



2017
EVA AIR
Corporate Social
Responsibility
Report

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Bou-Shiu Lin
Chairman, EVA Air

Message from the Management

EVA Air has published the Corporate Social Responsibility Report for five consecutive years since 2014. The reports disclosed the concrete measures we have taken to deal with matters in the areas of corporate governance, environment, and society. Apart from the insistence on our core values: “safety” and “service,” we proactively respond to major issues the stakeholders care about, such as environment and climate change, employee assistance, and social participation, in order to fulfill our goals of sustainable management.

Once again, 2017 was a fruitful year for EVA Air. In terms of corporate governance, EVA Air withstood the impacts brought by changes in the global political economy and natural disasters, and went through the adjustment period for the successively established unions within the Company; yet, our colleagues worked hard and delivered outstanding results. The annual revenue in 2017 was 12.53 billion NTD, and the number of passengers flying with us reached 12.13 million, which both set historic records and made 2017 the third consecutive profitable year.

With the joint efforts made by our colleagues, EVA Air once again won awards from around the world. The awards include “Top 5% Best Listed Companies in the “Corporate Governance Evaluation” held by Taiwan Stock Exchange Corporation for three consecutive years, “World’s Top 20 Safest Airlines” ranked by JACDEC (airline safety ranking) and AirlineRatings, “World’s 5-Star Airlines” and “World’s Top 10 Airlines” by Skytrax, “The Best Airplane Liveries” by CNN, and “World’s Best International Airlines” by Travel + Leisure, a well-known US-based travel magazine.

We continue to insist on rigorous flight safety management and service quality to provide passengers with flight experiences that are “safe, assured, trustworthy, and comfortable.” We launched four brand new Hello Kitty Jets, diverse in-flight new services in collaboration with other industries, and the third-generation uniforms, which were all widely acclaimed. Following the introduction of Taiwan’s first 777 high efficient freighter at the end of last year, the new generation of eco-friendly Boeing 787 Dreamliner will join to our fleet this year. All service and systems items will be continuously upgraded.

Message from the Management



Chia-Ming Sun
President, EVA Air

In terms of environmental sustainability, EVA Air has taken the initiative to carry out the self-inspection of greenhouse gas since 2011. Through the inspection results, we examine the relevant measures of reducing greenhouse gas emissions and the results. From 2016, we have conducted the self-inspection of greenhouse gas according to ISO 14064-1 international standards for greenhouse gas with the validation of third-party validation organizations. From 2017, we have carried out the "EVA Air Green Travel Carbon Offset Project," which allows passengers voluntarily paying the equivalent value or customized amount to take part in "zero-carbon travel" and support the international carbon reduction project funded by Climate Care. This fully demonstrates our concern on renewable energy and global warming.

With respect to social participation, we use our own resources to continuously promote the ideal of flight safety education, and take part in social charitable events by donation, sponsorship, or emergency aid. In 2017, the amount of our charitable donation was over 140 million NTD, accounting for 2.43% of our net profit. In addition to actively sponsoring overseas artistic and cultural performance groups and world-class exhibitions for their visits to Taiwan as well as Taiwanese athletes competing abroad, we also supported the Taipei 2017 Universiade. In collaboration with relevant organizations to promote Taiwan's tourism abroad, we aim to let the world see Taiwan.

Looking forward to 2018, we will continue to uphold our corporate philosophy of "challenge, innovation, teamwork" in combination with social trends to keep abreast of the times. We hope to achieve greater results and fulfill our corporate social responsibility.

Bou-Shiu Lin
Chairman, EVA Air

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Chia-Ming Sun
President, EVA Air

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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 5th CSR report on disclosing our results regarding sustainable management for 2017, 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 the core of GRI G4 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), Environmental Management System (ISO 14001), Energy Management System (ISO 50001), Occupational Health and Safety Assessment Series (OHSAS 18001) 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 inside the organization (EVA Air and subsidiaries) and outside the organization (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 2017 (from January 1, 2017 to December 31, 2017) 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 within the organization and value chains outside the organization, 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

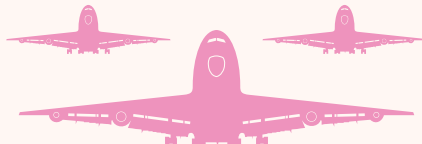


Contact Information

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

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Chapter Highlights

 World's Top 20 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 7 consecutive times with “zero findings” and was the first airline to pass the certification in Taiwan.	 Civil Aeronautics Administration- Golden Wing Award Won “2016 Golden Wing Award in the category of International and Cross-strait Airlines” (announced in 2017)	 5-STAR AIRLINE The highest honor, SKYTRAX 5-STAR AIRLINE, and 13 major awards The prestigious air transport rating organization SKYTRAX ranked EVA Air 6th place in the World’ s Top t10 Airlines. EVA Air also won 13 other major awards, including: 1st place in the Best Business Class Comfort Amenities, 1st place in the World’ s Cleanest Aircraft Cabins, 2nd place in the World’ s Best Airport Services, 3rd place in the World’ s Best Cabin Staff, 4th place in the Best Airlines in Asia, 5th place in the Best Airline Staff in Asia, 7th place in the Best Business Class Airline Seats, 7th place in the Best Economy Class Airline Seats, 8th place in the Best Premium Economy Class Airline Catering, 10th place in the Best Economy Class Airline Catering, 9th place in the World’ s Best Economy Class Airlines, and 10th place in the World’ s Best Business Class Airlines.
	 BEST SERVICES Won Next Magazine’s 14th “Top Service Award”	The WORLD’S BEST International Airlines EVA Air is named one of “The World’ s Best International Airlines” by Travel + Leisure, The US-renowned travel magazine. 	
 4th in “Top 100 Most Desirable Employees of New Generation” of 2017 Ranked 4th by the employment magazine, Cheers, in “Top 100 Most Attractive Employer” of 2017 and 1st in the category of transportation			
 Gold Medal for Best Business Class Sparkling Wine Gold Medal for Best Business Class Sparkling Wine Won the Gold Medal for the World’ s Best Business Class Sparkling Wine selected by The Business Traveller Cellars in the Sky 2017. Business Traveller is a world-renowned travel magazine.	 7-STAR SAFEST According to the safety ratings published in 2017 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.		Taiwan Corporate Sustainability Award In 2017, our corporate sustainability report won the Taiwan Corporate Sustainability Award given by the Taiwan Institute for Sustainable Energy, and was ranked first in the category of transportation among “Top 50 Corporate Sustainability Report Awards” and “Social Inclusion Award” in the category of service industry for Best Performance of Specific Category.
One of Top 10 Airlines in Asia and Best Airline in Taiwan Selected as one of the “Top 10 Major Airlines in Asia Pacific” and “Best Airline in Taiwan” by the world’s biggest travel website, TripAdvisor. EVA Air is the only airline in Taiwan to have won these awards.			 Sport Sponsorship Golden Quality Award EVA Air was granted the top official sport sponsorship golden quality award by the Sports Administration, Ministry of Education for our sponsorship of the Taipei 2017 Universiade.
12 of the best aircraft liveries in 2017 Selected as one of “The World’ s Best Airplane Liveries in 2017” by CNN, a prestigious US-based cable television news channel	 Second Place in Airlines Won the 2nd place in Golden Service Awards 2017 in Airline category of Commonwealth Magazine.	 “Best Airlines in North Asia”: Second Place “Best Airport Staff/Gate Agents”: Second Place Won the 2nd place in both “Best Airlines in North Asia” and “Best Airport Staff/Gate Agents” ranked by Global Traveler, the US-renowned travel magazine	

Sustainable Value Creation

About EVA Air YouTube

Since its establishment 29 years ago, EVA Air has upheld its corporate principles of “Challenge, Innovation and Teamwork”, insisting on rigorous flight safety and service quality. 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 2018, EVA Air has established 109 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 18,400 flights every day to 1,330 destinations in 191 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 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 2017 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.

EVA Air’s Core Values



Global Air Route Distribution



America	Europe	Asia			Oceania
<u>Canada</u> Vancouver、Toronto	<u>Austria</u> Vienna	<u>Japan</u> Fukuoka、Osaka、Sendai、Tokyo: Narita & Haneda Airports、Sapporo、Hakodate、Asahikawa、Komatsu、Okinawa	<u>China</u> Beijing、Shanghai: Pudong & Hongqiao Airports、Guangzhou、Hangzhou、Tianjin、Ningbo、Chengdu、Jinan、Zhengzhou、Chongqing、Harbin、Guilin、Huangshan、Hohhot、Shenzhen、Taiyuan		<u>Australia</u> Brisbane
<u>U.S.A.</u> Anchorage、Atlanta、Chicago、Dallas Fort Worth、Houston、Los Angeles、New York、San Francisco、Seattle	<u>France</u> Paris	<u>Taiwan, R.O.C</u> Taipei: Taoyuan & Songshan Airports、Taichung、Kaohsiung	<u>Korea</u> Seoul: Incheon & Gimpo Airports		
	<u>Netherlands</u> Amsterdam	<u>Philippines</u> Manila、Cebu	<u>Cambodia</u> Phnom Penh	<u>Macau</u> Macau	
	<u>U.K.</u> London	<u>Singapore</u> Singapore	<u>Hong Kong</u> Hong Kong	<u>Thailand</u> Bangkok	
		<u>Malaysia</u> Kuala Lumpur、Penang	<u>Indonesia</u> Jakarta、Bali	<u>Vietnam</u> Ho Chi Minh City、Hanoi	

Note 1: Data updated as of April 2018
Note 2: Destinations marked with red dots (•) provide freighter services only.

Aircraft Model	Number of Aircraft
777-300ER	34
A330-300	9
A330-200	3
A321-200	24
ATR72-600	2
Average Age of Passenger Aircraft	4.16 years
747-400F (Freighter)	5
777F (Freighter)	1
Average Age of Freighters	15.9 years
Total Number of the Fleet	78
Average Age of the Fleet	5.06 years

Note 1: The number of fleet as of December 31, 2017.

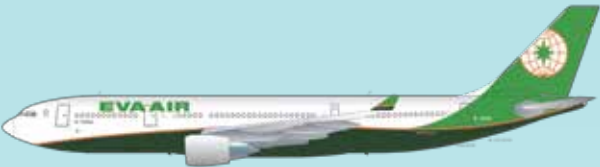
Note 2: EVA Air added a total of 12 new aircraft in 2017 (7 x Boeing 777-300ER, 4 x Airbus A330-300 and 1 x Boeing 777F). To deal with the opening of new destinations in the future and fleet renewal, 24 brand new Boeing 787 Dreamliners will be introduced from 2018. In addition, four more Boeing 777Fs will be introduced from 2018 to respond to the demands of airfreight.



