the relevant regulations of CORSIA.	
Negati	ve impact	· Increase operation costs · Reduce asset value · Dispose assets early	Increase operation costs Brand damage Dispose assets early Legal proceedings or fines Reduce asset value Increase current liabilities Loss of existing customers	Increase operation costs Reduce asset value Dispose assets early Increase R&D costs Increase current liabilities	· Increase operation costs · Reduce asset value · Dispose assets early · Increase R&D costs · Increase current liabilities	
Impac	t subjects	· Products or service · Company Equipment · Upstream value chain	· Company equipment · Upstream value chain	Products or service	Products or service Upstream value chain Company Equipment	
Impac	t strength	Medium-high	High	Medium	Medium-high	
	Highest level of management and duties	President / ensure the Company's operation are not affected	President / ensure the Company's operation are not affected	President / ensure the Company's operation are not affected	President / protect company operations from impact	
EVA response	Strategic plan	Faithfully comply with the European Union Emission Trading Scheme (EU ETS)	Ensure compliance with aircraft noise control regulations and standards prior to the introduction of new aircrafts	According to the law, plan transport services with the aircrafts using the latest energy conservation and carbon reduction technology	Comply with the ICAO's CORSIA	
measures and opportunities	Risk management action	Have related departments to be in charge of this item	Ensure that the newly introduced airplanes comply with the regulations	Monitor and control carbon emissions	Summon related departments to take charge of this business item	
	Goal	Ensure the Company's competitiveness by achieving 100% legal compliance	Comply with the world's various aircraft regulations and standards	Control and reduce emissions according to the Greenhouse Gas Reduction and Management Act	100% compliance with international regulations to ensure the Company's competitiveness	

Physical Type

	Item	Typhoons and	l torrential rain		Ice and snow damage	Extreme heat and drought	
Desc physi	ription of cal type risks	Typhoons are accompanied by unpredictable strong gusts or intermittent torrential rains, which impact flight safety and operations.		Ice and snow damage closes down airports and deters aircraft from landing, which results in flights transferred to alternative airports, affecting aircraft dispatch and the overall company operations.		Extreme heat or drought may not directly impact flight operations, but will require extra fuel to maintain a comfortable temperature in the passenger cabin. Drought may also impact service quality with in -flight water rationing due to aircraft water shortage.	
Neg	ative impact	Reduce revenue Increase asset costs Increase current liabilities Reduce market demand Increase insurance fee burden Employee injuries	Increase operation costs Reduce asset value Dispose assets early Loss of existing customers	Reduce revenue Increase asset costs Increase current liabilities Reduce market demand Increase insurance fee burden	Increase operation costs Reduce asset value Dispose assets early Loss of existing customers Employee injuries	Reduce revenue Reduce capital acquisition Dispose assets early Brand damage	· Increase operation costs · Reduce asset value · Loss of existing customers · Interrupted water supply
Impa	act Subjects	Products or service Company equipment Upstream value chain	Company staff Company buildings Downstream value chain	Products or service Company equipment Upstream value chain	· Company staff · Company buildings · Downstream value chain	Products or service Company equipment	· Company staff
Imp	act strength	Medium-high		Medium-high		Medium	
	Highest level of management and duties	President / ensure no damage o Company operations	r loss to the	President / ensure no damage or loss Company operations	to the	President / ensure the operat	ion's service quality meets client needs
EVA response			For responses to extreme climates, co Company's response measures	or responses to extreme climates, collect the special cases faced by other airlines and draft the ompany's response measures		s with limited resources to make the best use of the resources	
measures and opportunit	Risk management e action	Plan corresponding measures for disaster risks	or various types of natural	Closely follow regions affected by cold air mass, and dispatch airplanes early to improve usage rate		Monitor and adjust the use of water resources	
	Goal	To maximize the Company's prosafety first	ofit under the principle of	To minimize the Company's loss unde	To minimize the Company's loss under the principle of safety first		es and achieve optimal fuel efficiency without affecting comfort.

Other Types

	Item	Energ	y Shortage	Political and economic status		Epidemic diseases		
Descri other t	iption of types of risks	Energy consumption is the basis of operations; an energy shortage will shut down the Company's operations.		The frequent global terrorist attacks indirectly influence the consumer's desire to travel. The instability of political status or economic capabilities in various countries will also affect EVA Air's local operations.		Epidemic diseases such as the Middle East respiratory syndrome coronavirus and the Zika virus are spread across the world by global travelers. Disease prevention measures of various countries and the level of the infection also impact air transport and tourism.		
Nega	ative impact	Increase operation costs Increase current liabilities Broken supply chain Discontinued sales	Increase asset costs Dysfunctional operations Limited growth	· Reduce revenue · Obstruct growth	· Reduce capital acquisition · Reduce production	· Reduce market demand	Reduce revenue Reduce market demand Limited growth Employee injuries	Increase operation costs Loss of existing customers Discontinued sales
Impa	act subjects	Products or Service Company buildings Downstream value chain	Company equipment Upstream value chain	· Products or service	· Company equipment		· Products or service · Upstream value chain	Company staff Downstream value chain
Impa	ct strength	High		Medium		Medium-high		
	Highest level of management and duties	President / ensure normal	company operations	President / maximize rev	resident / maximize rewards for investors		President / ensure the Company's operation are not affected	
EVA response	Strategic plan	Stay informed on international energy trends, maintain a stable energy supply, and adjust operations according to energy supply to reduce costs The flight routes and market development are closely related to airline profits. Misjudgments may result in excessive and irretrievable expenditures. Therefore, developing suitable routes is the top priority in the Company's strategies			airline's first line of defense is	eak out without warning at any time in any region. An to correctly obtain possibilities beforehand, so that disease ter the outbreak can be arranged in advance.		
measures and opportunition	Risk management e action	Establish a dedicated fuel procurement department to stay informed on global energy trends and execute risk prevention measures		Establish a dedicated department to conduct benefit analysis of all flight routes and risk assessments of new markets; monitor and adjust flights in high-risk areas		Maintain close contact with every station to obtain local updates; accurately obtain information on epidemic diseases and plan preventive measures.		
	Goal Maintain normal operations in times of an unstable Reduce unnece energy market		Reduce unnecessary los	Reduce unnecessary loss due to factors of politics and economy		Reduce operational loss due to epidemic disease outbreaks		

4-2 Energy and Resource Management

With the increasing atmospheric GHG concentrations, the risk impact brought about by climate change has escalated to a level which corporations must tackle immediately. The 2015 United Nations Climate Change Conference passed the Paris Agreement and further announced the issue of GHG management. The 2018 United Nations Framework Convention on Climate Change (UNFCCC) 24th Conferences of the Parties (COP24) has also reached an agreement on the details of the implementation. These will be a key to mankind's survival and economic growth over the century. To fulfill our responsibility as a citizen of Earth and as an enterprise, EVA Air has embarked on various projects to conduct GHG inventories since 2011 and passed a third party verification of GHG inventory check in accordance with the ISO 14064-1 standard in 2016, 2017 and 2018. In 2015, we formed the "Sustainable Environment Promotion Sub-Committee" comprising high-level managers and representatives from relevant departments to serve as the top decision-making body for the investigation, planning and implementation of response and action plans for issues related to climate change and GHG management.

4-2-1 GHG Emission Management

GHG Reduction Target

EVA Air's Sustainable Environment Promotion Sub-Committee continues to monitor domestic regulation standards and the development of Taiwan's reduction target. In terms of international participation, the Sub-Committee actively takes part in various GHG emission reduction plans, and fully supports the aviation industry's common goal of carbon reduction. Moreover, EVA Air has established carbon reduction management measures based on the IATA's four-pillar strategy: technology, operation, basic infrastructure and economic measures.

Airline Industry's Common Goal of Carbon Reduction







Reduce carbon emission to the 2005 standard of 50%

EVA Air's Compliance with IATA's Carbon Reduction Strategy

Domain	Item	About the Measures
Technology	Introduction of new aircraft and jet engine technologies	Introducing the latest eco -friendly and energy -efficient aircraft model
33	Alternative fuel	There is currently no domestic supply of alternative aviation fuel
	Improvement of aircraft operating procedures	Revise the standard operating procedures for flight crews
Operation	Optimization of flight plans and management	Selection of alternate airport, flight plan optimization, aircraft flight route optimization, fuel policy improvement
	Operation management	Aircraft weight and center of gravity control, APU usage reduction, aircraft maintenance inspection reinforcement
	Airport infrastructure	
Basic Infrastructure	Flight management	EVA Air shall operate in accordance with the competent authorities ' regulations
mirastructure	Airspace management	EVA All Shall operate in accordance with the competent authorities regulations
	Airline route structure	
Financial	Carbon trading	In response to global laws and regulations and Taiwan's national greenhouse gas reduction plan, EVA Air shall actively participate and proceed with execution.
Measures	Carbon offset	In 2017, we started the "Green Travel" program, also known as the EVA Carbon Offset Program. By using the industry-wide acceptable measures to allow our passengers to achieve "zero-carbon travel".

GHG Inventory

The Company has been conducting voluntary inventory check of GHG emissions since 2011, and has completed a third party verification of GHG emission data with ISO 14064-1 principles in 2016, 2017 and 2018. In accordance with the emission data provided by government related projects, the quantified data mainly include aviation fuel, automobile gasoline and diesel fuels, and each office's total power consumption, to further understand and respond early to the greenhouse gas emission status and trend. The yearly emission ratios of Scope 1 and Scope 2 indicate that due to the characteristics of the aviation industry, Scope 1 occupies over 99% of the overall emission. In recent years, the expansion of flight routes and the upscale of operations have caused a gradual increase in total GHG emissions annually. Despite the additional destinations, number of aircraft, and the new building in operation in 2018, there was a slight reduction in the total emissions, which was indicative of the improved fuel and energy use efficiency of the Company's new fleet.

Total GHG Emissions (tonne CO₂e)

Scope	2015	2016	2017	2018
Scope 1 for Aircraft	5,496,282	5,916,183	6,302,431	6,258,811
Scope 1 for Non-Aircraft	465	841	802	1,236
Scope 2	11,290	12,144	12,722	13,856
Total	5,508,037	5,929,168	6,315,955	6,273,903

- Note 1: From 2013 to 2017, the greenhouse gas inventory boundary includes EVA Air Operation Building, First Training Building, Second Training Building, Dormitory Building, Bonded Warehouse Building and EVA Air Taipei Building In 2018, the the greenhouse gas inventory boundary add New Building, Bonded Warehouse Building.
- Note 2 : Scope 1 for aircraft refers to aircraft fuel
- Note 3: From 2013 to 2015, Scope 1 for non-aircraft includes company vehicle gasoline and diesel fuels, natural gas, and diesel fuel for emergency power generator tests.
- Note 4 : GHG emissions from refrigerants, extinguishers, and septic tanks were included in accordance with the 2016-2018 GHG inventory.
- Note 5 : The Global Warming Potential (GWP) defined in IPCC AR4 has been chosen and correctly referred by the Organization.
- Note 6 : Scope 2 refers to purchased electricity, the emission factors being 0.518 (2014), 0.525 (2015), 0.530 (2016), 0.554 (2017, 2018) kg CO₂e/kWh.
- Note 7: For comply the 2018 GHG inventory., we recalculate the emission data from 2014-2017.
- Note 8 : A New Bonded Goods Warehouse was added in 2018; therefore, 2018 was reset as the base year of GHG inventory for EVA Air.

Aircraft GHG Emission Intensity



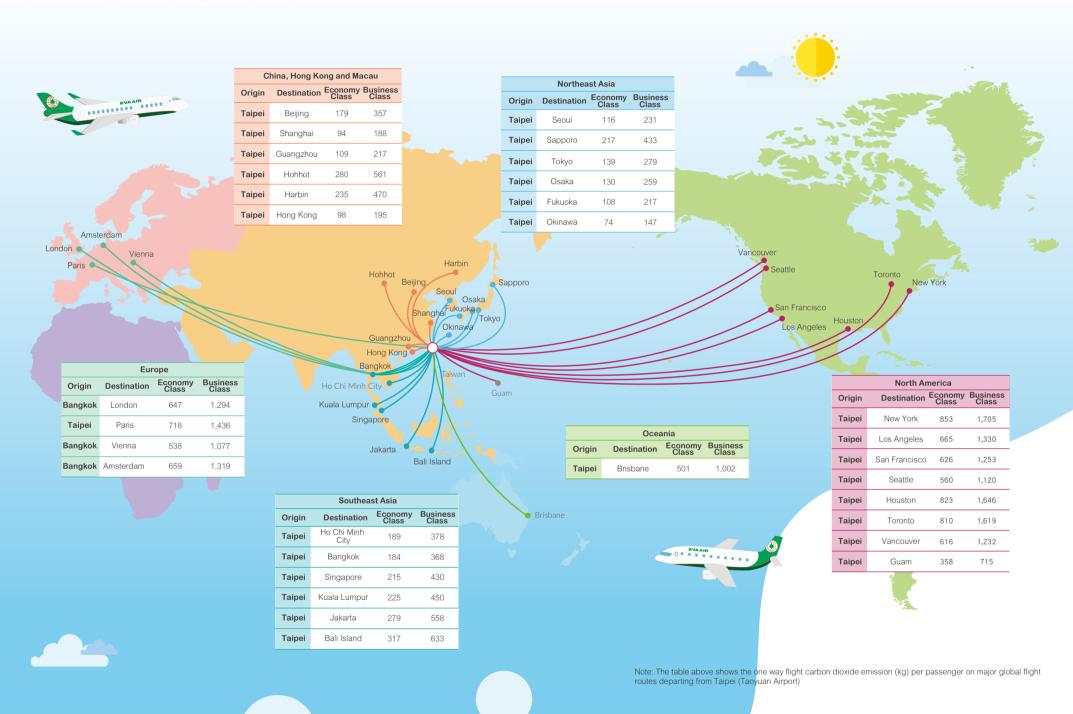
Unit: Tonne $CO_{\!2}e$ / kRTK

 Scope 1 for Aircraft GHG emission intensity

Note: Revenue Ton
Kilometer (RTK) = Weight of
Passengers and Cargo
(tonne) x Mileages (km)

Carbon Footprint Declaration

According to the evaluation report by the Intergovernmental Panel on Climate Change (IPCC), about 2% of the global carbon dioxide emissions from human sources come from the airline industry. To fulfill our duties as a citizen of the earth, EVA Air utilizes flight data from long-term monitoring and adopts the carbon emission calculation methods proposed by ICAO and IATA, to complete a voluntary carbon footprint declaration for all major international flight routes departing from Taoyuan Airport.



4-2-2 Energy and Resource Conservation Measures and Performance

Total Energy and Resources Consumption

Energy and Resource Consumption

EVA Air's largest energy consumption is aircraft fuel, followed by power consumption from ground operations and transportation fuel. The water at the operation sites in Taiwan is mainly supplied by Taiwan Water Corporation, while Nankan Park uses a small amount of recycled water (rain water and recycled condensed water); neither of the water resources is affected by the water used for operations. The procurement of kitchen and restroom equipment for each office building primarily favors products with water efficiency labels; most restrooms have IR automatic sensor water faucets installed, and the faucets' outgoing water settings are adjusted; the company carries out periodical promotional activities to raise the awareness of water conservation among employees, so as to achieve optimal utilization of water resources.

In 2015, EVA Air introduced the ISO 14001 Environmental Management System, and added a new condensed water recycling system in addition to the original rain water recycling system to increase recycled efficiency of water resources.

Energy and Resources	Unit	2015	2016	2017	2018
Aircraft	USG, Gallon	573,566,500	617,385,422	657,692,464	653,140,524
Fuel	Megajoule	72,673,691,073	78,225,763,589	83,332,863,670	82,756,110,527
Gasoline	Liter	77,477	77,859	83,433	80,844
Gasonne	Megajoule	2,528,473	2,540,939	2,722,862	2,638,345
Diesel	Liter	35,020	45,434	43,486	50,032
Diesei	Megajoule	1,230,786	1,596,815	1,528,332	1,758,391
Natural	Cubic Meter	100,825	109,862	105,091	106,956
Gas	Megajoule	3,374,814	3,677,301	3,517,606	3,580,031
Electricity	kWh	21,505,454	22,913,048	22,964,630	25,012,251
Electricity	Megajoule	77,381,785	82,446,644	82,632,251	90,000,082
Tap Water	Cubic Meter	142,767	161,525	150,132	134,930
Recycled Water	Cubic Meter	2,213	4,600	1,825	2,253

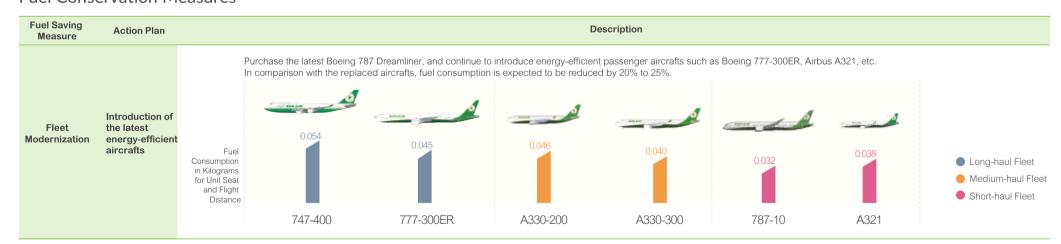
Note 1: Recycled water resources include rainwater and condensed water the recycled quantity is measured by a water meter Note 2: : Since 2016, in accordance with GHG inventory, the outsourced supplier's power consumption at the Nankan Park has been deducted from the power value. Note 3: Energy conversion is calculated based on the Heating Value Chart of Energy Product announced by Bureau of Energy: 1 kilocalorie (1Kcal)=4.184 kilojoules(KJ)



Aviation Fuel Monitoring and Conservation

The expansion of flight routes and increasing operation scale have gradually increased fuel consumption. In response to the ever-increasing scale of the fleets, EVA Air has actively established various fuel conservation plans, and purchased the latest energy-saving aircraft. The various fuel conservation measures at EVA Air are planned and executed by the "Sustainable Environment Promotion Sub-Committee". The measures include fuel efficiency analysis of various aircraft models and selecting the most suitable aircraft models based on long-, mid-, short-range flight routes and the number of passengers. Furthermore, the fuel conservation plans involve topics such as the modernization of fleets, weight reduction of aircraft, flight operations and aircraft maintenance to achieve the common goal of carbon reduction proposed by the IATA and cooperate with the government's calls for energy conservation, carbon reduction and reduced GHG emissions. In 2018, EVA Air saved a total of 20,560 tonnes of fuel, or an equivalent of emissions reduction of 64,765 tonnes of CO₂e, which meant an improvement by 8% compared to 2017. EVA Air will continue to review current operations and find opportunities to reduce fuel consumption and emissions.

Fuel Conservation Measures



Fuel Conservation Measures and Action Plans

· Weight Reduction of Service Items Water Load · New Baggage and Cargo Container · Electronic Flight Bag



· Reinforce operational inspections of aircraft maintenance · Regular Aircraft Cleaning

· Maintenance for Fuel Conservation

Results of Major Fuel Conservation Measures

	Project/Year	Unit	2015	2016	2017	2018	2019 goal	
, #4	Flexible adjustment of water load	Tonne	1,238.1	854.0	909.4	903.6	905.4	
⑤	Fuel Policy Improvement	Tonne	792.9	829.9	850.0	908.3	910.1	
-Anne	Alternate Airport Selection	Tonne	1,517.9	2,219.9	2,512.7	3,391.2	3,797.0	
\$	New Baggage and Cargo Container	Tonne	2,772.0	2,938.4	3,044.0	3,026.9	3,263.7	
	Flight Plan Optimization	Tonne	6,500.0	6,975.0	7,091.3	7,160.5	7,174.7	
٥	APU Usage Reduction	Tonne	2,971.8	3,094.3	4,305.5	4,999.4	5,009.3	
	Electronic Flight Bag	Tonne	36.3	136.8	143.9	142.6	140.9	
<u> </u>	Aircraft Weight Reduction Plan (Added in 2017)	Tonne	-	-	11.4	27.7	27.9	
	Total Fuel Savings	Megajoule	663,857,572	714,994,191	791,319,568	862,280,906	890,325,733	
	CO ₂ e Emission Reduction	Tonne CO ₂ e	49,861	53,702	59,435	64,765	66,871	

Note 1: Basis of calculation for CO_2 emission reduction, 1 tonne of aviation fuel = 3.15 tonnes CO_2 e. (Source of emission factor: IPCC Find EF Website http://www.ipcc-nggip.iges.or.-jp/EFDB/find_ef.php)
Note 2: Projects with fuel conservation results related to aircraft weight reduction utilized actual fuel consumption/takeoff weight to calculate the fuel efficiency per unit weight.

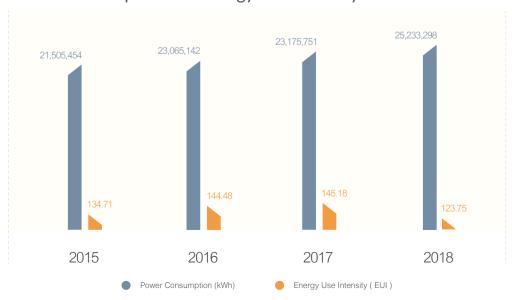
4-2-3 Ground Operation Power Consumption

Monitoring and Energy Conservation

In 2018, the overall Energy Use Intensity (EUI) was 123.75 kWh/m², 33.5% lower than the office building EUI reference value of 186.2 kWh/m² stated in the building electricity consumption reference index published by the Bureau of Energy, Ministry of Economic Affairs.

The main power-saving measure in the past four years has been the replacement of power equipment; from 2015 to 2018, 876,489 kWh of electricity had been saved, which is an equivalent of 473,393 kg of CO_2e . EVA Air monitors power consumption at its operating locations in Taiwan (EVA Nankan Park, EVA Air Taipei Building , Bonded Warehouse Building and New Bonded Warehouse Building) to implement energy-saving and carbon reduction measures more effectively, and to confirm the results of various energy conservation projects. The power consumption data on the Taiwan operating locations for the past four years show a gradual reduction in power consumption after the implementation of various energy conservation projects. EVA Air not only strives to implement energy-saving and carbon reduction measures for aircraft, but also continuously work for energy-saving ground operations.

Power Consumption and Energy Use Intensity in Recent Years



Main Power Conservation Measures and Performance

	Corrective Actions			Annual Power Consumption (kWh)				
		2015	2016	2017	2018	GHG emissions (kg CO ₂ e)		
Lighting Equipment	LED lighting replaced traditional fluorescent lighting	66,042	97,937	114,975	-	150,274		
Air Conditioning System	Reinforce air conditioning system operation management, control ice water machine output temperature	73,005	240,891	87,600	87,601	263,061		
Audio-visual Equipment	Replacements	-	759	759	-	823		
Passenger Elevator	Adjusting elevators operation in proportion to the number of people in building	-	-	-	106.920	59,233		
Total		139,047	339,587	203,334	194,521	473,393		

Note 1: Scope 2 refers to purchased electricity, the emission factors being 0.518 (2014), 0.525 (2015), 0.530 (2016), 0.554 (2017, 2018) kg CO₂e/kWh

Note 2: Update historical data approved in Conservation Audit Technology Information Service system by Bureau of Energy. The information publish is in for mainly energy-saving program.

4-2-4 Waste Disposal and Air Pollutants

Since the implementation of ISO 14001 Environmental Management System, the long-term collection and tracking of the quantity of the Company's waste, hazardous industrial waste, and recycled resources has helped our self-management and eliminated the abnormal production of waste. In regards to waste management and reduction, the waste produced at the EVA Nankan Park, the EVA Air Taipei Building, the Bonded Warehouse Building, the New Bonded Warehouse Building and other work areas are sorted and stored at the storage sites installed according to legal requirements. Categories such as recycle, reuse, and industrial waste, etc., are recycled and disposed by commissioned treatment and disposal companies through legal and professional means, and have never been involved in international waste transport and treatment incidents. The General Affairs Department is in charge of all waste disposal and treatment, and the Corporate Safety, Security & Environment Division conducts audits and follow-ups to ensure the legality and safety of the final treatment. Throughout the Company's history, EVA Air has never had a record of a major waste or fuel leakage incident. EVA Air cherishes natural resources, and has always upheld the 3R principle: "Reduce, Reuse, Recycle" in its waste management practice. In-flight operation waste reduction measures include the Electronic Flight Bag (EFB), in-flight garbage sorting, and the reuse of newspapers, while ground operation waste reduction measures include better office area recycling facilities, employee cafeteria meal control, the reuse of old furniture, electronic operations for tickets and cargo, electronic official documents, electronic aircraft maintenance and repair form, electronic office manual documents, etc.

Waste Production and Recycled Quantity (kg)

Year	2015	2016	2017	2018
General Waste	221,560	237,720	215,090	226,090
Hazardous Industrial Waste	46.5	49	58	72
Recycled	110,542	142,131	71,184	49,990
Average Waste Output per Person per Day	0.629	0.577	0.506	0.715

Note 1: The statistics are based on EVA Nankan Park

Note 2: The general and hazardous industrial waste was all disposed by incineration according to the waste site external records form and the information supplied by the waste disposal contractor.

Note 3: All the hazardous commercial waste is medical waste

Note 4: In 2015-2016, EVA Air has conducted a major overhaul of the Park, added relevant training equipment and replaced old equipment in line with the introduction of energy-efficient aircraft. The equipment is all recyclable resources; thus, the amount of recycled resources had significantly increased compared to the recent two years.

EVA Air's main sources of air pollutants are aircraft and ground vehicles. Ground vehicle pollutant control measures include regular inspections according to the environment protection regulations to ensure emissions comply with national standards. Aircraft emissions also entail regular repairs and maintenance according to the suggestions of the original manufacturer to ensure there is no harm to the environment. Furthermore, EVA Air voluntarily conducts estimations of the sulfur oxides (SOx) and nitrogen oxides (NOx) emissions based on fuel consumption to gain insights into the trends, and prepare for changes in future regulations.

Estimated Aircraft SOx and NOx Emissions

Year	2015	2016	2017	2018
Total Aircraft SOx (tonne)	50.915	55.021	56.961	56.972
Total Aircraft NOx (tonne)	530.753	573.553	593.773	593.893

Note 1: Aircraft SOx emissions: calculated by using the conversion coefficient (0.000891 tonne/LTO) suggested by the U.S. Environmental Protection Agency.

Note 2: Aircraft NOx emissions: calculated by using the conversion coefficient (0.009288 tonne/LTO) suggested by the U.S. Environmental Protection Agency.

Note 3: LTO: Landing-Takeoff Cycle.



05

EVA Air has upheld the spirit of giving back to society, strives to promote the philosophy of flight safety education in the long term, and improves our standards for flight safety by making good use of the characteristics of air transportation. Also, we continuously donate our own resources to social work for charitable and emergency aid purposes. Meanwhile, we proactively sponsor overseas art and cultural performance groups or world-class exhibitions invited to Taiwan by providing flight tickets or airfreight discounts; in doing so, we aim at increasing Taiwan's exposure to international art and culture scenes and expanding Taiwanese people's global perspectives. We have long been financially supporting Taiwan's world-class athletes to compete overseas. In collaboration with tourism authorities, we also promote Taiwan's tourism in foreign countries to show Taiwan to the entire world. In the future, we will continue to uphold the spirit of giving back to society and social inclusion in order to advocate positive social development and advance towards a better future with everyone.

Philosophy	Main Theme	Suk	oject and Method	Partner	Social Impact	Long-term Plan
	Safety Education	Students Society Individuals	Establish a safety gallery. Participate in the promotion of social education. Engage in industry-university collaboration programs Sponsor United Daily News' Special International News Column	National Cheng Kung University United Daily News	Cultivation of aviation talents in Taiwan	Continue to spread concepts of aviation safety.
Give back to society	Charity	Groups that lack learning resources	Donate goods. Organize aviation safety visits. Organize movie events.	Orphange Children's Home Office of Friends of the Police Association	Recycle resources and improve students' learning efficiency.	1. Organize and replace usable second-hand goods, such as in-flight tableware, furniture and clothes, and donate them to social groups in need of help through Chang Yung-fa Foundation. 2. Continue to assess the needs of relevant departments and arrange external groups to visit our training center, in order to help the general public learn more about the aviation industry and the importance of flight safety.
	Contribution to Local Community	The local community	Sponsor the transportation of rescue equipment Emergency evacuation training and flight observation Promote local tourism	Fire bureau Military Local Government Local Residents	Strengthen community connections. Enhance military flight safety. Promote local tourism.	Continue to maintain good relationships with local government agencies.
	Art and Cultural events	Art and Cultural Groups Motion Picture and Television Media	Support music and cultural events. Sponsor Taiwanese movies and TV programs. Sponsor music and movie awards ceremonies.	United Daily News Art and Cultural Groups TV Broadcasting Companies	Enhance the art and cultural literacy of Taiwanese people. Facilitate domestic and international cultural exchanges.	Continue to collaborate with art event planning companies to invite famous dance and music groups to perform in Taiwan.
	Sports events	Athletes	Sponsor Taiwanese athletes Sponsor sports events	Event Organizers	Cultivate talented Taiwanese athletes.	Continue to sponsor athletes with airline tickets when they travel abroad for training and competitions. Evaluate the sponsorship proposals for international sports events by Taiwanese enterprises and provide necessary resources.
	Contribution to Industry	Airlines around the worlds and their respective aircrews	Establish Flight Operations Risk Assessment System (FORAS)	United States Naval Research Laboratory Flight Safety Foundation	Strengthen flight risk management capability and improve flight safety	Improve the aviation industry's predictive risk management capability through sharing the design concept of the system.

Chapter Highlights



94 million NTD / 1.44% (percentage among net profit) The amount of charitable donations in 2018

The value of cash and flight tickets, as well as all sorts of resources and goods used for sponsorships in 2018 totaled more than 94 million NTD, accounting for 1.44% among all net profit. The scope of sponsorships includes charitable donations, sporting event sponsorships, art and culture sponsorships, and local contributions. Through diverse channels, the resources were used effectively to help more people in need, and at the same time, a harmonious society with common prosperity was promoted.



5-1 Safety Education Promotion

Raising safety awareness and internalizing safety culture have long been EVA Air's major focus. Internally, we continue to carry out safety training for our employees to to ensure that our colleagues will diligently find problems, carefully look into the reasons behind them, and determinedly adopt effective improvement measures, in addition to adhering to the standard operating procedure when performing their tasks so as to ensure passenger and aircraft safety. Externally, EVA Air has realized that as a member of the aviation industry, we ought to be more proactive in terms of providing social education. We not only have established a safety gallery open to aviation-related groups, but also consistently promote our safety philosophy. At the same time, we actively promote social education and provide relevant assistance, aiming to contribute to the improvement of aviation safety education.

5-1-1 Academia and Industry Collaboration Program

Civil Aviation Engineering Program in National Cheng Kung University

Item	2016	2017	2018	
Number of Teachers Participating (person)	15	10	28	
Program Duration (hour)	766	250	522	

^{*} The invested resources decreased in 2017 due to the adjustment of the curriculum.

Civil Aviation Engineering Program

Aircraft Subsystems and Operations
Understanding the Basic Aircraft Systems

Basic Flight Operation

Instruct basic knowledge of flight operation, equipping students with the ability to draw up preliminary flight plans, and arranging sessions for flying with flight simulators for beginners

Aviation Safety Management Understanding aviation safety theories and applications from individual and overall perspectives

Investment in Promotional Education

Item	Number of Teachers (person)	Hours (hours/per semester)	Budget (unit: NTD 10,000)
2016	39	828	102
2017	10	250	12
2018	28	522	34.6

^{*} The invested resources decreased in 2017 due to the adjustment of the curriculum.

National Cheng Kung University

In 2013, EVA Air unveiled the Civil Aviation Engineering Program in a corporate-academic partnership with National Cheng Kung University (NCKU), to help advance the education of aviation professionals and nurture great aviation engineering talents. 2018 marked the sixth year of the Certificate Program, with 162 hours of lectures given by senior EVA Air flight operations; dispatched aviation safety and aircraft maintenance personnel at the Cheng Kung University after curriculum adjustments under the agreement with the University. The total hours of the program in 2018 were 522 hours with a 28-member faculty.

Besides offering generous annual scholarships for well-performing students, we also give those who have completed the "Civil Aviation Engineering Program" priority over all other candidates in hiring. So far, 10 graduates have been recruited by EVA Air, EGAT and EGAP. In order to look for projects with fuel efficiency through academic theories and EVA Air's practical experiences, a research team led by Dr. Yuan Hsiao-Feng from NCKU's Institute of Civil Aviation has signed a "Joint-Development Agreement on the Usage of Flight Data Recorder (FDR)" with the Company to improve the efficiency of aviation operations.