777-300ER



A330-300



A330-200



A321-200



ATR72-600



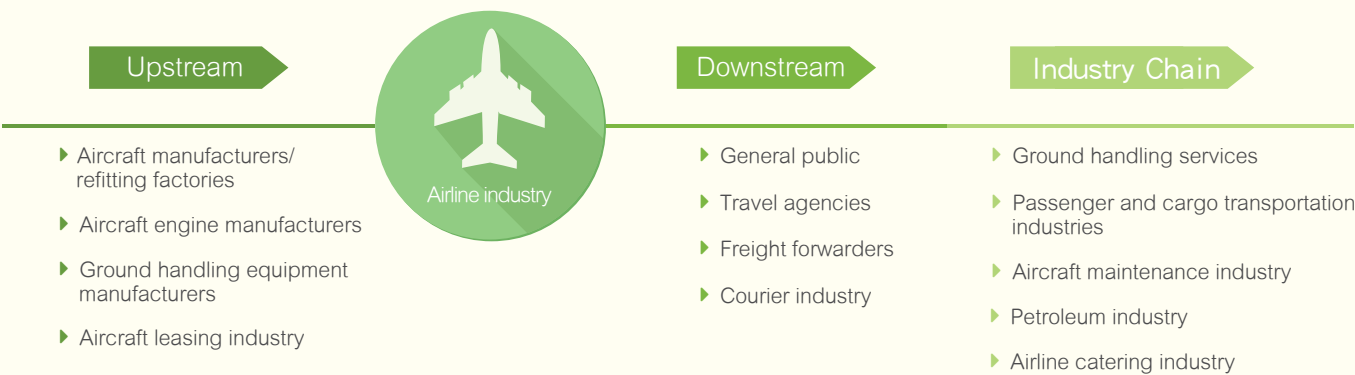
747-400F



777F

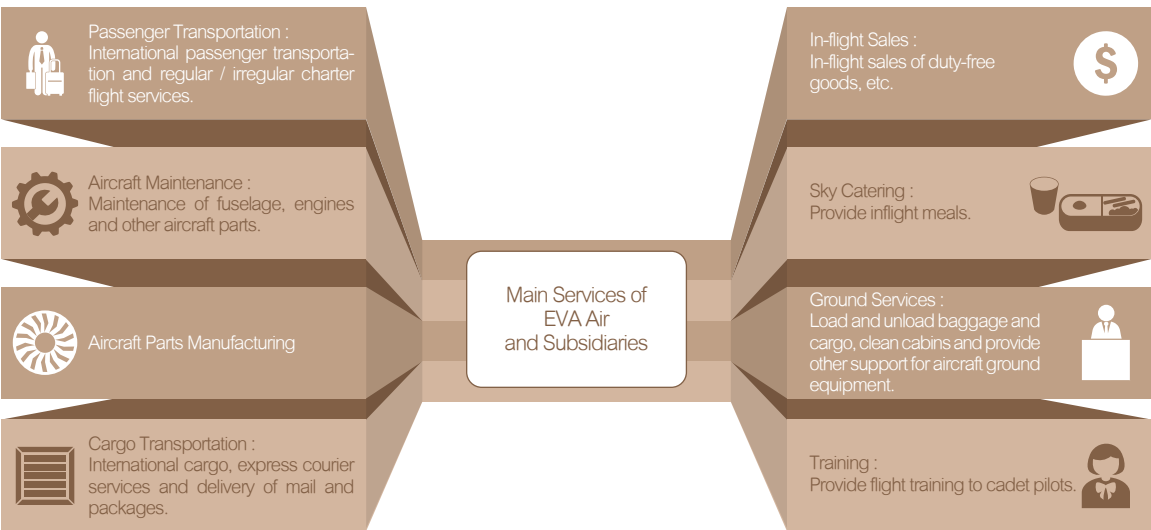
EVA Air Value Chain

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.



Company Name	Shareholding ratio
Evergreen Aviation Technologies Corp.	80%
Evergreen Airline Services Corp.	56.33%
Evergreen Sky Catering Corp.	49.8%
Evergreen Air Cargo Services Corp.	60.625%
Evergreen Aviation Precision Corp.	40%
Hsiang-Li Investment Corp.	100%
Sky Castle Investment Ltd.	100%
Evergreen Airways Service (Macau) Ltd.	99%
RTW Air Services (S) Pte. Ltd.	49%
PT Perdana Andalan Air Service	51%
EVA Flight Training Academy	100%

Main Services of EVA Air and Subsidiaries

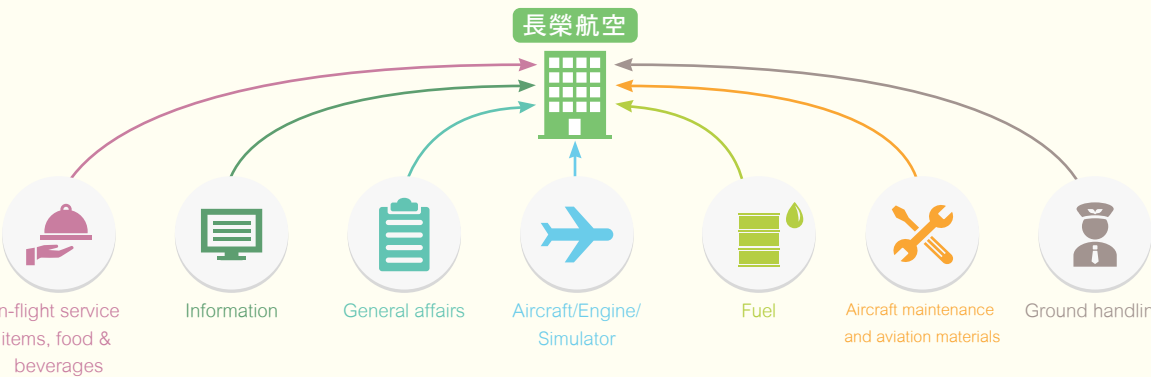


Sustainable Procurement Management

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



2017 EVA Air Procurement Percentages by Categories

Procurement Category	Percentage of Amount
 Aviation Fuel	37%
 Aircraft/Engine/Simulator	33%
 Aircraft maintenance and aviation materials	10%
 In-flight service items, food & beverages	8%
 Ground handling	7%
 Information	4%
 General affairs	1%

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

Percentage of Amount on Local Procurement

Procurement categories	2014 Procurement %	2015 Procurement %	2016 Procurement %	2017 Procurement %
Domestic	32%	27%	31%	29%
Foreign	68%	73%	69%	71%

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.

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.

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 Occupational Health and Safety Management System
Social Impact	SA8000 CSR Management System

Number of New Suppliers Inspected by Sustainability Criteria

2015	2016	2017
135	107	172

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

- 1 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.
- 3 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.
- 5 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.
- 6 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.
- 7 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.

In 2015, the five companies under EVA Air: UNI Air, Evergreen Aviation Technologies Corp., Evergreen Airline Services Corp., Evergreen Sky Catering Corporation and Evergreen Air Cargo Service Corp. took the lead to sign the "EVA Air Supplier Partnership Social Responsibility Policy for Sustainable Development: Letter of Commitment." From January to June in 2016, the procurement department also sent the Letter of Commitment to over 400 existing suppliers in Taiwan for them to sign. From August 2016 to December 2017, the Letter of Commitment was sent to over 600 existing suppliers abroad for their signatures. It's a continuing endeavor! In 2017, we carried out the CSR awareness training for Supply Chain Sub-committee members, in which the training on the relevant CSR contents in the Procurement Procedure amendments was implemented and the selection mechanisms of suppliers were reviewed, so as to amend necessary and reference conditions. To strengthen the sustainability risk management of the supply chain, EVA Air plans to conduct a self-evaluation survey at the end of 2018 on the suppliers' CSR (environment, labor conditions, human rights, social impact).

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

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

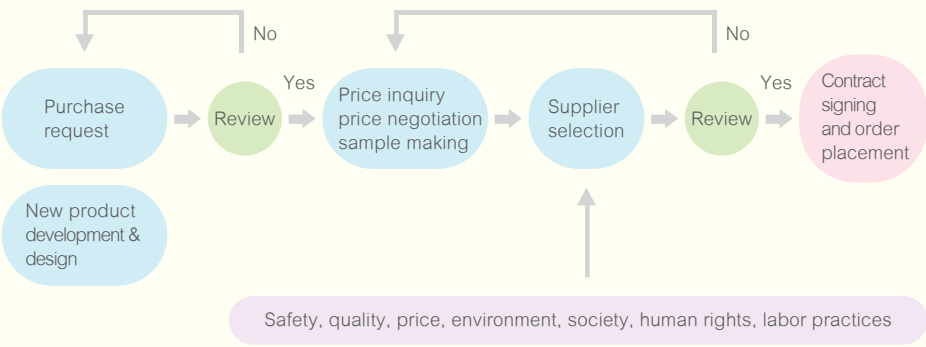
EVA Air Procurement Guidelines

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



Sustainability Performance and Results

EVA Air Past Sustainability Performance

	2015	2016	2017
Overall Performance			
Operating revenue (in thousands NTD)	Parent-Company-Only 115,892,656 Consolidated 137,168,544	Parent-Company-Only 115,495,819 Consolidated 144,679,665	Parent-Company-Only 125,314,160 Consolidated 163,561,731
Gross margin (%)	Parent-Company-Only 14.97% Consolidated 14.76%	Parent-Company-Only 13.75% Consolidated 13.19%	Parent-Company-Only 13.93% Consolidated 12.96%
Consolidated total assets (in thousands NTD)	195,406,312	217,663,404	228,207,228
Passenger Transport Services			
Number of Passengers	10,064,855	11,243,505	12,129,059
Growth Rate of Passengers (%)	13.06%	11.71%	7.88%
Passenger Revenue (in thousands NTD)	81,871,572	85,862,878	92,437,502
Growth Rate of Passenger Revenue (%)	5.02%	4.88%	7.66%
Customer Satisfaction with Passenger Service	4.32	4.36	4.39
Growth Rate of Membership (%)	6.70%	7.17%	6.04%
Growth Rate of Passengers with Membership (%)	11.68%	7.28%	6.51%

	2015	2016	2017
Cargo Services			
Cargo Volume (ton)	622,150	610,993	642,709
Growth Rate of Cargo Volume (%)	-9.08%	-1.79%	5.19%
Cargo Revenue (in thousands NTD)	26,093,053	22,207,130	24,841,078
Growth Rate of Cargo Revenue (%)	-16.52%	-14.89%	11.86%
Customer Satisfaction of Cargo Services	4.40	4.34	4.39
Cold Chain Service Points	18	28	28
Electronic Services			
No. of EVA Mobile App downloads	169,513	306,567	425,432
No. of times EVA Mobile App is used	5,137,694	8,572,089	19,876,726
No. of EVA Sky Shop App downloads	33,217	86,268	45,020
No. of times EVA Sky Shop App is used	5,124	7,372	11,346
No. of EVA Air Home Delivery Shopping App downloads	17,520	17,317	14,667
No. of times EVA Air Home Delivery Shopping App is used	1,592	1,967	2,092
No. of visits for cargo tracking service	3,725,765	4,394,541	5,320,681
No. of EVA Cargo App downloads	1,297	2,793	4,966
No. of times EVA Cargo App is used	87,251	100,582	102,756

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 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.

	2016	2017
Aviation Fuel Efficiency	16 Actions	16 Actions
Amount of Aviation Fuel Reduction Due to Fuel Efficiency Measures	17,017 ton	18,868.2 ton
Aviation Fuel Efficiency Measures Reduces CO ₂ Emissions	53,603 ton CO ₂ e	59,435 ton CO ₂ e
Ground Operations Energy-saving Actions	339,6004 kWh	204,334 kWh
Ground Operations Energy-saving Actions Reduce CO ₂ Emissions	179.3 ton CO ₂ e	108.1 ton CO ₂ e
Total Water recycled	4,600 ton	1,825 ton
Waste Minimization	10 Actions	10 Actions
Total Weight of Recycled waste	142,131.1 kg	71,184.8 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 2017, EVA Air was ranked 4th in the “Top 100 Most Attractive Employer” by Cheers magazine and 1st in the transportation service industry category.
- ▶ EVA Air is the first airline in Taiwan to have been certified as a 5-star airline by SKYTRAX.
- ▶ In 2017, 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 to over 140 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 four tourism promotional events overseas and sponsoring local governments to hold five local featured tours so that more people can see the beauty of Taiwan.
- ▶ EVA Air continues to improve service quality and upgrade aircraft hardware. To make good use of the worn-out cabin seats, we donated 97 sets of economy cabin seats (194 seats) to universities in Taiwan for teaching purposes in 2017. Through the simulated aircraft environment, students are able to learn about professional aviation practices.

Sustainable Strategy and Management Policy

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.

Care and Dedication, Contributions : promoting social welfare

Help underprivileged groups, fit in the lives of community residents, sponsor public welfare activities and actively contribute to society.

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.

Service Innovation : exceeding customers’ expectations

Offer innovative services, enhance brand value and touch the customers’ hearts with the “attentive, sincere, enthusiastic” service spirit.

Fair Trade : saying no to corruption and bribery

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

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 environment.