5-1-2 Sponsorship of United Daily News Column "a Crash Course on Global Affairs"

To support the media in promoting quality news columns, EVA Air has been sponsoring United Daily News "A Crash Course on Global Affairs" Column for seven consecutive years. Published every two weeks, the column looks into foreign affairs in profound perspective and is written in simple language in an effort to broaden readers' worldview. Over the years, the column has gained many loyal readers. EVA Air's support for the column throughout the years has amounted to NTD 3.5 million, together with 21 flight tickets.

5-2 Charitable Contribution

5-2-1 Charitable Efforts

In 2018, based on the spirit of recycling and through collaboration with the Chang Yung-Fa Foundation, EVA Air provided 91 pieces of secondhand furniture, 150 used computer monitors, 38,503 pieces of in-flight tableware, and 771 pieces of assorted clothes. Upholding the idea of cherishing resources, we donated the reusable materials to the schools and organizations in need of help through the professional charitable services provided by the Chang Yung-Fa Foundation. The resources could be further reused, helping to improve students' living quality, as well as the learning environment.

Statistics of Social Welfare from 2018

Item	Cash (NTD)	Free Tickets (number)	Others (material donations, devoted manpower and time)	Benefit
Charitable Activities	1.6 millions	47 (worth about NTD 2.04 million)	Used furniture: 91 pieces (worth about NTD 18,200) Used Desktop monitor:150 sets (worth about NTD420,000) Inflight tableware:38,503 pieces (worth about NTD451,985) Clothing (worth about NTD70,750) (Total worth about NTD960,935)	Provide resources for the disadvantaged groups that are most in need and call upon more people to devote themselves to charitable efforts through emergency aid and increasing awareness of social problems.
Sports Games Sponsorships	6.0 millions	205 (worth about 34.74 million)	Plane ticket vouchers:16 million	EVA Air has long been sponsoring Taiwan's world-class athletes to help them shine on the international sports scene and to invigorate Taiwan's sports development. Also, we let the world see Taiwan through these top athletes' excellent performances in international competitions.
Giving Back to Local Communities	10.8 millions	82 (worth about 1.89 million)	Company advertising and promotion resources(worth about 2.02 million)	EVA Air has never stopped caring for Taiwan. Through local contributions and integrating with local residents, we have developed strong relationships with local areas. Meanwhile, EVA Air sponsors localtourism bureaus for holding tourism promotion events abroad to introduce Taiwan more to the world.
Arts and Culture Activities	2.5 millions	352 (worth about 13.07 million)	Plane ticket vouchers: 2. million	EVA Air has long been promoting cultural events and inviting quality cultural performance groups to Taiwan. In this way, we are able to enhance Taiwanese cultural depth and improve the interaction between Taiwanese and foreign cultural groups.
Total	20.9 millions	686 (worth about 51.74 million)	The total value of all sorts of resources is approximately 20.98 million	The total value of cash, flight tickets, and all sorts of resources for sponsorships is: NTD 93.62 million

Note: The charitable donations in 2018 accounted for 1.44% of net profit.

White's Private Children's Home in Taoyuan City paid a visit to EVA Air

In line with the flight safety tours held by Taoyuan International Airport, we received children from the White's Private Children's Home and used an educational and informative approach to give the visiting students an opportunity to know more about the aviation industry, as well as to broaden their horizons.

Movie Event for Northern Region Children's Home

To support helpless children, EVA Air organized a movie event in collaboration with Friends of the Police Association of Luzhu Police Station, and provided volunteers and a shuttle bus to take the children from Northern Region Children's Home to TaiMall to see a movie and spend a happy and lovely day.

5-2-2 Supporting the Chang Yung-Fa Foundation

For more than three decades, the Chang Yung-Fa Foundation has been dedicated to charitable and educational initiatives. EVA Air upholds the spirit of giving back to society by making annual charitable donations to the Foundation according to the Company's revenue. Out of our philanthropic spending in 2018, NTD1.5 million went to the Chang Yung-Fa Foundation for educational and charitable projects: providing financially needy students with scholarships and books to assist them in their academic pursuits; managing a symphonic orchestra and developing all-round music talents, spreading Taiwan's art and culture to every corner of the world with international performances; establishing the Evergreen Mari-time Museum to promote naval educational programs, etc. The Foundation's impressive range of social services was brought into full play to fulfill the vision of giving back to society. In so doing, EVA Air is able to express its immense gratitude to society.

5-3 Giving Back to Local Communities

Committed to giving back to the country and local communities, EVA Air surrounds its office buildings with lush greenery and engages in community activities to blend into the local community and reinforce neighborhood relations. EVA Air sponsored many events throughout Taiwan in 2018, including: Taiwan Lantern Festival in Chiayi, Christmasland in New Taipei City, Taoyuan Shihmen Reservoir Hot Air Balloon Fiesta, 2019 Taoyuan Countdown Party, and two events held in Taitung: Taiwan International Balloon Festival and Chishang Autumn Harvest Arts Festival. In a bid to raise Taiwan's global profile as a beautiful, effervescent island, EVA Air joins local tourism authorities in attending international arts and cultural events, where the beauty of Taiwan is presented to promote locally themed tourism.

Since 2015, EVA Air has sponsored free excess baggage for the city and county fire brigades that participated in Belgium's Grimpday; Grimpday is a world-class rope rescue contest, in which the contestants join at their own expense. As the rescue equipment is numerous and bulky, EVA Air fully sponsors the transportation of the rescue equipment to encourage each fire brigade to compete in this international event in the name of Taiwan. In 2018, we sponsored a total of 900 kg of free excess baggage for the fire bureaus of Taoyuan, Hsinchu, and Kaohsiung (USD 60 x 900kg x 31 (exchange rate) x 2 (return trip) = NTD 3.34 million)

The participants of "2018 Taiwan in My Eyes 120h," organized jointly by CTCI Education Foundation (CTCIEF) and the Center for Corporate Sustainability (CCS), visited EVA Air on January 23, 2018 to explore the development capability of sustainable aviation in Taiwan; it enabled the participants to understand how Taiwan's aviation industry has built sustainable flight services and EVA Air's visions and goals of corporate sustainability. EVA Air devised the guided tours with diverse contents, including the Company presentation on "green aircraft, flight safety, safety culture, care for employees, contribution to society," Boeing 747 flight simulator experience, cabin emergency evacuation training, cabin door training, and a visit to a safety gallery; all the participants enthusiastically engaged themselves and raised numerous questions for the EVA Air colleagues. After the visit, the participants used Chinese, English, and other native languages to put down what they had observed and experienced at EVA Air in words so that they could share their discoveries and feelings with their friends and family all over the world. Their words made sure that Taiwan's effort in the development of sustainable aviation could be seen by the world.

Apart from contributing to the local community, EVA Air also assists the military in providing emergency evacuation training for the flight & cabin crew and flight observation for pilots, in the hope of contributing to the flight safety in military aviation.

5-3-1 Neighborhood Relations

To adopt the greening construction of the slope alongside the Freeway (Land No. 504)

To make the living environment more comfortable, EVA Air has signed 3-year contracts to adopt the trees on the road with Taiwan Area National Freeway Bureau since 2013. Every year, EVA Air budgets for landscaping side slopes. In 2016, the contract was renewed for three more years till 2019, in which EVA Air promised to grow flowering plants such as cherry, Chinese hibiscus, floss-silk trees, and golden rain trees, as well as the tall evergreen palm trees, such as fountain palms and date palms, and green lawns. The flowers bloom all year round, making the surroundings beautiful and providing excellent roadside landscape for road users.

The Taiwan International Balloon Festival

In order to promote the locally featured tourism industry in Taiwan, EVA Air continued to sponsor the Taiwan International Balloon Festival in 2018. This event allowed people to view Taitung's east rift valley, fields, lakes, and ponds from the sky and helped promote the beauty of Taiwan to the whole world. EVA Air plans to continue sponsoring this event in 2019 so that this touristic event in Taiwan filled with local characteristics can be promoted throughout the world.

5-3-2 Boosting Local Tourism

Promoting Taiwan as a Tourist Destination

EVA Air has been promoting the Taiwanese tourism industry in a long-time partnership with local tourism authorities of different counties and cities. In 2018, EVA worked with Taipei City's Department of Information and Tourism and New Taipei City's Tourism & Travel Department and held tourism exhibitions and promotional events in Japan, Thailand and Vietnam, aiming to attract tourists in Asia to visit Taiwan. In 2019, we will continuously collaborate with relevant tourism bureaus to attract tourists to Taiwan from northeast and southeast Asia.

The Chihshang Autumn Rice Harvest Arts Festival

Sparing no effort to expand the boundaries of folk art and culture, in 2014, EVA Air began sponsoring the annual Chihshang Autumn Harvest Arts Festival. The sponsorship continued in 2018, with the hope of propelling the breathtaking Chihshang landscape onto the international stage. The event included a benefit concert that was set against the backdrop of Chihshang's paddies and featured renowned performance groups and artistes. The promotional campaign was the combined effort of Chihshang Township, Taitung County Government and members of the public. All of the proceeds goes towards philanthropic causes. The Chihshang Autumn Harvest Arts Festival is more than just an event, it is a driving force that incubates the local talents and attract the young generation to return to their hometown, vitalizing the local economy.

2018 Christmasland in New Taipei City

Since 2010, New Taipei City has held "Christmasland in New Taipei City," which attracts millions of visitors every year. "Fantasy Planets" was picked as the theme for 2018. With a series of light beams, 12 Roman column lampposts, and the first interactive LED light sphere in Taiwan, creating Taiwan's biggest and longest Christmas celebration event; it was also one of the major annual events in New Taipei City. EVA Air sponsored this event for the third consecutive year and successfully helped promote the tourism in New Taipei City, bringing people the warm, festive atmosphere of Christmas.

2018 Taoyuan Countdown Party

EVA Air sponsored the 2019 Taoyuan Countdown Party held by Taoyuan City Government; it is recognized as one of the biggest annual events in Taoyuan that took place in the arts district of Taoyuan City. The organizer invited many well-known celebrities to join the event, attracting over 200,000 people to celebrate the coming of 2019.

2018 Taoyuan Shihmen Reservoir Hot Air Balloon Fiesta

EVA Air sponsored the 2018 Taoyuan Shihmen Reservoir Hot Air Balloon Fiesta held by Taoyuan City Government. The event was originally put together in 2016, attracting about 200,000 people every year. In 2018, the event was being held at Shimen Reservoir Nanyuan Ecological Park. Apart from the hot air balloon museum and flight exhibitions, the organizer arranged different art and culture performances for the afternoon and hot air balloon light shows for the evening, which enabled the participants to experience a different hot air balloon festival filled with cultural activities.



5-4 Arts and Culture Activities

5-4-1 Support for Musical and Cultural Events

As part of EVA Air's ongoing arts and culture promotional program, we continually invite excellent foreign performance groups to Taiwan to stage performances, and also have world-renowned artworks brought in for exhibitions. In so doing, Taiwanese get the opportunity to enjoy world-class arts and advance their cultural appreciation without having to travel abroad. This not only facilitates international and domestic cultural exchanges, but also helps to develop a global perspective. Every year, internationally acclaimed musicians and performance groups are invited to perform in Taiwan. EVA Air offers our support with discount tickets and extra baggage allowance, to help the organizers cut costs and provide incentives for high-caliber artistes to stage performances on the island.

Moscow Classic Ballet Swan Lake

This year, United Daily News introduced to Taiwan Moscow Classic Ballet, one of the top three ballet companies in Russia. The dancers performed the popular classic Swan Lake.

Roméo et Juliette

Based on the world's most famous tragedy "Romeo and Juliet," this classic French musical, "The Greatest Popular Musical in the 21st Century", gained enormous traction among enthusiasts of arts and culture.

LA LA LAND In Concert

The musical romance LA LA LAND, which astounded the film industry, was the biggest winner at the last Academy Awards with 14 nominations. LA LA LAND In Concert was once again invited to Taiwan, attracting many movie fans to enjoy the romantic music performed by the symphony orchestra.

Beauty and the Beast in Concert

Disney's Beauty and the Beast is the first animation film to have combined popular music; it is also the only animation in the film industry to have been nominated for Best Picture. After its first appearance in London in 2017, Beauty and the Beast in Concert was invited to Taiwan for the first time to recreate the charm of the film.

Harry Potter and the Sorcerer's Stone™ in Concert

Harry Potter and the Sorcerer's Stone™ in Concert was performed in Philadelphia for the first time and was later on the world tour. In 2018, the authorization to hold the concert in Taiwan was obtained, and Evergreen Symphony Orchestra and Taiwan National Choir were invited to perform the the classic film score, leading the audience into the fantastic magic world of Harry Potter.

Amadeus Live in Concert

The movie Amadeus depicts the legendary life of music prodigy Mozart. MNA invited Vienna State Opera Chorus and Taipei Symphony Orchestra this time to perform 17 epic pieces in a majestic air, including The Marriage of Figaro, The Magic Flute, and The Requiem, while the film was shown on a big screen on the site, leading the audience to the world of this music giant.

udnFunLife Summer Special Exhibitions

udnFunLife, an affiliate of United Daily News Group, organized four special exhibitions during summer: "Treasures of The Natural World", "Tokyo Art city By Naked in Taipei", "Godzilla in Taiwan" and "Gacha Planet," to attract different customer groups with their special features.

National Opera of Ukraine - Kiev National Ballet: "Swan Lake" and "Sleeping Beauty"

National Opera of Ukraine is deemed a gem of arts in the northern countries. Ever since its establishment in October 1867, it has shared the same high reputation as the Bolshoi Theatre and Mariinsky Theatre, and taken the role as one of the world's most significant hubs of arts. Kiev National Ballet was founded along with the Opera's establishment. With over 150 years of resplendent history, the troupe has assembled the quintessence of classical ballet and nurtured countless ballet stars. This time, it was particularly invited to perform the masterpieces "Swan Lake" and "Sleeping Beauty."

Mozart, L'opéra Rock

With the bold rock and roll music and magnificent stage, a whole new experience that overturns the concept of traditional musicals is created. The musical is not only favorably called "a true revolution in the history of musicals" by the European media, but also becomes a critically acclaimed musical, following famous musicals such as Roméo et Juliette and Notre-Dame de Paris.

Battle of the Year 2018

Since 1990, Battle of the Year (BOTY) has taken place every year throughout Europe, becoming a grand event of street dance that draws the world's attention. In recent years, the dance teams from Taiwan competing in this contest have earned high rankings.

5-4-2 Fostering an Excellent TV and Film Culture

Quality TV or film projects are typically labor-intensive and costly. Our long-term patronage of Taiwanese film and TV productions takes such forms as cash sponsorships, special fare tickets, transportation service discounts and sponsorships of music or film award ceremonies. By encouraging creative works of substance and depth, we hope to make a positive impact on the Taiwanese society.

The 53th Radio Broadcast Golden Bell Awards

To encourage quality radio and TV productions and services, we sponsored the 2018 Radio Broadcast Golden Bell Awards organized by Sanlih E-Television Company.

The 55nd Golden Horse Awards

We attach great importance to Taiwan's film industry, and have sponsored the Golden Horse Awards for 10 consecutive years, to encourage filmmakers to continue their craft and to boost Taiwan's cinematic culture.

The 29th Golden Melody Awards

We sponsored the 2018 Golden Melody Awards organized by Taiwan Television Enterprise, to encourage musical creations.



5-5 Athletic Sponsorships

EVA Air spares no effort to participate in charitable activities. A long-time supporter of sporting events, EVA Air sponsors Taiwanese athletes with airline tickets when they travel abroad for competitions, to alleviate their financial burden and incentivize them to earn medals for their home country in international sporting competitions as well as helping Taiwan to get a lot of exposure in the world.

5-5-1 Contributing to Taiwan's Athletics Community

Sponsoring Taiwan's Rising Stars of Badminton

"Badminton Queen" Tai Tzu-Ying is sponsored by EVA Air; she has been triumphant on the badminton court with her outstanding performances in recent years, continuing to win glory for Taiwan. EVA Air has also started to sponsor the badminton player Wang Tzu-Wei, who has shown considerable potential. EVA Air will continue to provide sponsorships for the athletes, hoping that these Taiwanese athletes will keep delivering outstanding performances in the future.

Sponsorship of Golf Players

EVA Air has sponsored many athletes every year for their trips to tournaments abroad. The excellent golf player, Pan Cheng-Tsung, is one of EVA Air's sponsored athletes. In 2014, Pan entered a Golf Grand Slam tournament as an amateur player for the third time. He has earned many impressive achievements at the international tournaments in recent years. In 2017, EVA Air also started to sponsor three excellent golf players, Xu Wei-Ling, Li Min, and Cheng Si-Jia, selected by the Swinging Skirts Golf Foundation.

Sponsorship of Tennis Players

We have been sponsoring national tennis players Chan Yung-Jan and Chan Hao-Ching with airline tickets and cash since 2008. With EVA Air's support, talented Taiwan athletes can gain experience at international sporting events without financial worries and, by means of sports marketing, help increase Taiwan's global presence.



5-5-2 Sponsorship for Sporting Events

Year after year we sponsor sporting events of various categories to give local athletes the opportunity to accumulate competitive experience and boost Taiwan's athletic presence. Through such sponsorships, we also hope to incite nationwide enthusiasm for all types of sports and build a sound environment for nurturing future sports talents.

OEC Open Series 2018

VA Air has been sponsoring this tournament for four consecutive years since 2013 and is named the only official airline. "OEC Open Series" is an annual international WTA tournament in Taiwan that is highly regarded by both fans and professional tennis players worldwide.

YONEX Chinese Taipei Open 2018

This is the most prestigious badminton tournament in Taiwan, as well as an important stop for professional badminton players to win points for BWF World Ranking. In recent years, Taiwanese badminton players have had great success on the international sports scene. As a result, the number of participants and spectators has soared, attracting media coverage and public attention.

2018 Swinging Skirts LPGA Taiwan Championship

EVA Air has been sponsoring Swing Skirts Taiwan and overseas Championships since 2011. "2018 Swinging Skirts LPGA Taiwan Championship" was considered as a major golfing tournament in Taiwan, attended by many famous golfers from around the world competing to be the best

5-6 Feedback to the Industry

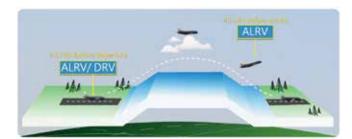
Since 2005, EVA Air has worked with United States Naval Research Laboratory in developing the Flight Operations Risk Assessment System (FORAS). The system uses information on instant crew, weather, navigating facilities and aircraft equipment to conduct risk assessment on every flight in a bid to provide the crew with current information about the risks of the flight operations.

EVA Air has put forward the concept of FORAS in the past meetings on flight safety and shared its own practical experience, attracting tremendous attention from the industry. Since the system has matured, we plan to promote FORAS, which has been invested with a large quantity of resources during the past years, to the aviation industry across the globe. We worked with the Flight Safety

Foundation in 2016 to promote the system using a non-commercial approach. On November 29 and November 30, 2017, we held the first FORAS workshop, inviting 57 participants from 13 domestic/foreign airlines and 5 organizations. The workshop focused on introducing the concept of the FORAS tstructure, as well as presenting EVA Air's implementation results. Through exchange experiences, all the participating airlines and organizations spoke highly of FORAS.

EVA was invited to share FORAS in annual Singapore Aviation Safety Seminar on March 29, 2019 and IATA conference held in Hongkong on September 19, 2018 in a bid to encourage the aviation industry, officials, and universities to research and promote flight safety and risk management. EVA Air will assist the airlines that join this program in building the FORAS system and implement relevant training, so more airlines will be able to use this system to improve their flight risk management skills and enhance flight safety.

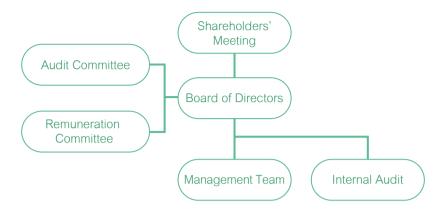
Schematic Diagram of FORAS Parameter Structure







Corporate Governance Framework



Maintaining corporate governance

- Took the initiative to disclose important resolutions of the Board of Directors and complete financial reports in both Chinese and English on the EVA Air official website. Web pages dedicated to "Corporate Governance", "Corporate Social Responsibility", "Stakeholders" and "Investor Relations" were set up to improve information transparency.
- Formulated relevant corporate governance policies successively, such as "Corporate Governance Best Practice Principles", "Corporate Social Responsibility Best Practice Principles", "Ethical Corporate Management Best Practice Principles" and "Codes of Ethical Conduct", and reported their implementation status to the Board of Directors at regular intervals to actively raise the standards of corporate governance.
- Took out liability insurance for directors and key staff members to establish a sound corporate governance mechanism.

Protecting investor rights and interests

The electronic voting system has been implemented in the shareholders'
meetings, the candidate nomination system adopted for the election of directors,
and proposals were voted case by case in the shareholders' meeting; multiple
channels for voting on resolutions have been provided for shareholders, so that
they can fully exercise their rights and participate in corporate governance.

Improving the function of the Board of Directors

- In accordance with the "Corporate Governance Best Practice Principles" formulated by the Board of Directors, EVA Air directors took courses on corporate governance to improve their professional knowledge and skills.
- In accordance with the "Rules Governing the Scope of Powers of Independent Directors" formulated by the Board of Directors, independent directors are allowed to make independent judgments on, and provide objective opinions about, corporate governance matters.
- To realize effective corporate governance and enhance the functions of the Company's Board of Directors and according to the "Regulations Governing the Board Performance Evaluation", the Board of Directors shall carry out an internal board performance evaluation, at least once a year. In addition, the board performance evaluation may be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The self-evaluations of performance of the Board of Directors and members of the Board of Directors were carried out in 2018 and the results of both were "Good".

	Self-evaluation of performance of the Board of Directors (including functional committees)	Self-evaluation of performance of members of the Board of Directors (for oneself)		
Overall average score (3 points for full marks)	2.99	2.99		
Results of self-evaluation	Good	Good		

Note: Under 2 points means "requiring improvement", 2-3 "good", and 3 "excellent".

6-1 Senior Operating Management

6-1-1 Structure of the Board of Directors

The Directors of EVA Air were elected via the Shareholders' Meeting in accordance with the Company's Articles of Incorporation. The Board of Directors consists of nine Directors, one of them is female and three of them are independent directors. Three directors' age are under the age of 60, and the others are above 60 years old. The term of office of a director is three years. To ensure the operational independence and transparency of the Board of Directors, none of the independent directors has over nine years of consecutive terms of office.

The members of the Board of Directors are all equipped with expertise and diverse backgrounds, such as finance and accounting, technology, environmental protection, risk management, air transport and law. Independent directors provide professional opinions and the thinking model of multi-aspects based on their rich experiences, which helps the Board of Directors make the most beneficial policies for operation, fulfill corporate governance and protect investors' rights and interests.

Articles of Incorporation	https://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_01.pdf
Regulation for Electing Directors	https://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_07.pdf
Rules and Procedures of Board of Directors Meetings	https://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_03.pdf

The Chairman of EVA Air does not hold the concurrent post of President, whose main business is to supervise the operating management level to ensure that the business implementation conforms to the business philosophy of EVA Air.

A Board of Directors Meeting is convened at least once a quarter; however, in case of emergency, the meetings may be convened at any time. The Board of Directors shall execute its duties in accordance with the Company Act, the Securities and Exchange Act, as well as the Articles of Incorporation, and are also responsible for making resolutions concerning the Company's business. To avoid the occurrence of conflicts of interest, meetings of the Board will be carried out in accordance with the "Corporate Governance Best Practice Principles" and "Rules and Procedures of Board of Directors Meetings". If a director or a juristic person represented by the director is an interested party with respect to any proposals listed in a board meeting, the director shall state the important content of such interest at that board meeting. If it may harm the interests of EVA Air, the director cannot participate in the discussion and voting, and shall excuse him/herself from the discussion and voting. He/she also cannot act as another director's proxy to exercise voting rights on that matter. The remuneration of each Board member has been resolved by the Remuneration Committee to ensure that it is reasonably connected with each board member's performance. Every year the Company holds training sessions for the Board depending on the industrial characteristics and the needs of each board member, and for the detailed information of each director's training situation, please refer to MOPS (Market Observation Post System).

6-1-2 Functional Committee of the Board of Directors

Remuneration Committee

To ensure a sound system for compensation of the Director and Manager and put corporate governance into practice, EVA Air has established a "Remuneration Committee", which comprises independent directors. The Committee assists in formulating and periodically reviewing the performance evaluation and remuneration policies, systems, standards and structures for the directors and managers, and also periodically evaluates and determines the remuneration of the directors and managers. The terms of office of the current Committee members is from June 26, 2017 to June 25, 2020. Three meetings were convened in the year 2018, and the average attendance rate of all Remuneration Committee members is 100%.

Audit Committee

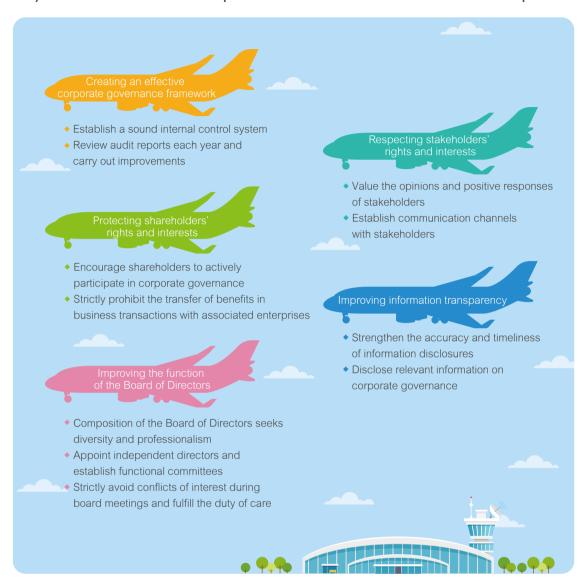
To strengthen corporate governance and the Board of Directors' functions, EVA Air established the "Audit Committee" on June 26, 2017, which consists of all independent directors, with at least one with accounting or finance expertise. The Committee helps supervise the fair presentation of the Company's financial reports; appointment of accountants, as well as the independence and performance of the accountants; the effective implementation of the Company's internal control system; and corporate risk management. The term of office of the current Committee members is from June 26, 2017 to June 25, 2020. Five meetings were convened in the year 2018, and the average attendance rate of all Audit Committee members is 100%.

6-2 Ethical Management

To establish a sound corporate governance system, EVA Air has formulated the Corporate Governance Best Practice Principles, and the Corporate Governance System in accordance with the six principles. Meanwhile, to implement ethical management and reinforce the philosophy of business sustainability, the Company has established relevant important regulations, such as the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct" and "Procedures for Ethical Management and Guidelines for Conduct" with an honest, transparent and responsible attitude. Through the comprehensive system construction and standards, EVA Air has been ranked the highest in various evaluations of corporate governance among the listed companies. Concerning the mechanism for handling material inside information and its disclosure, to avoid improper information disclosure and to ensure the consistency and accuracy of the information made public, EVA Air has also formulated the "Procedures for Handling Material Inside Information", and requires all employees of the Company and persons who have learned of material inside information of the Company due to other identity, occupation or control relationship to jointly abide by such procedures to safeguard the rights and interests of the Company and investors.

Corporate Governance Best Practice Principles	https://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_11.pdf
Ethical Corporate Management Best Practice Principles	http://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_13.pdf
Codes of Ethical Conduct	http://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_14.pdf
Procedures for Ethical Management and Guidelines for Conduct	http://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_16.pdf
Procedures for Handling Material Inside Information	https://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_15.pdf

Key Points of EVA Air's Corporate Governance Best Practice Principles



Key Points of EVA Air's Codes of Ethical Conduct

- EVA Air prohibits all employees from engaging in any form of conduct conflicting with the interest of the Company, or using his or her capacity to make unlawful gain.
- The staff members of EVA Air are strictly prohibited from using the Company's resources for personal gains.
- Unless permitted by relevant laws and EVA Air, no staff members of EVA Air shall engage in competitive behavior.
- The staff members of EVA Air are obliged to keep confidential the confidential data acquired during their work.
- The staff members of EVA Air shall report any violation of the law or these Codes to Audit Committee, managers or internal audit chief, and provide the Company with sufficient information to properly handle the ensuing matters.
- The name of the reporter and the content of the report will be handled in a confidential and responsible manner; in addition, the company has set up a recourse mechanism in order to provide a remedy channel for the violator of these codes of ethical conduct.
- Those who violate these codes of ethical conduct will be handled pursuant to the laws of the Republic of China or the relevant regulations of EVA Air.

Key Points of EVA Air's Ethical Corporate Management Best Practice Principles

The staff members of EVA Air (including subsidiaries, any foundation in which more than fifty percent of the cumulative funds is directly or indirectly donated by the Company, and other institutions or judicial persons having de facto control) are strictly forbidden to directly or indirectly offer, promise to offer, request or accept any unjustified benefits or engage in any unethical conduct during commercial activities.

EVA Air will abide by the laws and regulations of the Republic of China regarding corporate governance, as the basis of ethical management.

Analyze business activities with a higher risk of unethical behavior, and formulate the "Procedures for Ethical Management and Guidelines for Conduct" with contents that prevent the following behaviors:

(1)Offer and accept bribes (2)Provide illegal political donations (3)Provide improper charitable donations or sponsorship (4)Offer or accept unreasonable gifts, free entertainments or other unjustified benefits (5)Infringe on trade secrets, trademark rights, patent rights, copyrights and other intellectual property (6)Be engaged in unfair competition conduct (7)Other behaviors that harm the rights and interests of consumers

Set up an independent mailbox for reporting violations (evapsn@evaair.com). Designated staff will handle the reports and conduct follow-up investigations according to the procedure. The identity of the reporter and the content of the report will be kept confidential; improper treatment of the reporter is strictly prohibited. Records of the relevant handling process will be properly retained.

If someone is actually found to have violated the relevant laws or the ethical corporate management policies and regulations of EVA Air, compensation for damages will be claimed through legal procedures as deemed necessary to protect EVA Air's reputation, rights and interests.

Codes of Conduct for Employees

Codes of Conduct for EVA Air's employees include Information for the Employees, Management Rules, Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct and Antitrust Policy and Guidelines, etc., which standardize the ways employees carry out their business, daily actions and workplace ethics in detail. The conduct of all employees must follow the Codes of Conduct; in addition, to help the employees to have a clear understanding of moral concepts and codes of conduct, Ethical Corporate Management Best Practice Principles and Codes of Ethical Conduct have been formulated to standardize the employees to adhere to the Code of Ethics and Good Faith Principle in the enterprise's business operation so as to create a business environment for sustainable development. Besides, to maintain and promote the competition and the free enterprise system, EVA Air has formulated the Antitrust Policy and Guidelines, and strengthens its advocacy to avoid violation of the competition rule of aviation free-market. To make all of EVA Air's employees fully understand and internalize the Codes of Conduct, a series of courses about the Codes of Conduct for employees is arranged in the education and training of EVA Air's recruits, to convey desired behavior concepts through the introduction of course contents, and various Codes of Conduct are announced on the Company's internal website for the employees' easy reference.



	2	2016 20		2017		2018	
	Number of Trainees	Implementation Rate (%)	Number of Trainees	Implementation Rate (%)	Number of Trainees	Implementation Rate (%)	
Codes of Ethical Conduct							
Antitrust Policy and Guidelines							
Information for the Employees							
Management Rules	2,511	100%	1,450	100%	636	100%	
Ethical Corporate Management Best Practice Principles							
Codes of Conduct for Employees							

6-2-1 Improvement of communication channels

EVA Air attaches great importance to the opinions of all stakeholders, and has set up the Stakeholder Column to provide the stakeholders with explicit communication channels, and provides different channels based on different responses and identity categories, so that the opinion of each stakeholder can be valued.