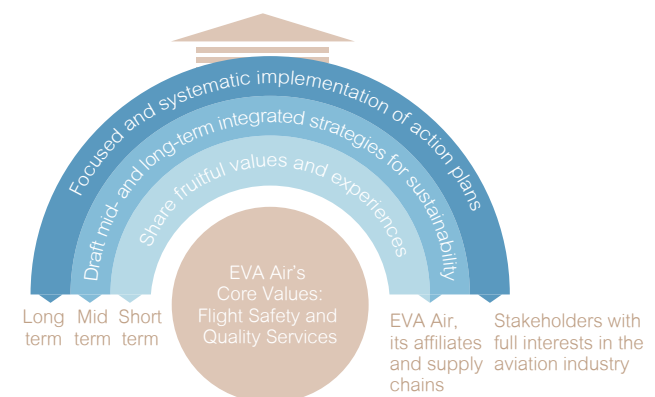
EVA Air’s sustainable development framework centers on our core value “flight safety, quality service.” Based on this core value, we have developed short-, mid-, and long-term strategies. The short-term strategy is to share results, values, and experiences with our subsidiaries and suppliers, based on 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

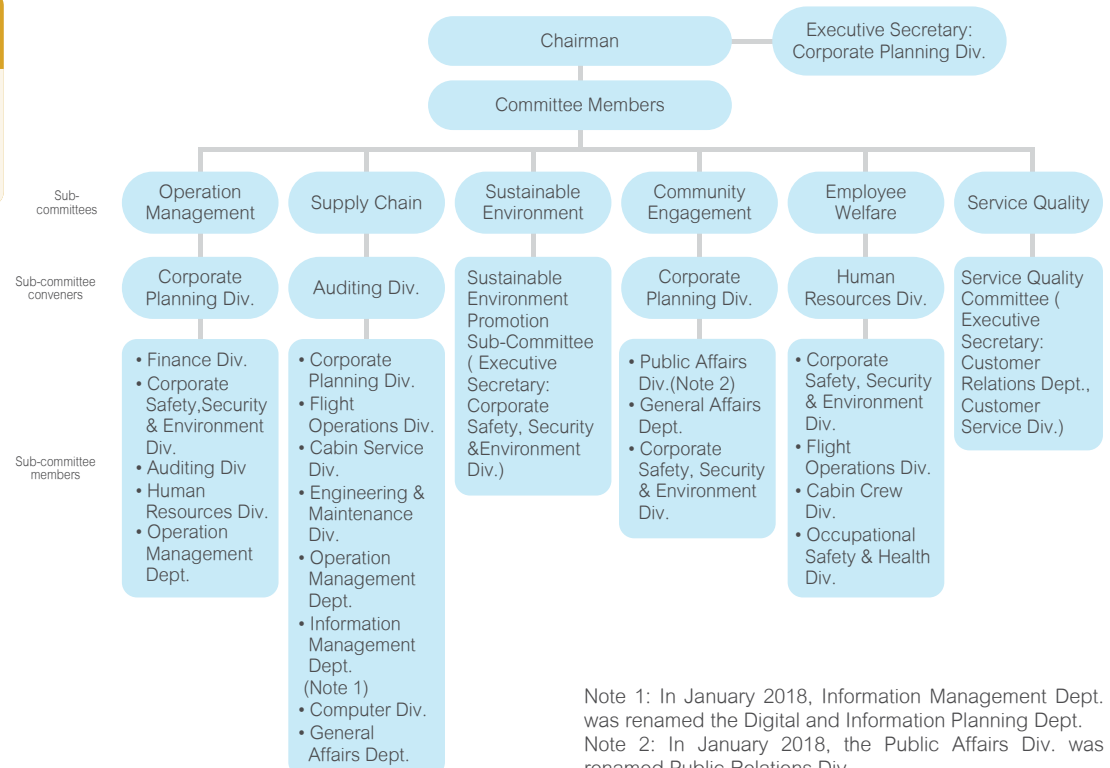
Realizing the importance of corporate social responsibility, EVA Air especially established the “Corporate Social Responsibility Committee” (the “CSR Committee”) in order to ingrain the philosophy of sustainable governance and effectively implement various sustainability-related actions. The President 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 six 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



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.

Implementation Results of the CSR Committee in the Previous Years

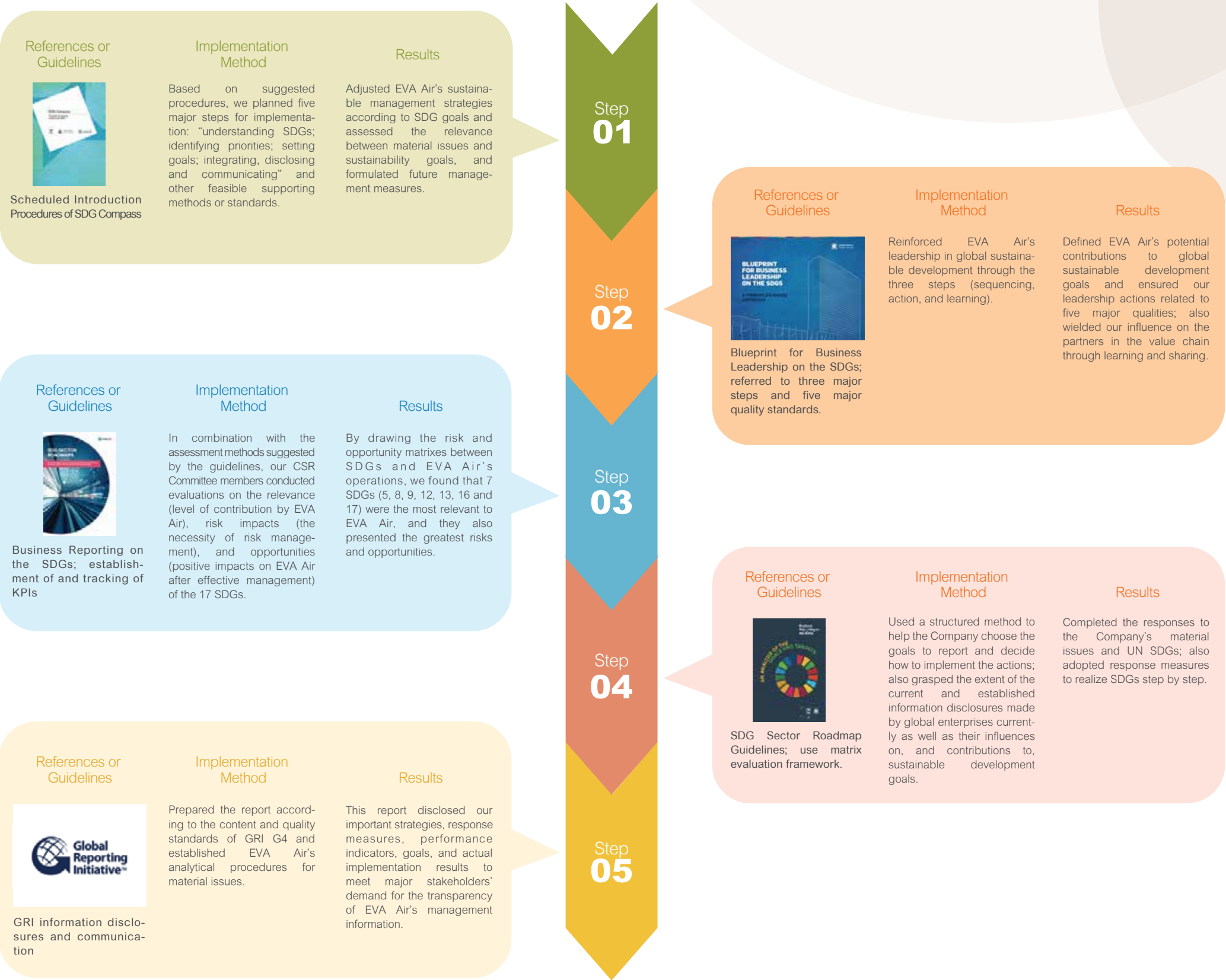
	2016 Implementation Results	2017 Objectives	2017 Implementation Results	2018 Objectives
Operation Management Sub Committee	- Preparation for the establishment of the Audit Committee. - Preparation for holding the Investor Conference.	- Establish the Audit Committee. - Hold the Investor Conference to communicate with the investors.	- The Audit Committee was established on June 26, 2017. - The Investor Conference was held on April 14, 2017 to communicate with the investors.	- Hold the Investor Conference to communicate with the investors. - Execute performance evaluation of the Directors.
Supply Chain Sub Committee	- Continue the signing of the Chinese "Letter of Commitment". - The signing of the English "Letter of Commitment" began August 1, 2016.	- Continue the signing of the Chinese and English "Letter of Commitment". - Formulate self-evaluation questionnaires on suppliers' corporate social responsibility (environment, labor conditions, human rights, and social impact)	- Continue the signing of the Chinese and English "Letter of Commitment". - Completed CSR awareness training for procurement staff. - Reviewed supplier selection mechanisms and amended necessary and reference conditions.	- 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.
Service Quality Sub Committee	- Customer satisfaction with our passenger has increased and met the quality target value in 2016. - Cargo management has been improved and flight operation negligence has been reduced.	- Continue to plan the promotion of the passenger service quality. - Plan innovative and convenient services.	- 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.	- 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.
Sustainable Environment Promotion Sub-Committee	Completed the information collection about energy, emissions, wastewater, waste and transportation and control them according to the management systems.	- Complete the self-inspection of greenhouse gas emissions related to ISO 14064-1 standard and pass the third-party verification. - Comply with ICAO's regulations to accord with the CO2 reduction and offsetting commitments based on the Paris Agreement.	- 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 the third party. - Established EVA Air Green Travel-Carbon Offset Project, providing passengers with the opportunities to travel with zero carbon footprint.	- 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 system and ISO 50001 energy management system.
Employee Welfare Sub Committee	- The seminar on promoting the amended articles of the Personal Information Protection Act has been held. The seminar on Information Security is scheduled to take place during the EVA Safety Week. - The seminar on gender equality is scheduled to take place during the EVA Safety Week.	Improve labor communication, provide multiple channels to listen to the employees' opinions and create smooth communication channels to maintain good labor interactions.	- 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.	- 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 their 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.
Community Engagement Sub Committee	- The artistic and cultural performances, and sponsoring of local tourism promotion activities have been successfully completed. - The sponsoring of athletes achieved great results in competitions abroad.	- Continue to sponsor artistic and cultural performances, sports events and athletes. - Continue to work with local governments to promote local tourism in Taiwan and to the whole world. - Continue the academia-industry collaborations with National Cheng Kung University to help nurture aviation talents.	- 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.	- 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