- Mailbox for CSR Issues related to CSR and responses
- Sustomer Column

 Issues related to
 passenger & cargo
 service and responses
- Supplier Column
 Issues related to suppliers and responses
- Mailbox for Reporting Violations

Reporting on employee or supplier's violation of ethical management

- Investor Column
 Issues related to investors and responses
- Employee Column Issues related to employees and responses
- Mailbox for Ethics Consultation
 - Suggestions on related ethical, legal and integrity matters
- Complaints Mailbox for Social Impacts

Responses to social impacts

Statistics on communication channels with stakeholders over the years

2017 Communication with Stakeholders

	No. of valid cases received	No. of cases handled	No. of cases resolved
Mailbox for Ethics Consultation	0	0	0
Mailbox for Reporting Violations	0	0	0
Complaints Mailbox for Social Impacts	0	0	0

2018 Communication with Stakeholders

	No. of valid cases received	No. of cases handled	No. of cases resolved
Mailbox for Ethics Consultation	0	0	0
Mailbox for Reporting Violations	0	0	0
Complaints Mailbox for Social Impacts	0	0	0

Major Lawsuit

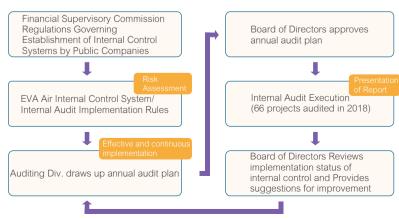
After considering the follow-up legal cost and risk in the air transportation antitrust class action lawsuit in the US, EVA Air agreed to settle the case with the plaintiff by paying twenty one million US dollars through the resolution of the Board meeting held on February 7, 2018. The information was posted on the material information of Market Observation Post System, and the amount of the settlement was recognized in the financial statements of 2017 and would be paid in four installments within three years to reduce the impact on the operation of the Company. The Company reached a settlement with the plaintiff based on the consideration of the follow-up legal cost and minimum loss. It does not mean the Company admitted to any intentional or negligent behavior that caused the damage to the plaintiff. The Company is committed to the implementation of antitrust compliance guidelines and to their publicity to all its employees to protect the rights and interests of the Company and shareholders.

6-2-2 Sound internal control

To promote the operational performance of the Company and fulfill the spirit of corporate governance, EVA Air has formulated "Internal Control System of EVA Air" and "Internal Audit Implementation Rules of EVA Air" as the basis for its internal audit implementation with its operating pattern in the airline industry, according to "Regulations Governing Establishment of Internal Control Systems by Public Companies" promulgated by the Financial Supervisory Commission (FSC).

The Auditing Div. of EVA Air is an independent unit affiliated with the Board of Directors. There is one Audit Supervisor and seven full-time auditors. The auditors are all the senior members of various units of the Company. Besides having applicable qualifications as required by the FSC, the auditors continuously take professional courses every year related to internal audit. The Auditing Div. is responsible for the inspection and evaluation of the Company's internal control, and assists the Board of Directors and managers in checking and reviewing the internal control system of the Company. The Auditing Div. draws up the annual audit plan in accordance with the risk assessment results every year, submits it to the Board of Directors for approval, checks and evaluates the implementation of internal control, and provides timely suggestions for improvement to ensure the sustained and effective implementation of the internal control system. In addition, the Auditing Div. verifies self-assessment reports of various units and subsidiaries of the Company in accordance with the regulations each year, and provides the verified reports together with the aforementioned internal audit results and improvement condition to the Board of Directors and General Manager as the basis for their assessment of the effectiveness of the overall internal control system and issuance of the statement on internal control system.

Internal Audit Flowchart



Audits of various cycles in the internal control system



EVA Air is fully aware that ethical management is the foundation of business sustainability. To fulfill the spirit of anti-corruption, the probability of corruption for 28 of EVA Air's operating locations around the world that scored below the global average score (43) was analyzed. The analysis was conducted in accordance with the corrupt practices as defined in EVA Air's Ethical Corporate Management Best Practice Principles and Codes of Ethical Conduct: Offering and accepting bribes, offering illegal political donations, improper charitable donations or sponsorships, and offering or accepting unjustified gifts, free entertainment or other improper benefits; and by referring to the Transparency International Corruption Perceptions Index 2017 for the survey results of the perceived levels of corruption in 180 countries around the world. Between 2014 and 2018, to tackle anticorruption issues, the Auditing Div. conducted investigations at 27 locations and found no corruption cases; the anti-corruption investigation ratio was 96%.

6-2-3 Risk Management

EVA Air is well known for its excellent record of flight safety in the industry. Besides flight safety, the business operation faces many risks all the time. To well manage various risks, the Company requires that concerned departments/divisions closely monitor risk level, implement the internal control system, and properly control strategic and operational risks, market risks, financial risks, legal risks, etc.

Risk Management



Corporate Planning Div.

Responsible for planning the Company's fleet deployment and conducting market survey/assessment.

Legal risks

Legal & Insurance Div.

Responsible for aviation insurance affairs, contract examinations, legal consultation and handling of lawsuits and non-contentious cases related to the Company.

Financial risks

Finance Div.

Grasping the Company's financial status, responsible for management and control of capital allocation, and taking hedging measures for exchange/interest rates. Convening a Fuel Risk Management Team to draw up hedging strategies and countermeasures.

Strategic and operational risks

Corporate Planning Div.

Responsible for developing the Company's business policy, evaluating and analyzing operating profitability, procuring aviation fuel, planning fleet deployment, negotiating traffic rights, etc.

Corporate Safety, Security & Environment Div.

Responsible for promoting flight safety, employee's safety training, the Company's safety and environment-related policies, handling of emergencies, the management and supervision of various safety tasks of the Company, etc.

Engineering & Maintenance Div.

Responsible for the formulation and control of all aircraft maintenance programs.

EVA Air understands the interactional relationships of risk factors. To reduce overall operational risks, several cross-unit committees are set up to coordinate in the control of cross-unit and cross-department risk factors.

Corporate Social Responsibility Committee

Specialized CSR unit of EVA Air in charge of drawing up and implementing the CSR policy, system, related management policy and specific promotion plan, and regularly reporting to the Board of Directors.

Safety Promotion Committee

Directly under the President. As the top decision-making and supervising unit of flight safety, this committee establishes the overall safety architecture, giving play to organizational function and the pledging of senior management to safety policy as the highest guiding principle to continuously pursue the goal of "zero accidents."

Service Quality Committee

This committee meeting is held once every quarter to grasp customer opinions and customer satisfaction and to carry out the internal review of the Company for the improvement of service quality.

The President acts as the Chairperson of the Service Quality Committee; the heads of various business departments serve as the ex officio members of the Committee. This committee meetings to jointly review the Company's quality policy and goals. Each member has to report the implementation progress of each service item in the meeting; the Chairperson/Vice Chairperson supervises the implementation results of the resolutions to execute improvement plans and reduce relevant risks in the process of service quality providing.

Management Planning Committee

A senior executive acts as its Chairman and presides over management meetings held monthly. In the meetings, operation departments report on their business performance and important measures, so that senior managers attending such meetings can clearly understand the operation situation of the Company. And the management policy and strategy are agreed upon and expressed in the meetings, so that a consensus of the entire personnel can be reached, important policies carried out, and business performance continuously improved.

6-3 Business Performance

Since its establishment 30 years ago, EVA Air has been sustaining the enterprise's spirit of "Challenge, Innovation and Teamwork", and adhering to strict flight safety and service quality. "Sustainability, Safety and Service" are the core values of EVA Air. In 2018, EVA Air won multiple awards. In terms of flight safety, EVA Air was selected as one of the world's twenty safest airlines by the internationally renowned website Airline Ratings.com and by "JACDEC Airline Safety Ranking", thereby continuing to maintain its excellent flight safety record. In terms of service quality, the online paid seat selection function has been available since 2018, allowing passengers with needs to select seats next to the exit doors of the economy class cabin in advance, and to enjoy more space during the flight. For the benefit of visually disabled passengers, EVA prepared Braille cabin schematics and Braille versions of the passenger safety card, in accordance with the policy of the Civil Aeronautics Administration (CAA), Ministry of Transportation and Communications (MOTC), on barrier-free transportation environment, to offer visually disabled passenger information on the positions and instructions of all cabin safety facilities on-board. In terms of overall performance evaluation, EVA received the highest honor in airline service quality, "The SKYTRAX 5-Star Rating" in 2018 for the third year in a row; only eleven airline companies around the world had by far received the honor. In the same year, EVA Air was also recognized as the 5th place in the World's Top 10 Airline, the 1st place in the World's Best Airport Services, the 2nd place in the Best Airline Staff in Asia, the 2nd place in the World's Best Airline Cabin Cleanliness, the 3rd place in the Best Airline in Asia, the 3rd place in the Best Business Class Comfort Amenities, as well as the 5th place in the World's Best Cabin Crew by SKYTRAX. Other awards include TripAdvisor's "Top 10 World's Best Airline Award (5th place)", "Top 10 Major Airlines in Asia", "Best Business Class in Asia", "Best Premium Economy Class in Asia" and "Travellers' Choice Economy Class in Asia"; "World's Top 20 Safest Airlines", "World's Top 10 Airlines 2019 (8th place)" and "Best Long-Haul Airline Asia/Pacific" by AirlineRating.com; Cheers Magazine's "Top 100 Most Attractive Employers" (3rd place); and "The Most Attractive Employers for New Generation-Transportation Industry (1st place).

EVA Air spares no efforts in the aspect of promoting actions related to corporate social responsibility. In terms of corporate governance, EVA Air has been ranked among the top 5% of the best listed companies for three consecutive years with extraordinary performance through the 2nd to 4th "Corporate Governance Evaluation" organized by Taiwan Stock Exchange Corporation (TWSE). For the 5th "Corporate Governance Evaluation", EVA Air was ranked in the range of top 6% to 20% of all selected listed companies, representing EVA Air's excellent implementation of Corporate Governance. In the environmental aspect, EVA Air obtained the double certifications of ISO14001:2015 new-edition environmental management system and ISO50001 energy management system for the first time in 2016, and passed the recertification of both systems in 2018. Since 2017, EVA Air has been carrying out independent ISO 14064-1 GHG inventory. In the fourth quarter of 2018, Boeing 787 aircraft successively arrived. This model of aircraft adopts a large quantity of lightweight carbon fibers and other composite materials, which can reduce fuel consumption by 20% compared to the older wide-body passenger aircraft. In addition to reducing GHG emissions by continuously introducing new energy-efficient aircraft, EVA Air keeps promoting "EVA Air Carbon Offsetting Program," in which passengers can voluntarily choose to pay the equivalent amount of flight carbon emissions or decide the amount by themselves to sponsor the international carbon reduction program, in order to realize "Zero Carbon

Travel" and demonstrate EVA Air's resolution to protect the environment. In terms of social involvement, in cooperation with the Chang Yung-Fa Foundation, EVA helped carry out its social responsibilities by donating new clothes and iPads to minority groups around the country and to schools in remote areas of Taitung, as well as actively sponsored sports and arts events and local activities to improve the nation's humanities accomplishment while promoting Taiwan to the world. Furthermore, EVA has participated in the "Taiwan Corporate Sustainability Award" by TAISE (Taiwan Institute for Sustainable Energy) for four consecutive years, and has received the "Top 50 Corporate Sustainability Report Awards - Transportation Platinum Award" in 2018. Looking ahead, and in the face of numerous challenges in the aviation industry, EVA Air will persist on its corporate spirit and the company's mission "Safe, Punctual Flights, Friendly Professional Services, and Efficient, Innovative Operations", and keep focuses on the core business and sustainable management to protect the interests of all stakeholders

Industry Overview

According to the estimate of the International Air Transport Association (IATA), compared to the year before, the Revenue Passenger Kilometer (RPK) will grow by 6% in 2019 from 4.34 billion passengers to 4.59 billion passengers, the Available Seat Kilometer (ASK) will increase by 5.8%, and the growth of passenger transport demand will continually exceed the ASK, providing powerful support for the strong performance of passenger transport. The momentum of demand mainly comes from Asia Pacific, Latin America, and Middle East. Affected by tariffs and trade protectionism, the growth rate of cargo transport demand in 2019 is estimated to be approximately 3.7%. The air transport demand will be facing the effects of a slowdown of global economic activities, the shrinkage of main export countries' export orders, and the shortened delivery time of suppliers from Asia and Europe.

According to the estimate of the IATA, the average price of jet fuel in 2019 is US\$81.3 per barrel, lower than the price in 2018 (US\$87.6 per barrel), which will be advantageous to the profitability of the airline industry. Compared to the adverse impact of the rising costs of fuel, labor, etc., on the airline industry in 2018, the optimistic estimate for 2019 mainly comes from the falling oil prices and steadily low price position, the continuous growth of market demand, and the constant improvement in operational efficiency. The net profit of the global airline industry in 2019 is estimated to reach US\$35.5 billion, slightly higher than that in 2018 (US\$32.3 billion); it will be the tenth year in a row that the airline industry makes profit. In spite of the IATA's optimistic predictions, there are still numerous uncertainties, such as the fluctuation of the global exchange rate, the FED's decision on interest rate rises, financial turbulence of the emerging market, "America First" policy, China's economic conditions, global trends in raw materials, UK Brexit progress, geopolitical uncertainty, increasingly popular trade protectionism, extreme weather, and internet security threats, which will bring risks to the global economy and affect airline market demand. In addition, the difficulty in obtaining airport slot times due to the continuous increase of global flights and the fact that the infrastructure of the airline industry such as terminals and runway is not in line with the growth of the industry, will also become bottlenecks in the future development of the airline industry.



6-3-1 Financial Performance

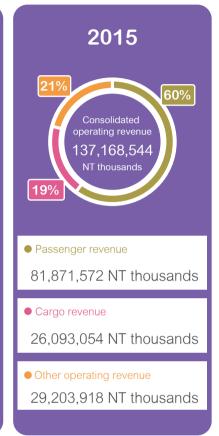
Consolidated operating revenues over the years

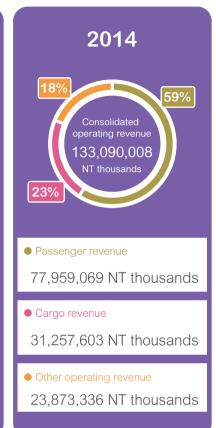
Ratios of consolidated operating revenue











Overview of operating revenues for various regions

										Unit: NT thousands
Taiwan	2018	90,396,571	2017	91,418,358	2016	78,058,475	2015	69,748,029	2014	61,442,036
Asia	2018	46,396,531	2017	36,391,365	2016	32,835,461	2015	35,628,765	2014	39,467,111
Europe	2018	6,018,981	2017	4,924,846	2016	4,654,482	2015	4,937,027	2014	5,951,322
North America	2018	36,473,766	2017	30,325,905	2016	28,773,210	2015	26,518,634	2014	25,832,005
Others	2018	621,483	2017	501,257	2016	358,037	2015	336,089	2014	397,534

Business performance over the years

Year	2018	2017	2016	2015	Unit
The Company's income tax expense (benefit)	1,114,690	1,133,866	892,030	103,104	NT thousands
The Company's total assets	210,287,417	201,146,068	195,749,734	176,487,661	NT thousands
The Company's amount of capital	43,821,215	41,734,490	40,518,923	38,589,450	NT thousands
Average revenue of employees	11,988	11,095	10,955	12,958	NT thousands
Employee salaries and welfares	19,570,361	18,810,878	16,622,378	13,900,797	NT thousands
The Company's total revenue	135,620,650	125,314,160	115,495,819	115,892,656	NT thousands
Consolidated total revenue	179,907,332	163,561,731	144,679,665	137,168,544	NT thousands
Consolidated net profit before tax	9,155,931	7,976,120	5,296,923	7,365,204	NT thousands
Total market value	69,315,986	66,149,167	59,157,627	71,776,377	NT thousands
The Company's operating costs and expenses	129,625,508	119,371,642	110,534,380	108,519,719	NT thousands
The Company's retained earnings	12,344,382	8,672,249	5,702,366	6,347,229	NT thousands
The Company's gross salaries	14,050,888	13,278,239	11,993,169	10,133,930	NT thousands
Total pension	635,257	605,011	546,112	510,493	NT thousands
The Company's gross profit margin	13.26	13.93	13.75	14.97	(%)
The Company's return on assets	3.88	3.67	2.60	4.70	(%)
The Company's return on equity	10.78	10.33	6.80	15.46	(%)
The Company's debt ratio	69.76	71.16	72.76	72.32	(%)

MATERIALITY ANALYSIS







7-1 Step 1 - Compilation of Sustainability Issues

Sustainability issues were collected by EVA Air by referring to global standards/guidelines, such as GRI (Global Reporting Initiative), UNGC (United Nations Global Compact), SDGs (Sustainable Development Goals) and ISO 26000. Besides, the TCFD framework (Task Force on Climate-Related Financial Disclosures) was introduced into environmental aspects. International assessments, such as CDP and DJSI questionnaire contents, were also included within the scope of the issues selected. Furthermore, in consideration of the global developmental trend of the industry, the report also included the aspects the main stakeholders were concerned with regarding the Company's sustainable development, as well as the CSR Committee's professional recommendations and advice from external field experts, which were all compiled into EVA Air's 15 sustainability issues.



Corporate Governance and integrity management
Risk and opportunity management

Brand strategy and performance



Flight Safety
Fleet and fleet planning
In-flight catering safety
management



Financial performance
Service quality and customer relation
Supply chain management



Environmental impact management
Climate change governance



Human resources management Occupation safety and health Labor relations and labor rights protection

Social welfare and charity

7-2 Step 2 - Identification of Stakeholders and Stakeholders Engagement

After the compilation of EVA Air's sustainability issues, the key step for materiality analysis of corporate social responsibility report is to determine the major stakeholders for communication. Through the five principles of AA1000SES:2015 (Accountability 1000 Stakeholder Engagement Standard: 2015) (i.e. Dependency, Responsibility, Influence, Diverse perspectives and Tension), EVA Air has identified 7 major stakeholders from 11 relevant stakeholder categories, which are in the order of importance: customers, employees, government, travel agencies or distributors, media reporters, shareholders, suppliers or contractors. For each of these 7 major stakeholders, EVA Air has established sound communication channels to collect the issues of their concern, needs and expectations, and evaluate the communication effectiveness after receiving feedback, so as to meet stakeholders' expectations and urge the Company to make continuous improvements at the same time.

Channels of Communication with Major Stakeholders

Stakeholder Category	e-mail or web links	Responsible Div./Dept.
Customers	http://www.evaair.com/en-us/contact-us-and-help/contact-us/	Customer Relations Dept. Customer Service Div.
Employees	evapsn@evaair.com	Human Resources Div.
Travel agencies or distributors	allenkuang@evaair.com	Passenger Business Div.
Media	larrylai@evaair.com	Public Relations Div.
Shareholders	http://stock.evergreen.com.tw/servlet/WUF1_ControllerServlet.do?lang=zh-TW&menu=WFT1&func=FAQ&action=VIEW_INDEX (Go to the website and click on Shareholder Q&A to access the Stocks Dept.'s mailbox)	Stocks Dept.
Suppliers or contractors	https://myb2b.evaair.com/smasb2b/default.aspx	Catering & Cabin Supply Dept. Cabin Service Div.
Government	Each department/division takes the initiative to communicate with pertinent government officials.	

Stakeholder	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
		Flight Safety	Customer feedback from official website, phone calls, written feedback, Branch/office, CP flight report, online customer satisfaction survey	On demand/ As needed	The company places the flight safety issues customers concerned about on the official website, annual report, CSR report and CSR website, etc., timely in order that customers can immediately learn the company's efforts and management effectiveness in flight safety, including domestic and foreign awards, evaluations and evaluation results.	Increase brand trust and customer loyalty
			Customer feedback from official website, phone calls, written feedback, Branch/office, CP flight report, online customer satisfaction survey	On demand	Survey passengers' opinions, give subsequent responses to passengers, and make immediate improvements if defects exist. Regularly review satisfaction status. For the service item that has not reached the target value of satisfaction, the related divisions shall submit the report for improvements.	Increase revenue
Ana	Increase Revenue	Service quality and customers relation	EVA Air official website "Infinity MileageLands" webpage	On demand	Infinity MileageLands terms and conditions, benefits of various preferential offers	Deliver the latest messages immediately to improve service quality
Customers			Mileage Statement	The next month if member's a ccount has any mileage credits or mileage/electronic certificate changes	Member account information, benefits modified, Infinity mileageLands special offers, preferential offers from partners of EVA	Actively inform members of about their mileage in accounts and card tiers status to improve service quality.
			Expiring Card Tier Notice/Expiring Mileage Notice	Giving a 3 month and a 6 month notice before the expiration of card tiers/mileage	Remind members of the expiring card tiers/ mileage.	Actively inform members of about their mileage in accounts and card tiers status to improve service quality.
		Fleet and fleet planning	Customer feedback from official website, phone calls, written feedback, Branch/office, CP flight report, online customer satisfaction survey	On demand/ As needed	The company will post at any time the issues that concern customers such as fleet and fleet planning on the official website, annual report, CSR report and CSR exclusive website, etc., so that they may promptly learn the update of concerned issues.	Increase revenue
	Maintain the Company's operation	Human resources management	 Flight crew seminar Cabin crew meeting Chief purser meeting Department meeting Employee Welfare Committee Labor -management Meeting Grievance hotline or mailbox 	 Three times in half a year Five times a month Once a month Once a month At least three times a year Quarterly On deman 	 Adjustment of remuneration and welfare Deliver the Company's internal & external information, serviceoperation advocacy, exchange views, and conduct two-way communication with relevant departments. Convey the Company's business direction and major policies Subsidy adjustments and distribution of employee 	The crew and the Company understand each other's needs and positions, and seek win-win solutions on the basis of mutual trust. Understand the Company's operating policy, work together to achieve goals and create revenue. Enhance employee welfare to boost work morale. Create a working environment for gender equality, implement an ethical management policy, and create a sustainablebusiness environment.
Employees	орегация	Flight Safety	Occupational Safety &Health CommitteeMeeting Investigation report on occupational accident Education and Training	Quarterly 12 copies/month As needed	Discussion of safety &health policy and issu Reporting on occupational accident Occupational safety and health education & training	Reflect on and grasp the health and safety of employees in a timely manner
		Fleet and fleet planning	Flight crew seminar Cabin crew meeting Chief purser meeting Department meeting	 Three times in half a year Five times a month Once a month Once a month 	Convey the Company's fleet development and sustainability plan	Both labor and management work together to aim to achieve the company's sustainable development.
		Flight Safety	Meeting, official document, phone calls	As needed	Continuously abide by the relevant regulations and provide the required statistical data on time	Make the Company get high scores in the rating of traffic rights distribution to facilitate thesubsequent traffic rights distribution
Government	Competent authorities	Labor relation and labor right protection	Network, Telephone communication, official document	As needed	When the authorities have doubts about the labor relations and the safeguard of labor rights, the company will reply with official document.	Safeguard the rights and interests of both the employer and workers and in compliance with occupational safety and health regulations
		Environmental impact management	Website declaration, meeting, official document	As per business need	Comply with the environmental regulations and truly report the required statistical data. Exchange relevant information with various countries through meetings, and convey the latest global management trends.	Avoid the risk of violating regulations, enhance the company's reputation and competitiveness.

Stakeholder	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
Travel Agencies or Distributors	Sell flight seats and provide services like reservation and ticket issuing related to travel	Flight Safety Fleet and fleet planning Brand strategy and performance	Phone call, mail, meeting	Regularly/ As needed	The Company will post at any time the issues that concern travel agencies and dealers, such as flight safety, fleet and fleet planning, brand strategy and performance, on the official website, annual report, CSR Reports, exclusive CSR website, etc., so that they may learn promptly of the efforts the Company made on the above issues and its management effectiveness, including the prizes won domestically and abroad, and the results of assessment and ranking.	Maintain good relation and generate revenue.
Media Reporters	Report and promote the Company's positive image and product information	Flight Safety Fleet and fleet planning Brand strategy and performance Financial performance	Telephone counseling, e -mail,press conference	As needed	About questions raised by media, the information checked internally will be summarized and announced by the spokesman	Ensure the truthfulness of media reports. In case of untrue reports, request the media to make corrections at the first moment so as to establish a positive image of the Company.
Shareholders	Shareholders of the Company have the right to attend the Shareholders' Meeting and the right to vote.	Financial performance Flight Safety Brand strategy and performance	1. Shareholders' Meeting 2. Investor conference 3. Official website-Investor relations 4. Shareholder Hotline & Mailbox	1. Once a year 2. At least once a year 3. On demand 4. On demand	 Report on operational status and views on future industry prospects. Provide important financial and business information for investors' reference. The contents of the reply to the enquiries of the investors regarding the operational performance and financial status of the Company. 	Convey business philosophy and corporate value, and provide investors with opportunities to express their opinions and to conduct two-way communication with the Company
Suppliers or Contractors	Maintain the operation of the Company	Flight Safety Service quality and customers relation Risk and opportunities management	Phone calls/mails	Regularly/ As needed	The Company will post at any time the issues that concern suppliers or contractors, such as flight safety, service quality and customers relation, risk and opportunities management on the official website, annual report, CSR Reports, exclusive CSR website, etc., so that they may learn promptly of the efforts the Company made on the above issues and its management effectiveness, including the prizes won domestically and abroad, and the results of assessment and ranking.	Enhance corporate image, stride toward sustainable operations.

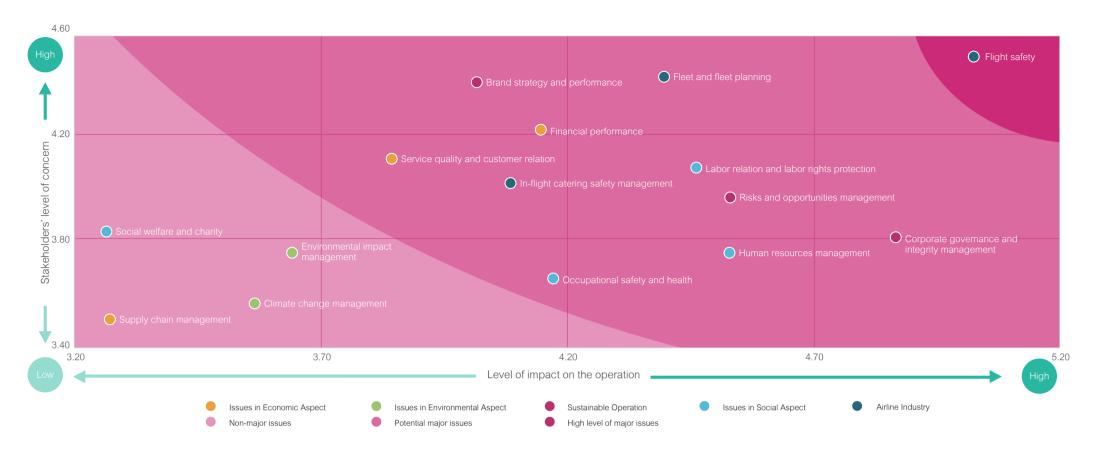
7-3 Step 3 - Determine Material Issues and Material Aspects

EVA Air conducts questionnaire surveys to understand the Stakeholders' level of concern regarding various sustainability issues. Stakeholders can choose from a 5-level scale from "Very Concerned" to "No Concern" based on the respective issues. During the survey period from January 2018 to January 2019, 240 questionnaires were collected: among them, 28 questionnaires were filled in by customers, 50 by employees, and 4 by government officials; meanwhile, travel agencies, press/media, shareholders, and suppliers contributed 30, 10, 20 and 98 questionnaires, respectively. In addition to the analysis of the Stakeholders' level of concern on sustainability issues, the CSR Committee members completed the survey on the "Level of impact of various issues on EVA Air's operations". In the process, each member evaluated the level of impact of various issues on the Company's sustainable operations with 5 levels. According to the results of the two surveys, a Materiality Matrix Diagram was drawn, and through evaluation among members of the CSR Committee, 10 material issues and 1 extremely material issue were finally selected; these correspond to 26 material aspects of GRI Standards, including 5 economic aspects, 6 environmental aspects, and 15 social aspects.

				Significance to the Company & Connection with Operations												
Material Issues	Sustainability Issues	Leve of impact	Corresponding GRI G4 Aspects	Increase revenue	Reduce cost	Uplift brand trust	Reduce reputation risk	Increase employee cohesiveness	Connect with Operating Objectives							
	Corporate governance and integrity management	High	Anti -corruption, anti-competitive practices, public policy, social economic regulation compliance	•		•	•	•	•							
Sustainable Operations	Risks and opportunities management	Medium	Economic performance			•	•									
	Brand strategy and performance	Medium	Marketing and labeling	•		•	•		•							
	Flight safety	High	Customer health and safety	•	•	•	•	•	•							
Airline Industry	Fleet and fleet planning	Medium	Customer health and safety	•		•			•							
	In-flight catering safety management	Medium	Customer health and safety			•	•									
	Financial performance	Medium	Economic performance	•	•				•							
Economic Aspect	Service quality and customer relation	Medium	Customer health and safety, marketing and labeling, customers privacy, customer health and safety			•	•									
	Supply chain management	Low	Procurement practices, supplier environmental assessment, supplier social assessment		•		•									
Environmental	Environmental impact management	Low	Water, emission, waste water and waste, compliance with environmental protection regulations			•										
Aspect	Climate change management	Low	Energy, emission				•									
	Human resources management	Medium	labor/management relations, training and education, diversity and equal opportunity				•	•	•							
Social Aspect	Occupational safety and health	Medium	Occupational safety				•	•								
Social Aspect	Labor relation and labor rights protection	Medium	Market presence, labor/management relation, non-discrimination, forced and compulsory labor, human rights assessment				•	•								
	Social welfare and charity	Low	local communities			•										

High relevance

Medium relevance



7-4 Step 4 - Boundaries of Material Topics

EVA Air may be subject to the impact of sustainability issues through its own activities or other entities of business relationship. Pursuant to GRI Standards, we will divide the impact into the types of 'directly made by', 'accelerated by' and 'through business relationship' to define the boundaries where the impacts occur. Through one by one evaluations by members of the CSR committee on 26 selected major issues, the impact boundary of each issue on the value chain has been identified, including EVA Air and its subsidiaries, suppliers, contractors and customers. For impacts on EVA Air, the Report also describes the management systems, coping measures and performance results in various chapters and sections. As for the impacts happening to the subsidiaries inside the organization and the value chain, the emphasis is on the demonstration of EVA Air's management practices.

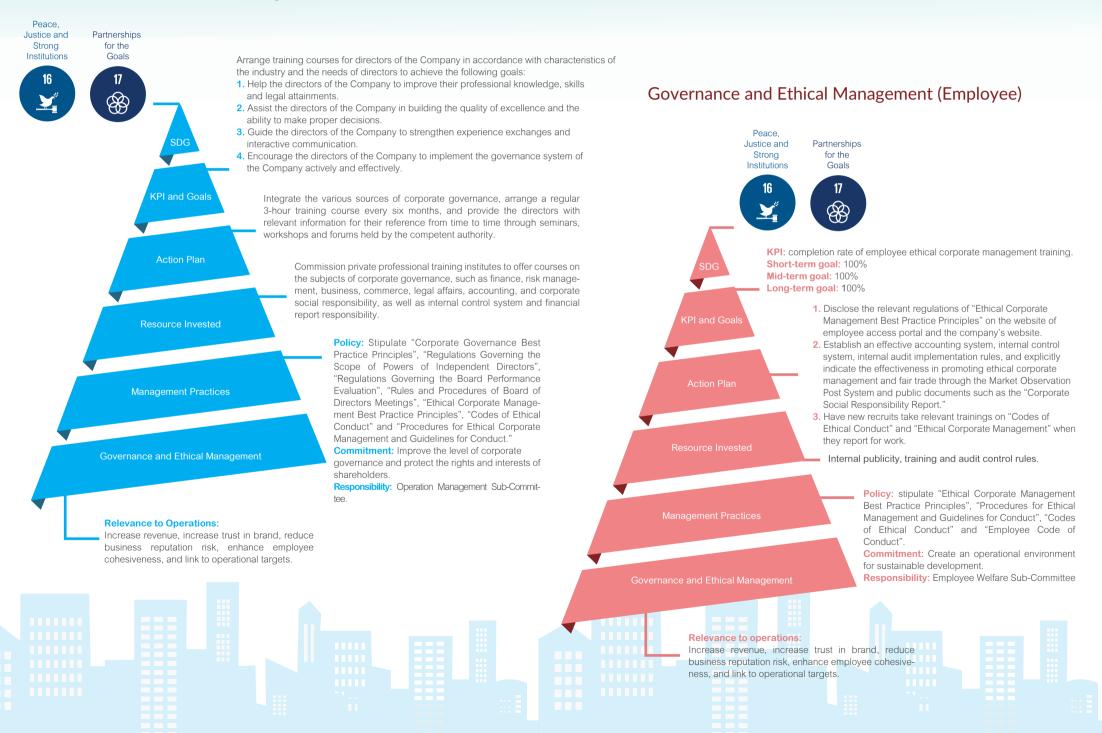
	Entity Name								Topic b	oundary o	of value o	hain whe	ere impad	cts occu	r					
			Subsidiary					Supplier						Contrac	Customer					
Aspect	Material topics	EVA Air	EGAS	EGAP	EGAT	EGSC	EGAC	AircraftMfg	Aeroengine Mfg	Ground equipment Mfg	Aircraft leasing	Petroleum	Aircraft maintenance	Ground	Passenger/ cargo transport	Sky catering	Cargo	Express delivery	Travel	General
	Economic Performance	•			•					A										
	Market Presence	•			•															
Economic Aspect	Procurement Practices	•			•					A										
	Anit-corruption	•	•							A									A	
	Anit-competitive behaviors	•			•				,	A									A	