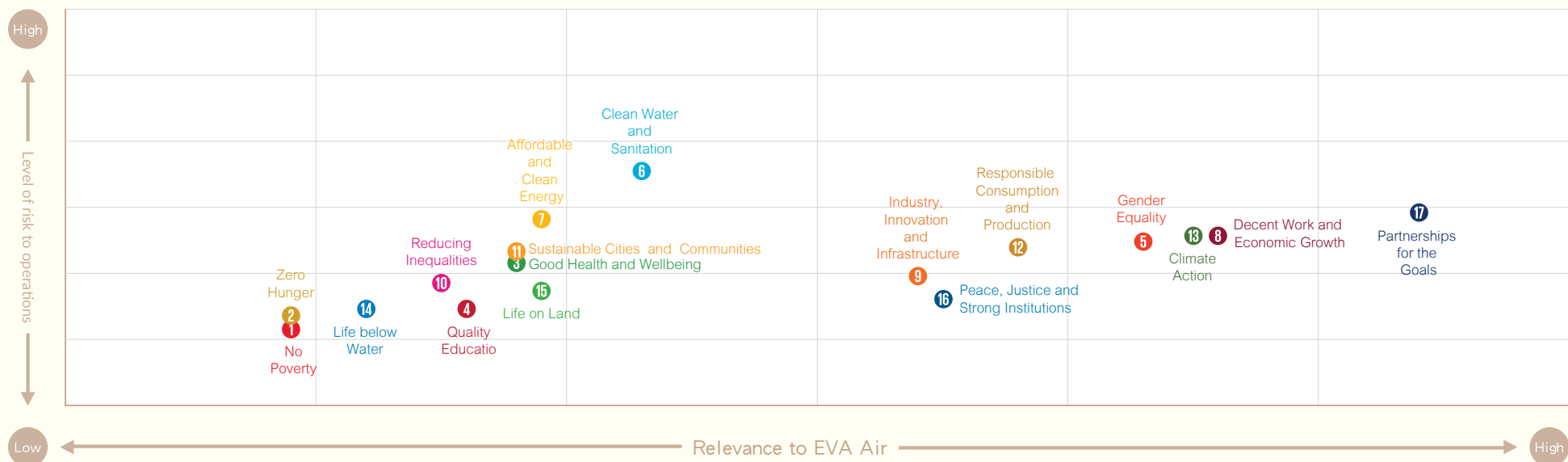
Operation Management Sub Committee Short-, Mid- and Long-term » Hold the Investor Conference to communicate with the investors. » Continue to strengthen corporate governance structure and system. » Execute mid- and long-term plans for the passenger and cargo aircraft fleets.	Service Quality Sub Committee 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 Long-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 with 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 environment risks.	Employee Welfare Sub Committee Short-term » Arrange job transfers according to the career aptitude of each employee so that the right person will be doing the right job. To promote harmonious labor-management relationships, the Employee Relations Team is established to provide multiple communication channels for listening to employees' opinions to allow accessible communication channels and maintain good labor-management interactions. » Continue to communicate and negotiate with all unions in the hope of establishing good labor-management relations; strive to create a win-win scenario for both labor and management and aim to fight for all kinds of rights for our workers. Mid- and Long-term » Create various smooth communication channels and expand employee participation to facilitate harmonious labor relations. » Improve the pay and welfare system to actively attract talents to stay with the Company. » Continue to hold expertise trainings and provide work rotation based on job competence to realize 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. » Construct a safe, healthy work environment and care for the employees and their families to create a happy enterprise jointly.	Community Engagement Sub Committee Short-term » 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.
Supply Chain Sub Committee Short-term » Build CSR awareness training for procurement staff. » Review the mechanisms for selecting suppliers (establish necessary and reference conditions). Mid- and Long-term » Establish the categories and hierarchical regulations for suppliers and build a database on key and general suppliers. » Research and devise the CSR self-inspections for suppliers.				

Major Issues and UN Sustainable Development Goals (SDGs)

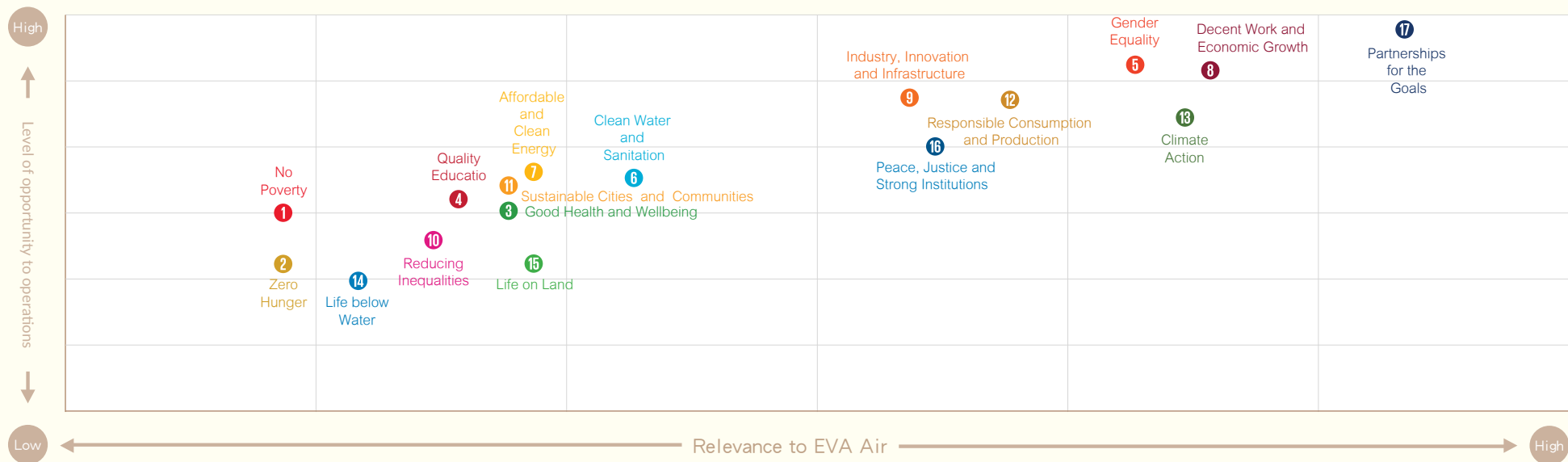
The birth of SDGs indicates that global sustainable development can only be realized through corporations' efforts and joint cooperation mechanisms. EVA Air pursues sustainable development not just in terms of our own operating performances, but we also hope to connect GRI's disclosures, corporate development 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.



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



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



	Aspect	corresponding to 17 SDGs	EVA Air's Response Measures						Location of Disclosed Chapters	Heading	Page
			Conduct risk assessment	Formulate management policies	Set performance indicators	Set goals	Monitor records	Implement action plans			
Economic	Economic Performance	 Decent Work and Economic Growth	✓	✓	✓	✓	✓	✓	6-3	Operating Performance	93
	Market Presence	 Gender Equality  Decent Work and Economic Growth		✓					3-1	Appointment and Retention of Talents	49
	Indirect Economic Impacts	 Good Health and Well-Being for People		✓					5-2 5-3	Charitable Contribution Giving Back to Local Communities	83 84
	Procurement Practices	 Responsible Consumption and Production	✓	✓			✓	✓	-	Sustainable Procurement Management	10
Environmental	Energy	 Climate Action	✓	✓	✓	✓	✓	✓	4-1	Environment and Climate Change Managemen	73
	Emissions	 Climate Action	✓	✓			✓	✓	4-1	Environment and Climate Change Managemen	73
	Wastewater and Waste	 Responsible Consumption and Production						✓	4-2	Energy and Resource Management	76
	Products and Services	 Responsible Consumption and Production		✓			✓	✓	2-2	Innovative Services	36
	Compliance	 Peace, Justice and Strong Institutions	✓	✓	✓	✓	✓	✓	4-2	Energy and Resource Management	76
	Suppliers Environmental Assessment	 Partnerships for the Goals	✓	✓			✓	✓	-	Sustainable Procurement Management	10
	Environmental Grievance Mechanism	-					✓		4-2	Energy and Resource Management	76
Social-Human Rights	Labor/Management Relationship	 Gender Equality  Decent Work and Economic Growth		✓					3-1	Appointment and Retention of Talents	49
	Occupational Health and Safety	 Good Health and Well-Being for People  Decent Work and Economic Growth	✓	✓	✓	✓	✓	✓	3-3	Workplace Safety	63
	Training and Education	 Quality Education  Gender Equality  Decent Work and Economic Growth		✓		✓		✓	3-2	Employee Education and Training	60
	Diversity and Equal Opportunities	 Gender Equality  Decent Work and Economic Growth		✓					3-1	Appointment and Retention of Talents	49
	Remuneration for Women and Men	 Decent Work and Economic Growth		✓	✓				3-1	Appointment and Retention of Talents	49
	Supplier Assessment for Labor Practices	 Partnerships for the Goals	✓	✓			✓	✓	-	Sustainable Procurement Management	10
	Labor Practices Grievance Mechanism	 Decent Work and Economic Growth		✓					3-1	Appointment and Retention of Talents	49

	Aspect	corresponding to 17 SDGs	EVA Air's Response Measures						Disclosed Chapters	Heading	Page
			Conduct risk assessment	Formulate management policies	Set performance indicators	Set goals	Monitor records	Implement action plans			
Social-Human Rights	Freedom of association and collective bargaining	 Decent Work and Economic Growth		✓					3-1	Appointment and Retention of Talents	49
	Child Labor	 Decent Work and Economic Growth	✓			✓			3-1	Appointment and Retention of Talents	49
	Forced and Compulsory Labor	 Decent Work and Economic Growth		✓			✓		3-1	Appointment and Retention of Talents	49
	Supplier Human Rights Assessment	 Partnerships for the Goals	✓	✓			✓		-	Sustainable Procurement Management	10
	Human Rights Grievance Mechanism	 Decent Work and Economic Growth		✓					3-1	Appointment and Retention of Talents	49
Social -Social	Local communities	 No Poverty							5-3	Giving Back to Local Communities	84
	Anti-corruption	 Peace, Justice and Strong Institutions	✓	✓		✓	✓	✓	6-2	Ethical Management	90
	Public Policies	 Peace, Justice and Strong Institutions							-	No such incident	-
	Anti-competitive Behavior	 Peace, Justice and Strong Institutions	✓	✓					6-2	Ethical Management	90
	Compliance	 Peace, Justice and Strong Institutions	✓	✓			✓	✓	6-2	Ethical Management	90
	Supplier Assessment for Impacts on Society	 Peace, Justice and Strong Institutions	✓	✓			✓	✓	-	Sustainable Procurement Management	10
	Grievance Mechanism for Impacts on Society	-	✓				✓	✓	7-2	Identification of Stakeholders and Engagement with Stakeholders	96
Social-Product Responsibility	Health and Safety of Customers	 Peace, Justice and Strong Institutions	✓	✓	✓	✓	✓	✓	1-1	EVA Air Safety ManagementSystem	23
	Product and Service Labeling	 Responsible Consumption and Production	✓	✓	✓	✓	✓	✓	2-2 2-3 2-4	Innovative Services Customer Relationship Cargo Service	36 43 44
	Marketing and Communication	 Responsible Consumption and Production	✓	✓			✓	✓	6-2	Ethical Management	90
	Consumer Privacy	 Peace, Justice and Strong Institutions	✓	✓			✓	✓	2-3	Customer Relationship	43
	Compliance	 Peace, Justice and Strong Institutions	✓	✓	✓	✓	✓		6-2	Ethical Management	90

Participation in International Sustainability Initiative – 2017

Organization name		Managing Unit	Functions	Participating members	Description
	International Air Transport Association (IATA)			●	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.
	Association of Asia Pacific Airlines (AAPA)			●	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 Foundation, FSF	Board of Governors International Advisory Committee and ICARUS (Think Tank) Committee member	Assists in Devising Agenda of Flight Safety Annual Meeting	●	EFSF holds various kinds of flight safety seminars and releases the latest flight safety information.
	Star Alliance	Alliance Management Board (AMB) Member	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.	●	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
	International Society of Air Safety Investigators (ISASI)		Information Exchange		Exchanges of information on event investigation, so as to take preventive measures.
	Taipei Airlines Association (TAA)	Chairperson*		●	• 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
	Flight Safety Foundation-Taiwan	Board Member	Assist the Aviation Safety Information Committee, Bird Strike Prevention Taskforce and Educational Training Committee	●	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.
	Center for Corporate 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

01.

FLIGHT SAFETY

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 flight 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.





Chapter Highlights



WORLD'S TOP 20 SAFEST AIRLINES

Ranked 15th in the World's Top 20 Safest Airlines announced by the Jet Airliner Crash Data Evaluation Centre (JACDEC) in 2017.



7-STAR SAFEST

According to the safety ratings published in 2017 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 7 consecutive times with "zero findings" and was the first airline to pass the certification in Taiwan.

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.



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!