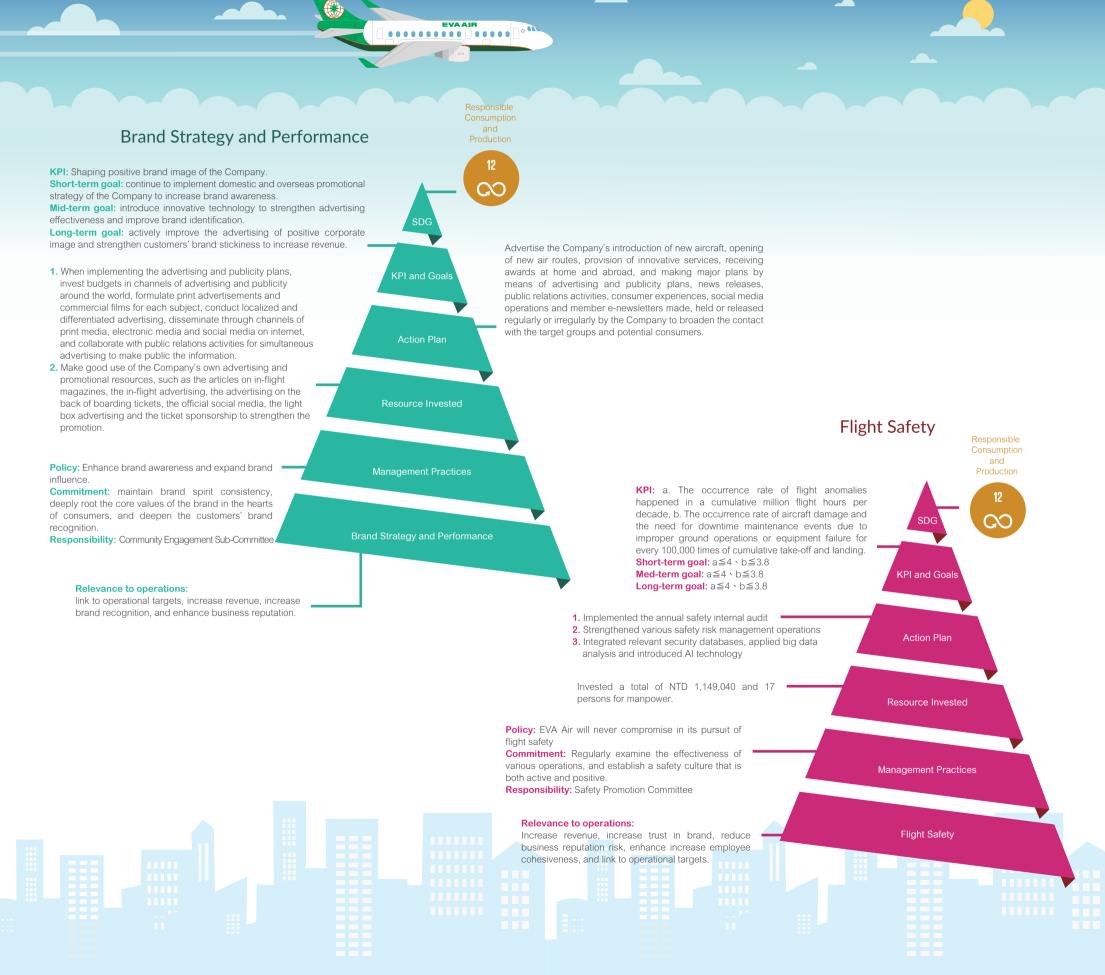
								Topic be	oundary o	f value c	hain whe	re impac	ts occui							
	Entity Name		S	ubsidia	iry			Su	pplier				Contract	or			Cus	tomer		
Aspect	Material Aspect	EVA Air	EGAS	EGAT	EGSC	EGAC	AircraftMfg	Aeroengine Mfg	Ground equipment Mfg	Aircraft leasing	Petroleum	Aircraft maintenance	Ground	Passenger/ cargo transport	Sky catering	Cargo	Express delivery	Travel	General	
	Energy	•		•																
	Water	•		•																
Environmental Aspect	Emission	•		•																
	Waste water and waste	•		•																
	Compliance with environmental protection regulation	•		•				A	<u> </u>											
	Supplier environmental assessment	•		•					<u> </u>											
	Labor relation	•		•				4	<u> </u>											
	Industrial relations	•																		
	Occupational health	•	•									•						A		
	Training and education	•	•								•					A				
	Diversity and equal opportunities	•		•																
	Non-discrimination	•		•																
	Forced and compulsory labor	•		•				ı	A											
Social Aspect	Human rights assessment	•		•				ı									4	A		
	Local communities	•																		
	Supplier social assessment	•		•				4	<u> </u>											
	Public policy	•																		
	Customer health and safety	•		•					<u> </u>											
	Marketing and labeling	•		•					<u> </u>									<u> </u>		
	Customer Privacy	•						,	<u> </u>											
	Compliance with social economic regulations	•		•					<u> </u>											

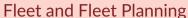
7-5 Step 5 - Management Approach and Sustainability Goals

The main purpose of management policy is to externally enable the main stakeholders of the Company to obtain sufficient information to understand EVA Air's policy in the management of major issues and the impact caused by them, and internally to avoid, mitigate, or offset any negative impact, or increase positive influence. For the sustainability issues we investigated, we hereby disclose five elements of management: practice, resource investment, action plan, KPI and goals.

Governance and Ethical Management (Director)

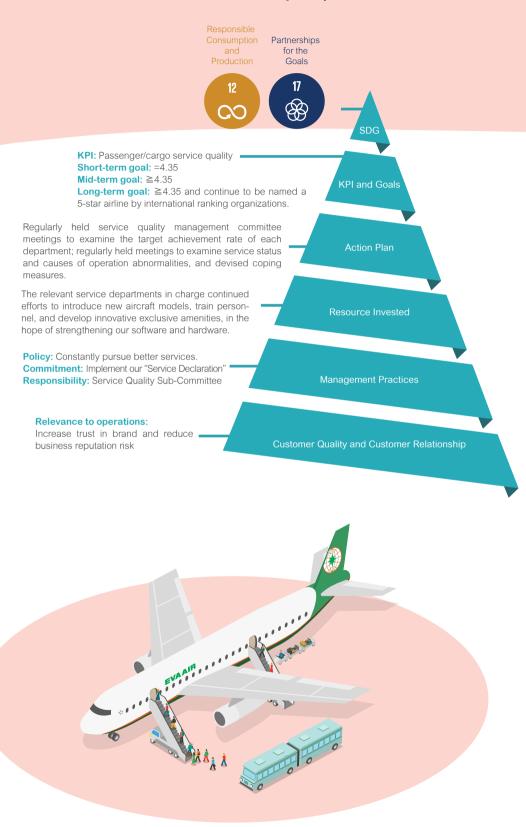




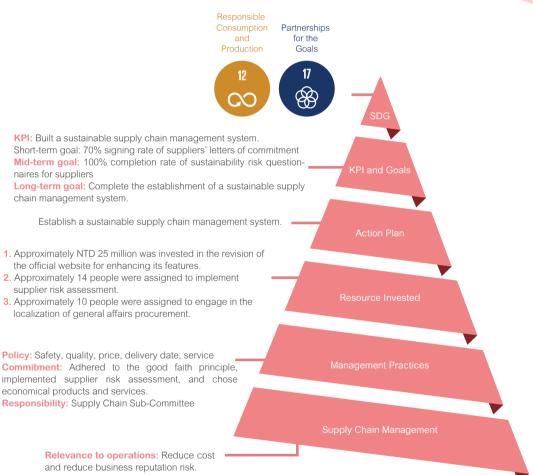


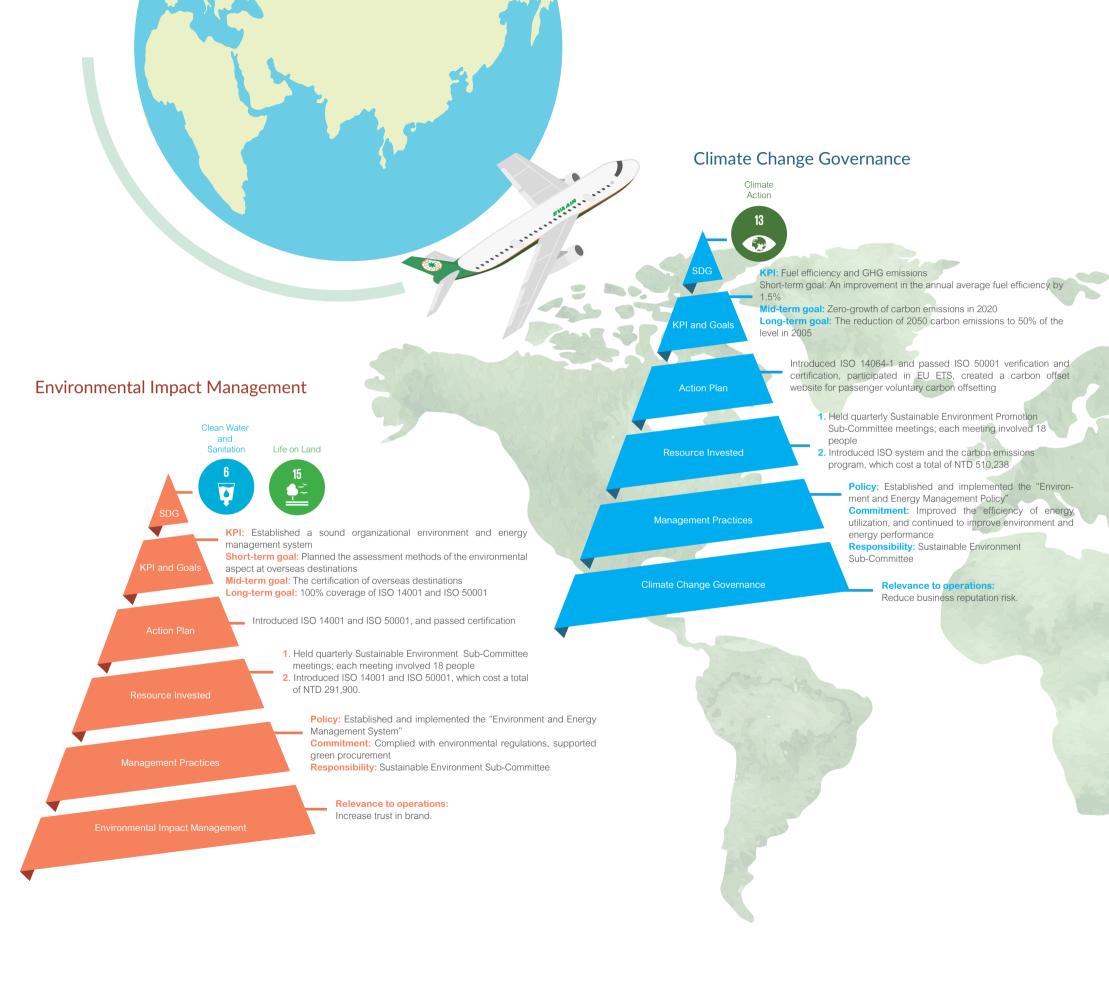


Customer Quality and Customer Relationship



Supply Chain Management





Human Resources Management -Flight Crew

KPI: On-the-job training courses, staff rotation, promotion evaluation willingness of the pilots Human Resources Management-ground staff KPI and Goals Action Plan Resource Invested

Short-term goal: (1) 100% completion rate of periodic retraining (2) 5% promotion training for pilots annually (number of people attending the promotion training / number of first officers) (3) 5% rotation between fleets each year (number of people of all ranks rotating fleets / total number of people)

Mid-term goal: (1) 100% completion rate of periodic retraining, (2) Establish survey mechanism to understand the willingness of the pilots and establish rotation mechanism according to such willingness and the manpower requirement of the fleet

Long-term goal: (1) 100% completion rate of periodic retraining, (2) Periodically conduct first officer promotion evaluation and implement job promotion according to the results, (3) Fleet rotation arrangements based on the manpower requirement of the fleet and the

- 1. Provide complete compensation benefits, educational training and promotion
- 2. Provide pilots with opportunities to transfer to different fleets and become
- 3. Periodically conduct promotion evaluations to retain professional talent
 - 1. The internal training involved 1,141 people in total.
 - 2. The flight simulators cost NTD 118,298,880 in total.
 - 3. The compensation for the lecturers was NTD 120,925,462 in total.

Policy: Highlight the staff value and achieve corporate sustainable development

Commitment: Cultivate the professional competence of the staff, diversify career development, explore employee

Responsibility: Employee Welfare Sub-Committee

Relevance to operation:

Reduce business reputation risk, enhance employee cohesiveness, and link to operational targets

Quality Gender Economic Educatio Equality KPI and Goals

Decent Work and

Growth

Policy: To highlight the value of employee and ensure sustainable development of business Commitment: To cultivate the employees' **Management Practices** profession, diverse career development, tap into the employees' potential **Responsibility:** Employee Welfare Sub-Committee Relevance to operation: **Human Resources Management** Reduce business reputation risk, enhance employee cohesiveness, and link to operational targets

Decent Work

and

Economic

Growth

Quality

Educatio

1. Provided comprehensive training to ensure that employee is competent to meet the job requirements. 2. Periodically reviewed competency requirement to

cope with the needs of business development

1. Ground service training cost NTD 19,065,316 in total 2. Lecturer cost for ground service training was NTD

3,416,518 in total

Equality

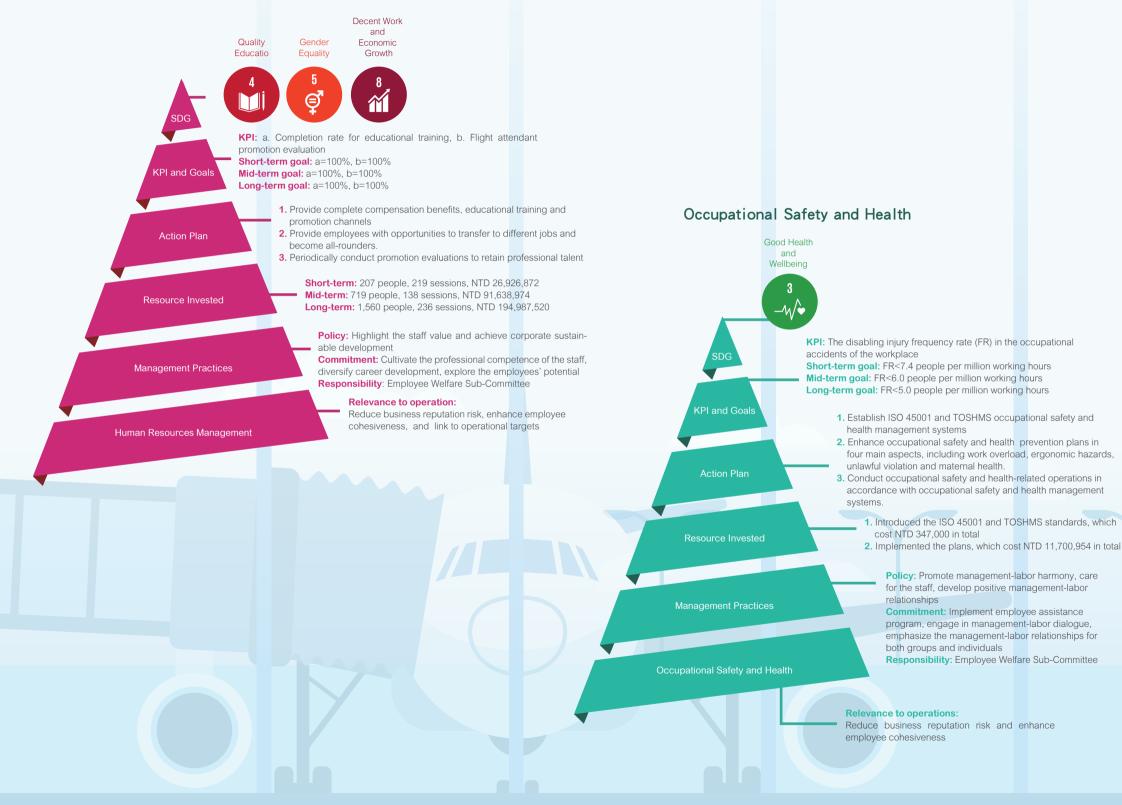
KPI: Competency conformity Short-term goal: 100% Mid-term goal: 100%

Long-term goal: 100%



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Human Resources Management-Flight Attendants





Short-term goal: a. convene communication and negotiation meetings with the union every six months, b. Conduct the annual retraining for "seeds of care" to enhance the skills of care. (once in the first half of the year and once in the second half of the year)

Mid-term goal: a. convene communication and negotiation meetings with the union quarterly, b. Combine club subsidies of Employee Assistance Program with CSR social welfare services to hold EVA Air Charity Day. (at least once a year) Long-term goal: a. convene communication and negotiation meetings with the union every month, b. Combine Employee Assistance Program with work-life balance program to promote friendly family measures. (hold parental activities at least once a year)

- Disclose relevant information on employee care at employee website portal
- 2. Hold communication and negotiation meetings with the unions periodically
- 3. Hold internal publicity and labor relationship training

1. External psychological and legal consultation

Psychological consultation cost NTD 456,000 in total, and legal consultation NTD 168,000 in total

2. Arrange meetings and internal publicity

- (1) Arrange union meetings: 6 times for corporation union, 4 times for affiliated enterprise union, 6 times for union of pilots, 11 times for union of flight attendants; internal publicity once (2) Conduct employee care team meeting and courses (NTD 200 thousand per year)
- Policy: Promote management-labor harmony, care for

the staff, develop positive management-labor relationships

Commitment: Implement employee assistance

program, engage in management-labor dialogue, emphasize the management-labor relationships for both groups and individuals

Responsibility: Employee Welfare Sub-Committee

Relevance to operations:

Reduce business reputation risk and enhance employee cohesiveness

Management-labor relationship and maintenance of employees' rights



Good Health

Social Welfare and Charity

With corporate social responsibility as the goal, we strive to care for disadvantaged groups and increase positive energy in society by expanding our efforts from Taiwan to the world to shape the Company's good worldwide corporate image with charitable acts.