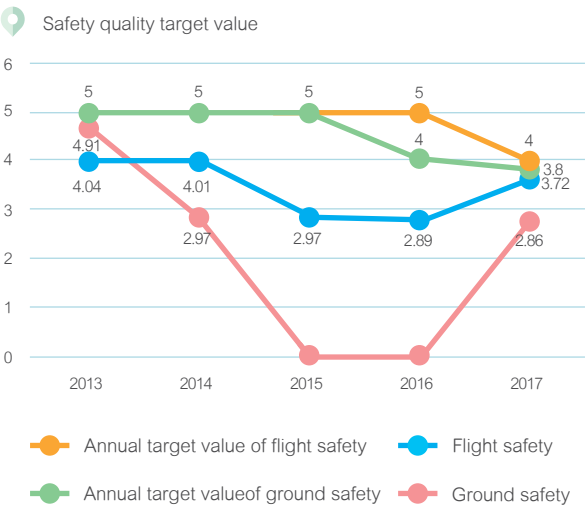
EVA Air's Safety Commitment to Customers



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 2017, in order to achieve a higher safety quality standard, the safety performance target (occurrence rate) was lowered, which proved EVA Air's determination in actively and continuously promoting safety risk management.

EVA Air's Safety Quality Objectives & Actual Values

SPI (Safety Performance Indicators)	2017 target	2017 result	Achievement rate	2017 target
Flight safety: occurrence rate of irregular flight event for every one million flight hours accumulated over ten years.	≤4.0 cases	3.72	100%	≤4 cases
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	2.86	100%	≤3.8 cases



Note 1 : Definition of EVA Air's annual target value of safety quality
Target value of flight safety quality: occurrence rate of irregular flight event for every one million flight hours ≤ 4 cases.
Target value of ground safety quality: 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 quality for the current year:

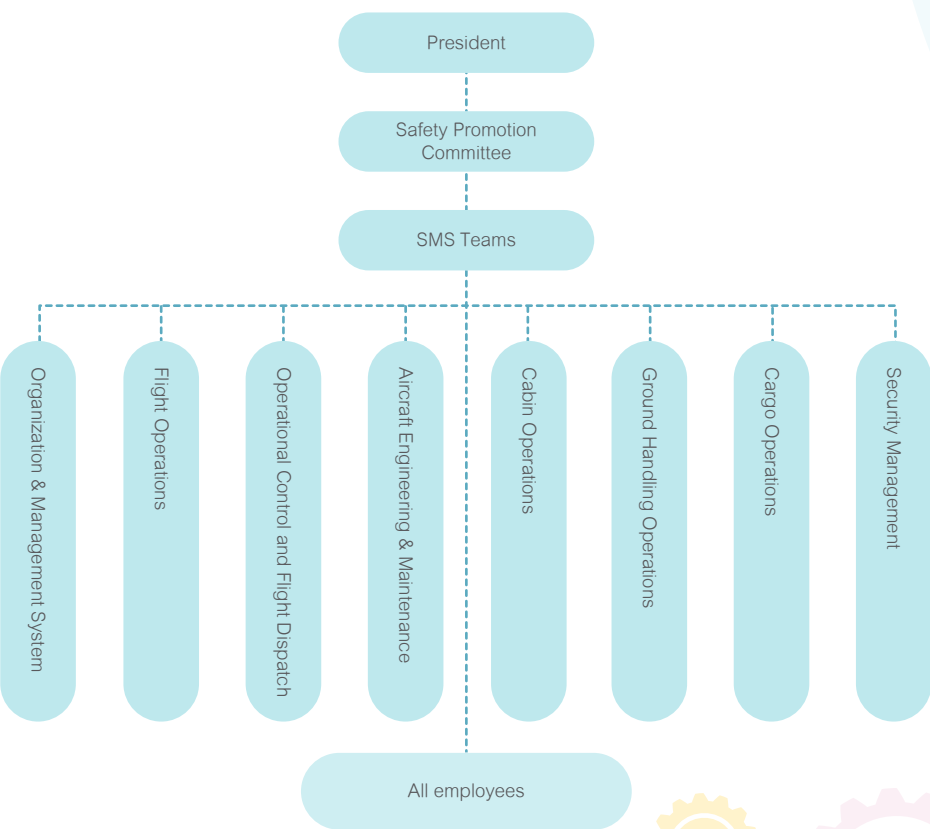
Occurrence rate of irregular flight event = $\frac{\text{No. of incidents (accumulated over last 10 years)}}{\text{one million flight hours (accumulated over last 10 years)}}$ ≤ 4 (cases/one million flight hours)

Occurrence rate of aircraft suspension for repair of damage resulting from improper ground operation or equipment failure = $\frac{\text{No. of incidents (for last 100,000 landing cycles)}}{\text{every 100,000 landing cycles}}$ ≤ 3.8 (cases/ every 100,000 landing cycles)

1-1-2 Safety Organization

In order to ensure a complete flight safety management system and establish a comprehensive safety organization, EVA Air has set up the Safety Promotion Committee (SPC), which reports directly to the President and serves as the highest decision-making and supervisory unit of flight safety. By establishing a comprehensive safety framework, strengthening the organizational functions and safety awareness, and upholding top management's declaration on safety policies as the uppermost guideline, EVA Air continuously strives for the goal of "zero accidents".

Safety Promotion Committee Organizational Chart



The Committee integrates the Safety Management System (SMS) teams, 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 2017, the Safety Promotion Committee (SPC), Safety Coordination Meeting (SCM) and SMS team convened 16 meetings, where 2 improvement plans were passed for SPC, 28 for SCM and 25 for SMS. The improvement measures target three major categories comprising flight operation, cabin and maintenance, 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.

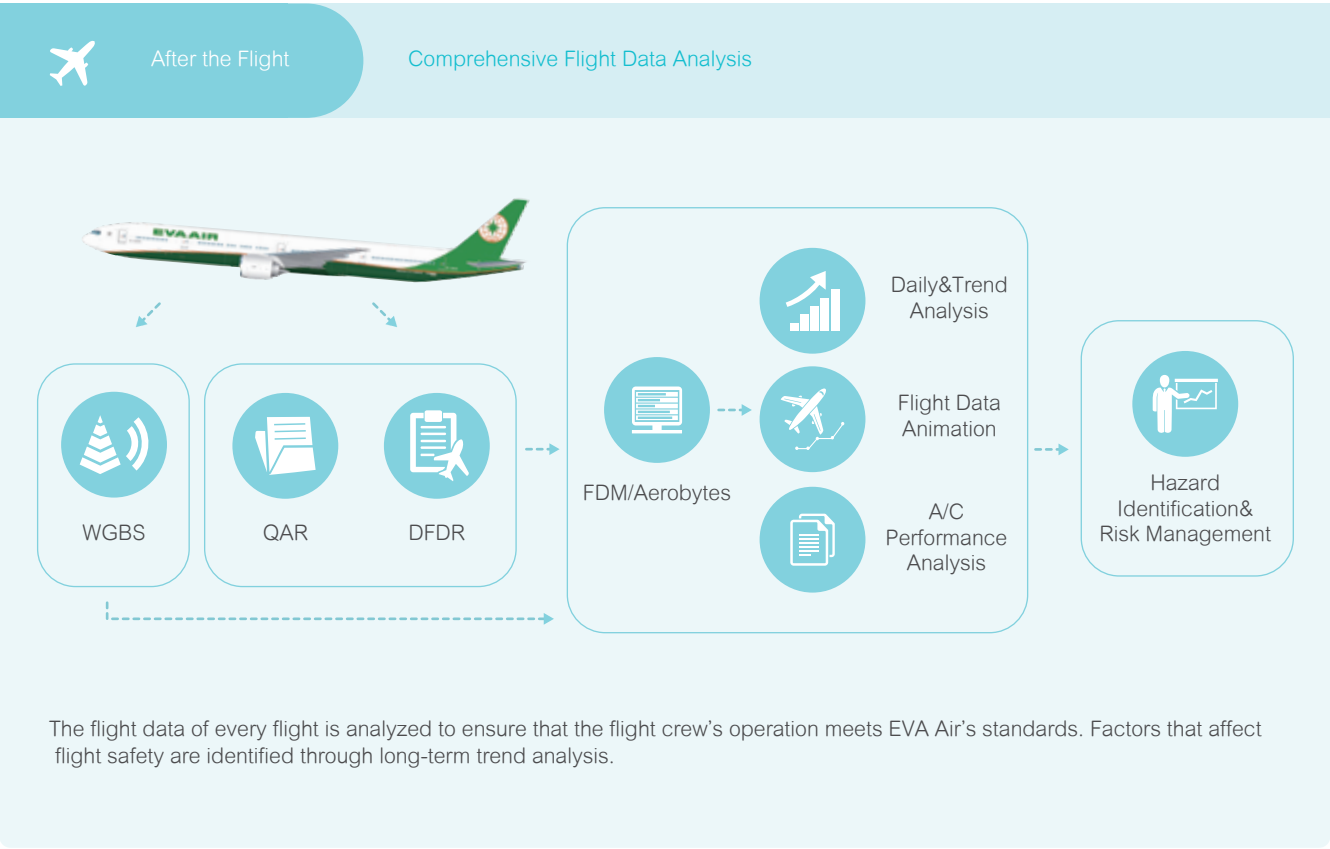
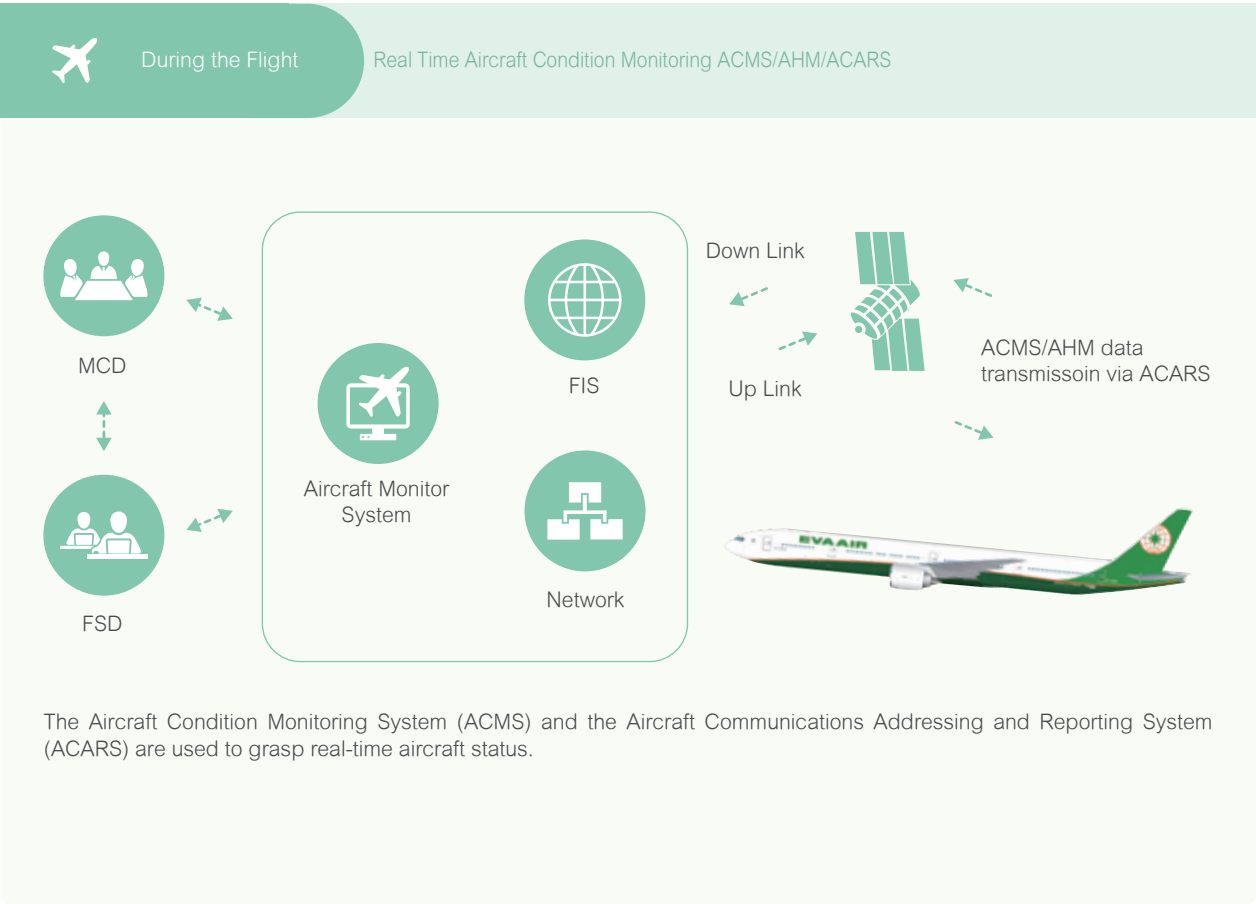
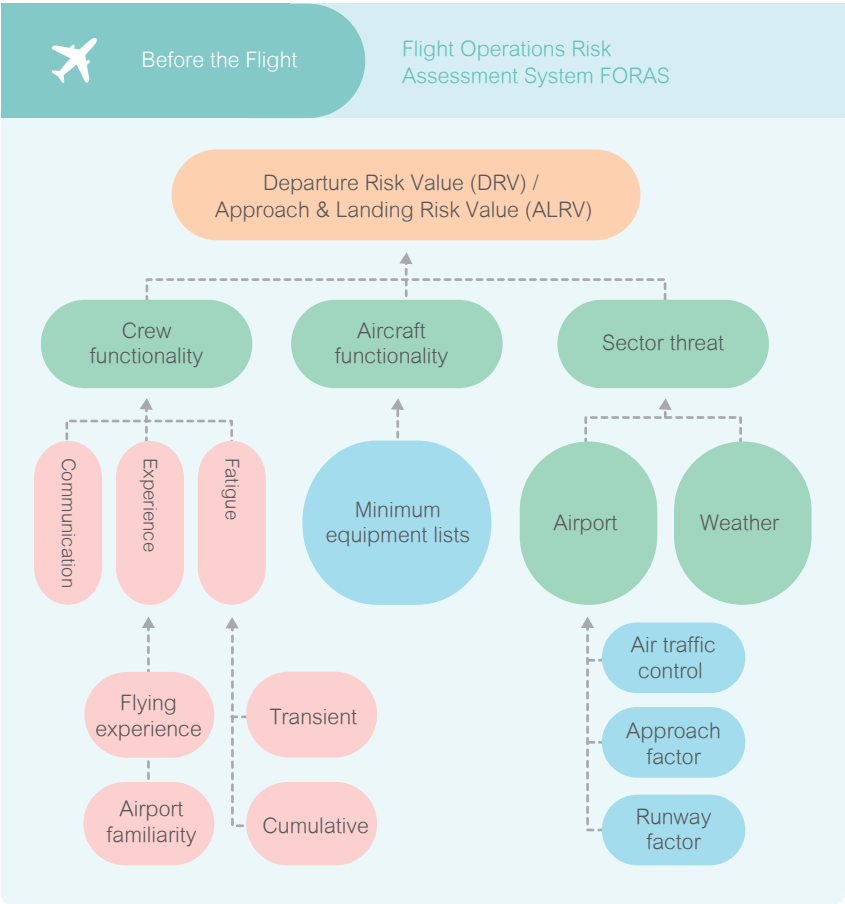


1-1-4 Safety Risk Management Measures

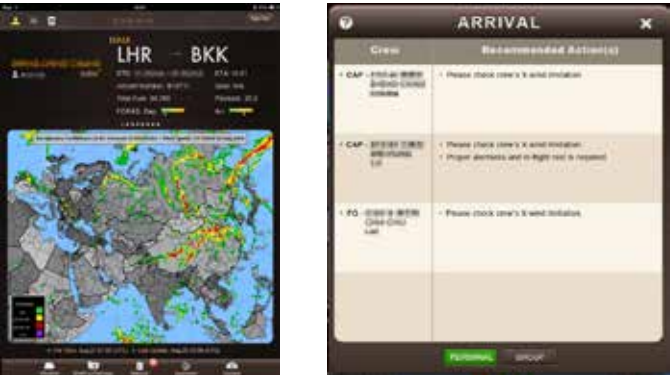
EVA Air applies risk management to flight operation to cultivate employees' keen observations and enhance information collection and application capabilities, thereby discovering existing hazards or potential risks. We manage potential risks in the operating system with a proactive and predictive attitude,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



Proactive and Predictive Approach on Safety Risk Management



EVA Air uses the Flight Operations Risk Assessment System (FORAS) as a decision support tool, compiling relevant information, such as real-time weather information, crew information, airport facilities, aircraft system information, etc. Risk analysis is carried out on every flight so as to effectively grasp the risk factors that may affect the flight safety of each flight. The risk factors are used as the basis for pre-flight risk assessment; thereby, appropriate preventive measures can be adopted. In order to lower the flight operation risk, the FORAS system provides departure and landing risk information and appropriate recommendations, such as crew operation, aircraft condition and external operating environment, to the flight crews through iPad, 2.5 hours before take-off; 45 minutes before landing, FORAS analyzes the landing station's latest weather report, and reassesses the approach and landing risk.



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 IATA Operational Safety Audit (IOSA) is a safety evaluation system established by IATA, which allows the airline companies to inspect their own safety level and to be certified by IATA. It is an objective and credible safety check mechanism for airline companies.

Being Taiwan's first airline company to pass the certification, EVA Air has, since 2005, achieved the outstanding results of "zero findings" 7 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 2017, EVA Air stood out among more than 409 airline companies in the world to receive the 15th 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.

1996

Awarded Cecil A. Brownlow Publication Award by Flight Safety Foundation (FSF) for EVA Air's outstanding quality in "Safety Magazine".

Since 2003

EVA Air has been selected by German professional aviation 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.

Since 2007

EVA Air was awarded Richard Teller Crane Founder's Award by Flight Safety Foundation (FSF) to commemorate its outstanding performance in flight safety management

2014

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.

2015-2016

EVA Air was awarded two major awards by professional airline evaluation website, AirlineRatings.com, which include the "Best Asia-Pacific Long Haul Airline" and the "World's Top Ten Airlines", and was once again rated as among the "World's Top Ten Safest Airline".

2017

EVA Air stood out from more than 400 airline companies in the world to reach the 15th 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									
Rank	Airline	ICAO Code	Home Base	Year of foundation	Loss of aircrafts in last 30 years			Serious incidents in last 30 years	Safety Index
					Non-fatal Accident	Fatal Accident	Numbers		
01	Emirates	UAE	Vereingte Arab. Emieate	1985	1	0	1	27	93.61%
02	Norwegian	NAX	Norwegian	1993	0	0	0	6	93.26%
03	Virgin Atlantic Airways	VIR	UK	1984	0	0	0	15	92.87%
04	KLM Royal Dutch Airlines	KLM	Netherlands	1920	1	0	1	21	92.77%
05	EasyJet	EZY	UK	1996	0	0	0	24	92.75%
06	Finnair	FIN	Finland	1923	0	0	0	5	92.67%
07	Etihad Airways	ETD	Vereinigte Arab. Emirate	2003	0	0	0	10	92.56%
08	Spirit Airlines	NKS	USA	1980	0	0	0	5	92.18%
09	Jetstar Airways	JST	Australien	2004	0	0	0	9	92.12%
10	Air Arabia	ABY	United Arab Emirates	2003	0	0	0	2	92.09%
11	Vueling Airlines	VLG	Spanish	2004	0	0	0	8	92.02%
12	Cathay Pacific Airways	CPA	Hong Kong,China	1946	0	0	0	10	91.88%
13	EL AL - Israel Airlines	ELY	Israel	1949	0	0	0	11	91.84%
14	Singapore Airlines	SIA	Singapur	1972	0	1	1	20	91.78%
15	EVA Airways	EVA	Taiwan	1991	0	0	0	6	91.55%
16	Eurowings	EWG	Deutschland	1993	0	0	0	8	91.41%
17	JetBlue Airways	JBU	USA	2000	0	0	0	11	91.40%
18	Capital Airlines	CBJ	China	1995	0	0	0	0	91.36%
19	Oman Air	OMA	Oman	1981	0	0	0	2	91.28%
20	Air Canada	ACA	Canada	1937	2	0	2	32	91.20%

Note: only the top 20 airline companies are listed

AirlineRatings.com rating website



TOP 20 SAFEST AIRLINES FOR 2018

By Christine 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

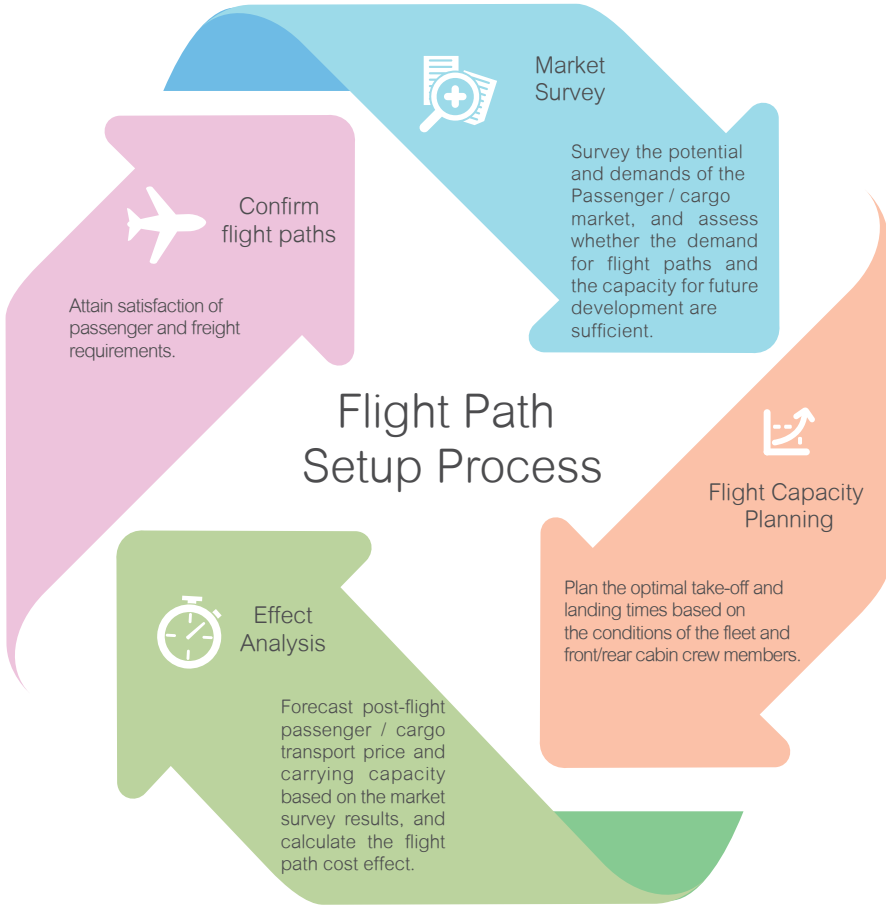
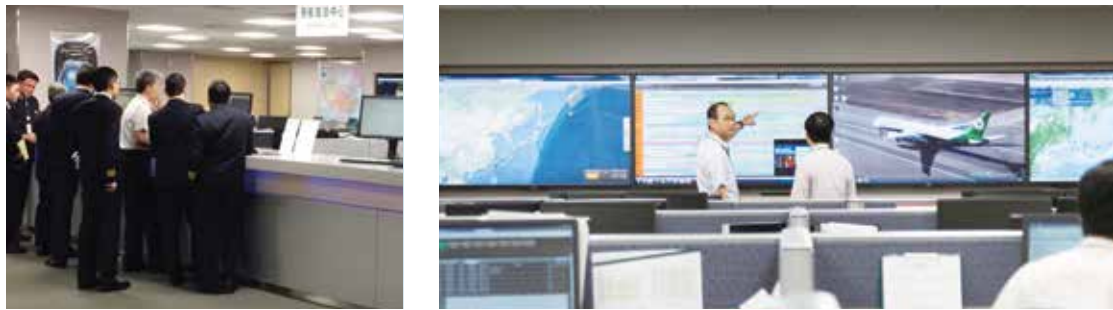
The Top 20 are the who's who of airlines and in alphabetical order are: Air New Zealand, Alaska Airlines, All Nippon Airways, British Airways, Cathay Pacific Airways, Emirates, Etihad Airways, **EVA Air**, Finnair, Hawaiian Airlines, Japan Airlines, KLM, Lufthansa, Qantas, Royal Jordanian Airlines, Scandinavian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

1-2 Flight Path Management and Maintenance

1-2-1 Flight Path Maintenance Optimization

EVA Air's Flight Control Department works around the clock for flight dispatch and control. The Company's Flight Information System (FIS) provides access to flight-related status, and tracks changes in the external environment (e.g. airport and weather) 24-7. Up until the end of 2017, the control center had 71 employees, including 54 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.