- Upholding the spirit of contributing to society and the concept of cherishing resources; we care for people in need and sponsor art and cultural events, sports events, and local activities with the Company's resources.
- 2. Carry out charitable acts through Chang Yung-fa Foundation.
- **3.** Sponsor overseas charitable events to enhance the Company's worldwide image.
- 1. Manpower
- 2. Funds
- 3. Resources (e.g. free tickets, discounted tickets, free excess baggage, and transportation of goods...)
- **4.** Donation of Recyclable Goods (e.g. furniture, tableware, second-hand clothes, computer equipment...)

Policy: Continue to implement corporate social responsibility.

Commitment: With the spirit of giving back to society and the combined efforts by various sectors, we continue to undertake charity work to contribute to society.

Responsibility: Community Engagement Sub-Committee

Relevance to operation: Increase trust in brand.



The birth of SDGs indicates that global sustainable development can only be realized through corporations' efforts and joint cooperation mechanisms. EVA Air pursues sustainable development not just in terms of our own operating performances, but we also hope to connect GRI's disclosures, corporate development and SDGs, and work together with the world towards the goal of sustainability. Therefore, we adhere to the "SDG Compass" established by UNGC, WBCSD, and GRI, in combination with other relevant methods or international standards to include the vision of global sustainable development into the Company's core development strategies, while implementing the management of major issues and determining our goals.

References or Guidelines



Scheduled Introduction Procedures of SDG Compass

Implementation Method

Rased on suggested procedures, we planned five major steps for implementation: "understanding SDGs; identifying priorities; setting goals; integrating, disclosing and communicating" and other feasible supporting methods or standards.

Results

Adjusted EVA Air's sustainable management strategies according to SDG goals and assessed the relevance between material issues and sustainability goals, and formulated future management measures.

Step

Step

Step **05**

References or Guidelines



Blueprint for Business Leadership on the SDGs; referred to three major steps and five major quality standards.

Implementation Method

Reinforced EVA Air's leadership in global sustainable development through the three steps (sequencing, action, and learning).

Results

Nο Poverty

Defined EVA Air's potential contributions to global sustainable development goals and ensured our leadership actions related to five major qualities; also wielded our influence on the partners in the value chain through learning and sharing.

References or Guidelines



Business Reporting on the SDGs; establishment of and tracking of KPIs

Implementation Method

In combination with the assessment methods suggested by the guidelines, our CSR Committee members conducted evaluations on the relevance (level of contribution by EVA Air), risk impacts (the necessity of risk management), and opportunities (positive impacts on EVA Air after effective management) of the 17 SDGs.

Results

By drawing the risk and opportunity matrixes between SDGs and EVA Air's operations, we found that 8 SDGs (5, 6, 8, 9, 12, 13, 16 and 17) were the most relevant to EVA Air, and they also presented the greatest risks and opportunities.

References or Guidelines



SDG Sector Roadmap Guidelines; use matrix evaluation framework.

Implementation Method

Used a structured method to help the Company choose the goals to report and decide how to implement the actions; also grasped the extent of the current and established information disclosures made by global enterprises currently as well as their influences on, and contributions to, sustainable goals.

Results

Completed the responses to the Company's material issues and UN SDGs; also adopted response measures to realize SDGs step by step.

References or Guidelines



GRI information disclosures and communica-

Implementation Method

Prepared the report according to the content and quality standards of GRI and established EVA Air's analytical procedures for material issues.

Results

This report disclosed our important strategies, response measures, performance indicators, goals, and actual implementation results to meet major stakeholders' demand for the transparency of EVA Air's management information.

development





Risk matrix of SDGs' impact on EVA Air's operations



Aspect	Material topics	Corresponding to 17 SDGs	Location of Disclosed Chapters	Chapter Name	Page Number
Economic	Economic Performance	Decent Work and Economic Growth	6-3	Operating Performance	94
	Market Presence	Gender Equality	3-1	Appointment and Retention of Talents	51
	Procurement Practices Responsible Consumption and Production -		-	Sustainable Procurement Management	19
	Anti-Corruption	Peace, Justice and Strong Institutions	6-2	Ethical Management	90
	Anti-Competitive Behavior	Peace, Justice and Strong Institutions	6-2	Ethical Management	90
	Energy	Climate Action	4-1	Environment and Climate Change Management	73
	Water	Clean Water and Sanitation	4-2	Energy and Resource Management	76
Environmental	Emission	Climate Acton	4-1	Environment and Climate Change Management	73
	Waste water and Waste	Life on Land	4-2	Energy and Resource Management	76
	Compliance with Environmental Protection Regulations	Peace, Justice and Strong Institutions	4-2	Energy and Resource Management	76
	Supplier Environmental Assessment	Partnerships for the Goals	-	Sustainable Procurement Management	19
Social	Labor Relations	Gender Equality	3-1	Appointment and Retention of Talents	51
	Industrial Relations	-	3-1	Appointment and Retention of Talents	51

Aspect	Material topics	Corresponding to 17 SDGs	Location of Disclosed Chapters	Chapter Name	Page Number
	Occupational Safety	Good Health and Well-Being Decent Work and Economic Growth	3-3	Workplace Safety	65
	Training and Education	Quality Education Decent Work and Economic Growth	3-2	Employee Education and Training	61
	Diversity and Equal Opportunities	Gender Equality Decent Work and Economic Growth	3-1	Appointment and Retention of Talents	51
	Non-Discrimination	Gender Equality	3-1	Appointment and Retention of Talents	51
	Forced and Compulsory Labor	Decent Work and Economic Growth	3-1	Appointment and Retention of Talents	51
	Human Rights Assessment	Decent Work and Economic Growth	3-1	Appointment and Retention of Talents	51
Social	Local Communities	1 _{रिश्मेंस} No Poverty	5-3	Giving Back to Local Communities	84
	Supplier Social Assessment	Partnerships for the Goals	-	Sustainable Procurement Management	19
	Public Policy	Peace, Justice and Strong Institutions	-	No such incident	
	Customer Health and Safety	Responsible Consumption and Production	1-1 2-2	Sound Safety Management System Innovative Services	23 36
	Marketing and Labeling	Responsible Consumption and Production	2-2 2-3 2-4	Innovative Services Customer Relationship Cargo Service	36 43 46
	Customer Privacy	Peace, Justice and Strong Institutions	2-3	Customer Relation	43
	Compliance with Social Economic Regulations	Peace, Justice and Strong Institutions	6-2	Ethical Management	90



GRI Content Index

Core

GRI Standard	Disclosure	Description	Chapter	Heading	Page numbe
GRI 101: Foundation					
General Disclosures					
	102-1	Name of the organization		About EVA Air	7
	102-2	Activities, brands, products, and services	2-2	About EVA Air Innovative Services	7 36
	102-3	Location of headquarters		About this report	7
	102-4	Location of operations		About this report	7
	102-5	Ownership and legal form		About this report	7
	102-6	Markets served		About this report	7
	102-7	Scale of the organization	3-1 6-3	About this report Appointment and Retention of Talent Business Performance	7 51 94
	102-8	Information on employees and other workers		The proportion of nonemployee workers hired by EVA Air was insignificant.	-
GRI 102: General Disclosures 2016	102-9	Supply chain		EVA Air Supply Chain	19
	102-10	Significant changes to the organization and its supply chain		About EVA Air EVA Air Supplier Categories	7 19
	102-11	Precautionary principle or approach	4-1	Environment and Climate Change Governance	73
	102-12	External initiatives		Participation in International Sustainability Initiative	18
	102-13	Membership of associations		Participation in International Sustainability Initiative	18
	102-14	Statement from senior decision-maker		Message from the Management	3
	102-16	Values, principles, standards, and norms of behavior	6-2	Ethical Management	90
	102-18	Governance structure	6-1	Senior Operating Management	89
	102-40	List of stakeholder groups	7-2	Identification of Stakeholders and Stakeholders Engagement	99

GRI Standard	Disclosure	Description	Chapter	Heading	Page number
	102-41	Collective bargaining agreements	3	Response to Major Events	51
	102-42	Identifying and selecting stakeholders	7-2	Identification of Stakeholders and Stakeholders Engagement	99
	102-43	Approach to stakeholder engagement	7-2	Identification of Stakeholders and Stakeholders Engagement	99
	102-44	Key topics and concerns raised	7-2	Identification of Stakeholders and Stakeholders Engagement	99
	102-45	Entities included in the consolidated financial statements		About this report	5
	102-46	Defining report content and topic Boundaries	7-3	Determining Material Issues and Topics	102
	102-47	List of material topics	7-3	Determining Material Issues and Topics	102
	102-48	Restatements of information		About this report	5
	102-49	Changes in reporting		About this report	5
GRI 102: General Disclosures 2016	102-50	Reporting period		About this report	5
	102-51	Date of most recent report		About this report	5
	102-52	Reporting cycle		About this report	5
	102-53	Contact point for questions regarding the report		About this report	5
	102-54	Claims of reporting in accordance with the GRI Standards		About this report	5
	102-55	GRI content index		Appendix	117
	102-56	External assurance		About this report	5
	103-1	Explanation of the material topic and its Boundary	7-5	Management Approach and Sustainability Goals	105
GRI 103: Management Approach 2016	103-2	The management approach and its components	7-5	Management Approach and Sustainability Goals	105
	103-3	Evaluation of the management approach	7-5	Management Approach and Sustainability Goals	105

Material Topics

GRI Standard	Disclosure	Description	Chapter	Heading	Page number
GR 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	6-3	Business Performance	94
GRI 202:	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3-1	Appointment and Retention of Talent	51
Market Presence 2016	202-2	Proportion of senior management hired from the local community	3-1	Appointment and Retention of Talent	51
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers		EVA Air Procurement Guidelines	20
GRI 205:	205-1	Operations assessed for risks related to corruption	6-2	Ethical Management	90
Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	6-2	Ethical Management	90
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6-2	Ethical Management	90
	302-1	Energy consumption within the organization	4-2	Energy and Resource Management	76
GRI 302 :Energy 2016	302-3	Energy intensity	4-2	Energy and Resource Management	76
	302-5	Reduction in energy requirements of products and services	4-2	Energy and Resource Management	76
GRI 303:	303-1	Interactions with water as a shared resource	4-2	Energy and Resource Management	76
Water and Effluents 2016	303-2	Management of water discharge-related impacts	4-2	Energy and Resource Management	76
	305-1	Direct (Scope 1) GHG emissions	4-2	Energy and Resource Management	76
CDI 205: Emissions 2042	305-2	Energy indirect (Scope 2) GHG emissions	4-2	Energy and Resource Management	76
GRI 305: Emissions 2016 –	305-4	GHG emissions intensity	4-2	Energy and Resource Management	76
_	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4-2	Energy and Resource Management	76

GRI Standard	Disclosure	Description	Chapter	Heading	Page number
	306-2	Waste by type and disposal method	4-2	Energy and Resource Management	76
GRI 306: Effluents and Waste 2016	306-3	Significant spills		No such as things happened	-
	306-4	Transport of hazardous waste	4-2	Energy and Resource Management	76
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations		No such as things happened	-
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		Sustainable Procurement: Social Responsibility Policies for Sustainable Development of Suppliers	19
	401-1	New employee hires and employee turnover	3-1	Appointment and Retention of Talent	51
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3-1	Appointment and Retention of Talent	51
-	401-3	Parental leave	3-1	Appointment and Retention of Talent	51
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes		Handled in accordance with the stipulation of Article 16 of the Labor Standards Act	-
GRI 403:	403-1	Occupational health and safety management system	3-3	Workplace Safety	65
Occupational Health and Safety 2016	403-2	Hazard identification, risk assessment, and incident investigation	3-3	Workplace Safety	65
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	3-2	Employee education and training	61
GRI 405:	405-1	Diversity of governance bodies and employees	6-1 3-1	Senior Operating Management Appointment and Retention of Talent	89 51
Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	3-1	Appointment and Retention of Talent	51
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	3-1	Appointment and Retention of Talent	51

GRI Standard	Disclosure	Description	Chapter	Heading	Page number
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3-1	Appointment and Retention of Talent	51
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	3-1	Appointment and Retention of Talent	51
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	4-2	Energy and Resource Management	76
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		Sustainable Procurement: Social Responsibility Policies for Sustainable Development of Suppliers	19
GRI 415: Public Policy 2016	415-1	Political contributions		No such as things happened	-
	416-1	Assessment of the health and safety impacts of product and service categories	2-2	Innovative Services	36
GRI 416 : Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2-2	Innovative Services	36
	417-1	Requirements for product and service information and labeling	2-2	Innovative Services	36
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling		No such as things happened	-
	417-3	non-compliance concerning marketing communications		No such as things happened	-
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2-3	Customer Relationship	43
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area		During the reporting period, there were three cases of overtime work that resulted in fines imposed by the competent authority in February, May and November, respectively, amounting to NTD 1.5 million, while there was a fine of NTD sixty thousand in July due to an event of occupational injury.	-



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE EVA AIRWAYS CORPORATION'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2018

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by EVA AIRWAYS CORPORATION (hereinafter referred to as EVA AIRWAYS) to conduct an independent assurance of the Corporate Social Responsibility Report for 2018 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the EVA AIRWAYS's CSR Report of 2018 and its presentation are the responsibility of the management of EVA AIRWAYS. SGS has not been involved in the preparation of any of the material included in EVA AIRWAYS's CSR Report of 2018.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all EVA ARWAYS's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a high level of scrutiny for EVA AIRWAYS and moderate level of scrutiny for applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from EVA AIRWAYS, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within EVA AIRWAYS's CSR Report of 2018 verified is accurate, reliable and provides a fair and balanced representation of EVA AIRWAYS sustainability activities in 01/01/2018 to 12/31/2018.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI Standards in accordance with Core Option and AA1000 Assurance Standard (2008) Type 2, High level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

EVA AIRWAYS has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

Materiality

EVA AIRWAYS has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, EVA AIRWAYS's CSR Report of 2018, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions on management approaches components, such as the mechanisms for evaluating the effectiveness, and any related adjustments to the management approach (103-3).

Signed:

For and on behalf of SGS Taiwan Ltd.

Sm

David Huang Senior Director Taipei, Taiwan 10 June, 2019 WWW.SGS.COM



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