Flight Dispatch Center



1-2-2 Maintenance Quality Management

Aircraft maintenance quality is an important basis of flight safety, and also the prerequisite for a safe arrival at the destination. 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.

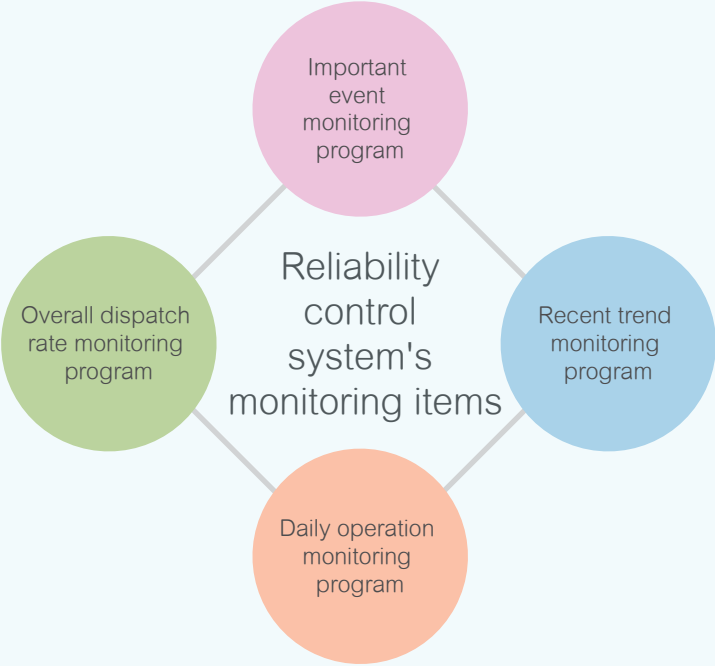
➔ Modern Aircraft Maintenance Center

EVA Air's subsidiary, Evergreen Aviation Technologies Corp. , 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, and provides more than 30 airline companies worldwide with trustworthy maintenance services. It has also been rated as Asia's best MRO by U.S.-based Aviation Week and U.K.-based UBM Aviation, signifying international recognition of its maintenance ability and quality.

Evergreen Aviation Technologies Corp.'s fourth aircraft maintenance hangar is officially completed and goes into operation on July 17, 2017. Similar to the other three maintenance hangars, it uses an all steel structure. Its facilities and maintenance system have been certified by civil aviation authorities from Taiwan, United States, Japan, etc., and has obtained ISO 140001 and ISO 9110 third-party certifications, attaining international environmental and quality management standards. The hangar can concurrently accommodate two wide-body aircraft for maintenance purpose, which brings considerable benefits for future aircraft maintenance /modification operations.

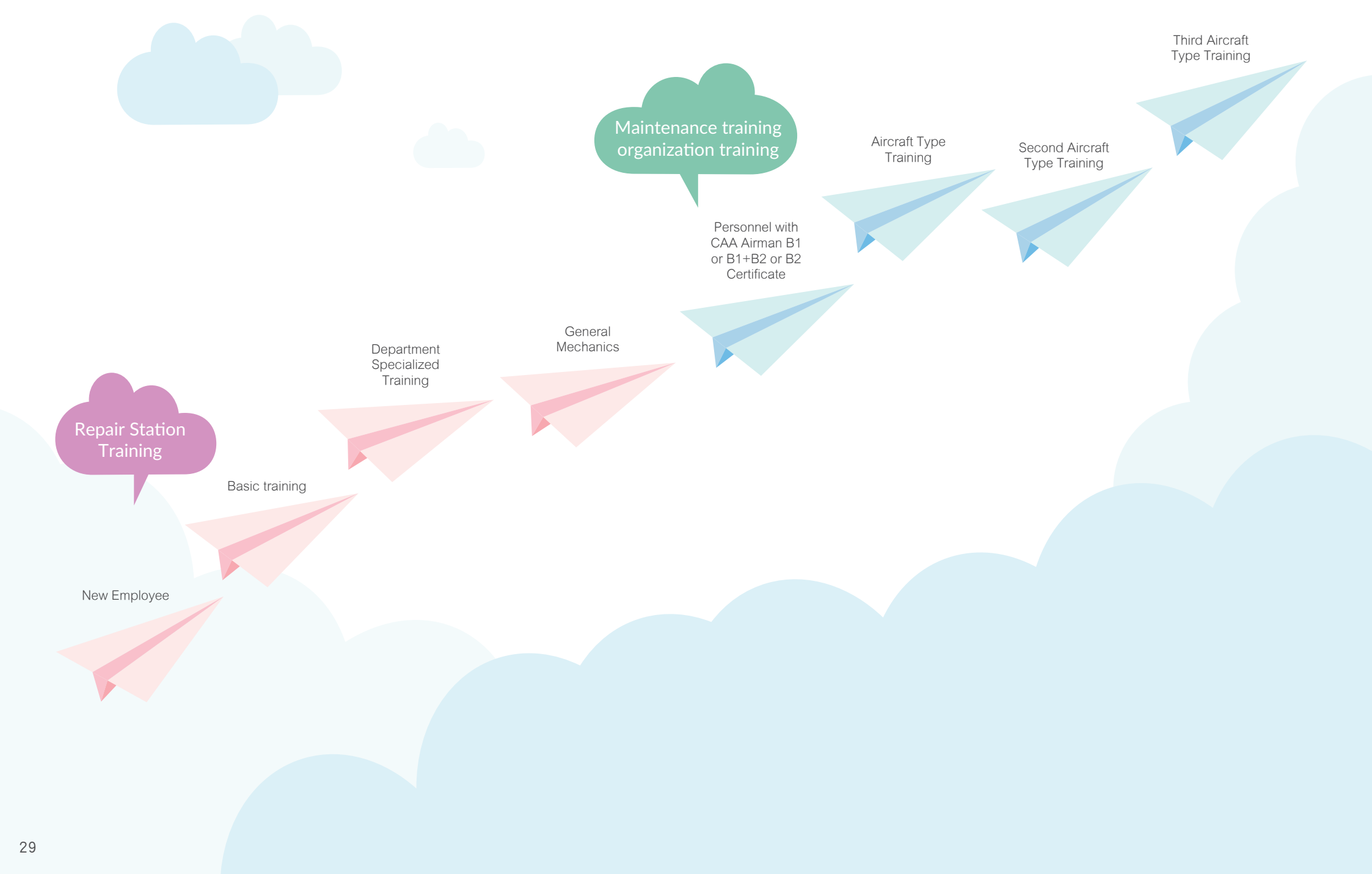
➔ Aircraft Maintenance Personnel

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 domestic 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)



1-3 Flight Crew Safety Control

EVA Air is always pursuing greater safety and never compromise on it. Besides establishing the risk management system to cater to overall flight safety, EVA Air adopts the highest requirements for the maintenance of aircraft equipment and manages its flight crew. Not only are flight crews required to pay attention to flight safety at all times during their flight duties, but they also need to proactively relieve their psychological fatigue and stress in their daily lives to ensure that all flight duties are completed under safe conditions. Hence, besides managing the schedule of flight crews, we also manage the aspects of fatigue, stress and health, alcohol and drugs, etc., to ensure the flight crews are fully fit and prepared for their flight duties.



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.



Schedule 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.



Schedule 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.



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.

1-3-1 Personnel Training

Striving to be the safest airline, 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 1993, we have been promoting safety training to instill safety concepts into the heart of every employee, thereby eliminating the occurrence of human errors. New staff members are required to attend a safety induction workshop, while flight-related operators are to attend flight safety training and Safety Management System (SMS) training.

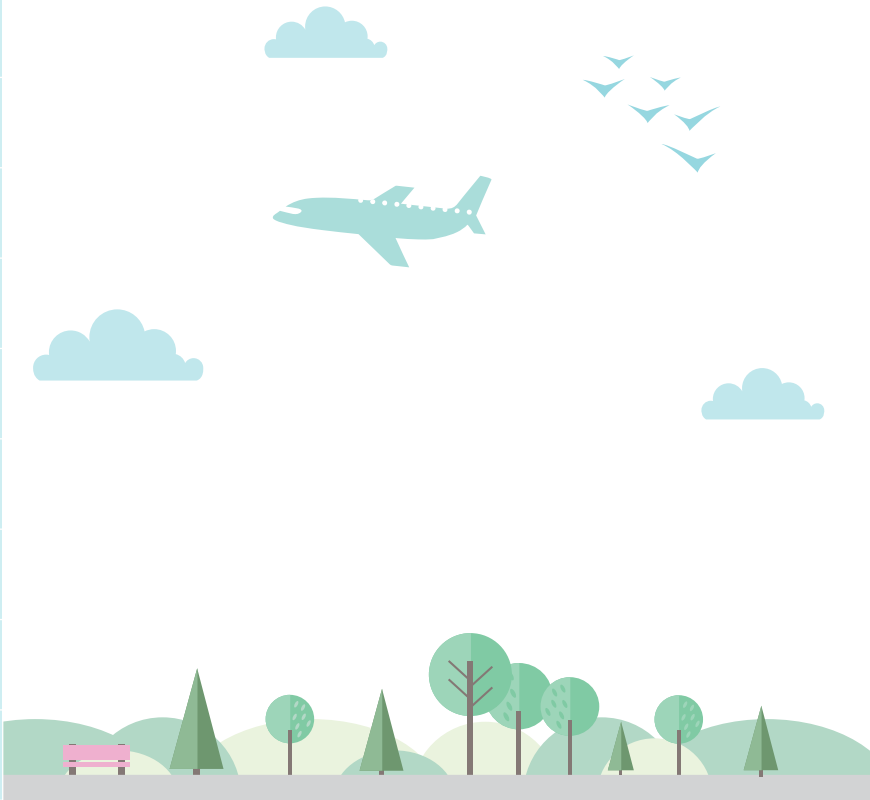


1-3-2 Safety Culture

Since 1996, EVA Air has conducted Safety Week activities every year to build up safety awareness among all employees; they include promotional materials competition, safety promotional video, seminar, outstation safety workshop, Safety Week conference, 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 crew, to shape a positive and active safety culture and promote safety awareness.

Themes of Past Safety Weeks

2017	Elevate professionalism to ensure safety	2006	Stay focused while in adversity; develop methods to solve the problems you face.
2016	25 years of refinement, Navigating the infinities	2005	Refinement and Assimilation – Navigating EVA Airways to a prosperous future by quality refinement and culture assimilation.
2015	New Sky. • New Horizon. • New Era!	2004	One person's carelessness creates extra work for hundreds. A team's diligence creates a smooth operation.
2014	Sustainable growth requires creativity, flight safety relies on dedication !	2003	Just relax, your home in the air
2013	EVA roams through the skyline with Star Alliance and soars to its potential.	2002	Just relax, your home in the air
2012	Sound Judgment & Decisions Make Flying Safe.	2001	Future strategy for aviation industry after 911 tragedy
2011	20 Years of Flying, with 100% Appreciation and Safety.	2000	Challenge the e-Generation, Navigate the e-Future
2010	Launch EVA Services with Dedication and Innovation.	1999	Happy Employees, Satisfied Customers
2009	Survive through surmounting difficulties to mark a turning point yet again!	1998	Comply with standard operating procedures to ensure operation quality and minimize human error
2008	To conquer the adversity requires changes, to ensure safety requires diligence.	1997	How to establish excellent quality and safety culture
2007	Dedication With Heart, Perfection Will Be Yours.	1996	Total Quality, Total Safety





“2015 New Sky. · New Horizon. · New Era!”

- It emphasizes that in order to achieve one's best, it has to come from the “heart”. “SMS - My Flying Partner” animated educational material was designed to convey safety concepts to every employee in a humorous manner.
- 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.



2016 “25 years of refinement, Navigating the infinities”

- 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 “Elevate professionalism to ensure 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.



02.

CUSTOMER SERVICE



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

TripAdvisor

- Top 10 Major Airline in Asia Pacific
- Best Airline in Taiwan



Second place in the “Best Airlines in North Asia”

"Global Traveler," The US-renowned travel magazine



Next Magazine's “Best Services Awards”



BEST AIRPORT STAFF/GATE AGENTS

Second place in the
BEST AIRPORT STAFF/GATE AGENTS
The US-renowned travel magazine Global Traveler



7-STAR AIRLINE

“Top 20 Safest Airlines”

EVA Air has earned a coveted spot among AirlineRatings.com’s World’s Top 20 Safest Airlines with its maximum seven-star safety rating and met its high standards for 2017.



5-STAR AIRLINE

Highest Honor from SKYTRAX

SKYTRAX, a prestigious UK-based airline rating organization

Gold Medal for Best Business Class Sparkling



The World' Best International Airlines

The US-renowned travel magazine
Travel + Leisure: The World's Best International Airlines.

Won Golden Flight Wing Awards of Civil Aeronautics Administration

In the group of “International and Cross-Strait
Route Group”
Civil Aeronautics Administration



BEST BUSINESS CLASS VIP ROOM

In February 2017, SKYTRAX, a prestigious UK-based airline rating organization, named EVA Air one of the World’s Top 10 Business Class Airline Lounges for 2016.



Ranked Top 20 Safest Airlines in the World

Announced by German Prestigious Jet Airliner
Crash Data Evaluation Center (JACDEC).

SKYTRAX, a Prestigious UK-based Airline Rating Organization

- The Best Business Class Comfort Amenities (No.1)
- The World's Cleanest Aircraft Cabins (No.1)
- The World's Best Airport Services (No.2)
- The World's Best Cabin Staff (No.3)
- The Best Airlines in Asia (No.4)
- The Best Airline Staff in Asia (No.5)
- The Best Business Class Airline Seats (No.7)
- The Best Economy Class Airline Seats (No.7)
- The Best Premium Economy Class Airline Catering (No.8)
- The Best Economy Class Airline Catering (No.10)
- The World's Best Economy class Airlines(No.9)
- The World's Best Business class Airlines(No.10)
- The World's Top 10 Airlines(No.6)



EVA Air won a total of 13 awards in 2017.

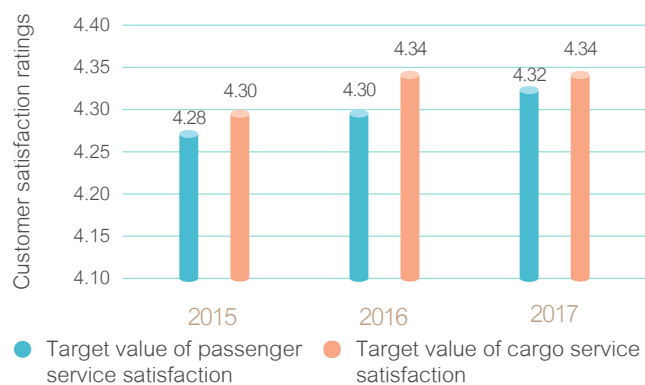


12 of the best aircraft liveries in 2017

CNN, a US-based cable
television news network

Common Wealth Magazine: The second place in Golden Service Awards 2017 in Airline category.

○ Past Performance and Goals



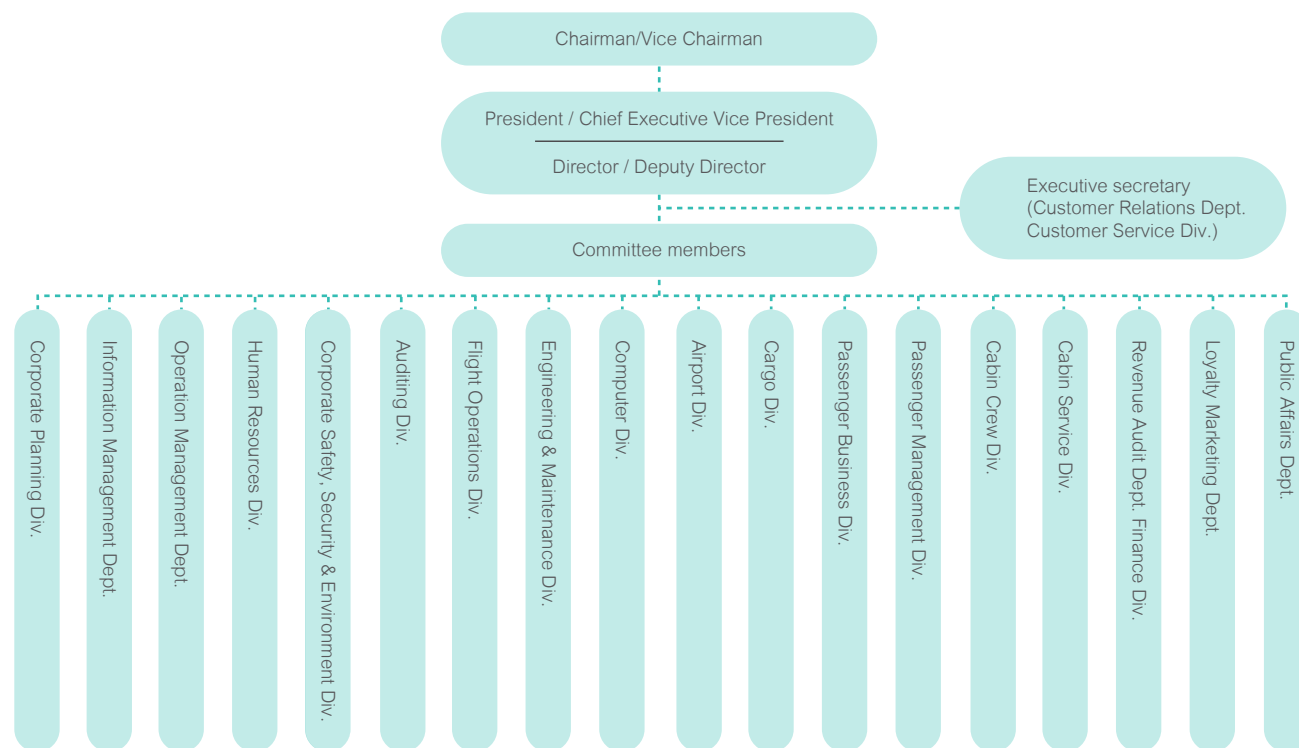
2-1 Attentive Services

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.

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



Note 1: From January 2018, the Information Management Dept. is renamed Digital and Information Planning Dept.

Note 2: From January 2018, the Public Affairs Dept. is renamed Public Relations Dept.



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 2017, the punctuality rate of 15 minutes for all routes was 96.2%. 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 2018 for all routes is set at 95.0%.

Year	2015	2016	2017	2017 (goal)
	94.9%	95.6%	96.2%	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.

2-2-1 Delicacies- In-flight Meal and Beverage

◆ 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. We also use healthful, natural and organic ingredients from Green and Safe to prepare our in-flight entree. In addition, the desserts come from famous shops around the world, such as creative desserts from SEASON, macarons from LADURÉE, a French luxury bakery 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.

◆ In-flight Beverages

EVA Air continues to offer top delicacies from around the world on our flights to share with passengers. We work with TWG TEA, a high-end tea brand from Singapore, and from April 2017 onwards, we have been serving TWG's exclusive hand-made classic, 1837 Black Tea, for passengers of Royal Laurel Class and Premium Laurel Class on long-haul flights. 1837 Black Tea features premium black tea in combination with fruit and petals, which lingers in your mouth and emanates the aroma of ripe berries, fennel and caramel. The delicate aftertaste signifies an eternal classic.

◆ 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 cloud nine.

◆ Chihshang Rice

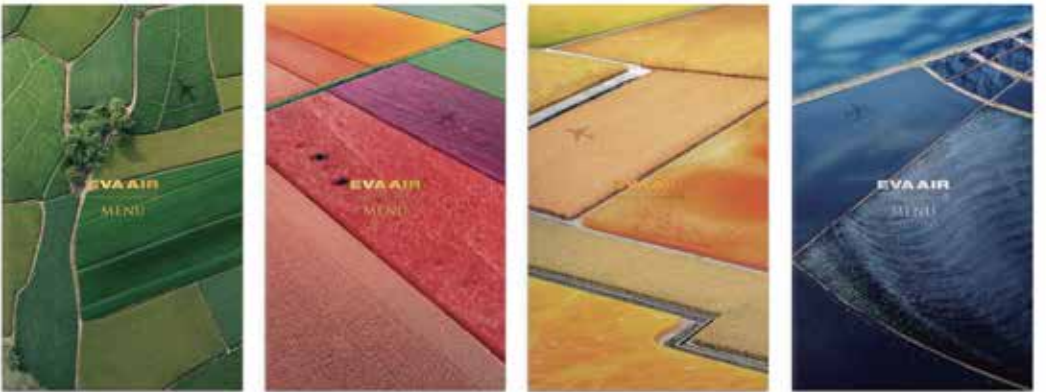
Upholding the corporate social responsibility and local environments, EVA Air provides meals with the award-winning "Premium Grade Rice" for Royal Laurel, Premium Laurel and Business Class of the flights departing from Taipei. Passengers from around the world can glimpse the beauty of Taiwan and the 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

Premium Economy Class Overnight Amenity Kit invites you to experience fashion from New York's 5th Avenue



Premium Economy Class THANN Overnight Amenity Kit - New Color Released



Rimowa Overnight Amenity Kit for Royal Laurel Class of Long-haul Routes



Economy Class In-ear Earbuds



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

Item	2015		2016		2017		2018(goal)
	Meal Availability	Target	Meal Availability	Target	Meal Availability	Target	Target
Business Class	99.994%	99.992%	99.995%	99.992%	99.995%	99.992%	99.992%
Elite Class and Economy Class	99.998%	99.995%	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 2017, 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 and ISO50001. 31 out of 36 (86%) have obtained the international certifications for food safety HACCP or ISO22000. Also, in 2017, 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	2015 Execution Rate	2016 Execution Rate	2017 Execution Rate	Target in 2018
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							
Description	HACCP	ISO22000	ISO9001	ISO14001	OHSAS18001	ISO50001	Halal Certification

 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.

• Raw Materials Testing

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 Product Temperature Standards
Chilled Food		≤5 °C
Frozen Food	≤-10 °C Hard as rock and 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.

Types of Food	Storage Temperature Standards for Delivery Trucks
Chilled Food	≤ 5°C
Frozen Food	≤ -18°C
Hot Food	>60°C

• Cooking Control

• Low-Temperature Preservation

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
1. 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.

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

- 1 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.
- 2
- 3 Potentially hazardous food safety control: Surface temperature doesn't exceed 15°C and meal preparation time doesn't exceed 45 minutes.

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.
- 2 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.
- 3 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.



• Meal Quality Control



• 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 checks and cleans the cabin periodically to maintain a clean and comfortable cabin environment. Our airport staff or supervisory management unit also assigns staff to conduct re-checks from time to time to ensure the cabin cleanliness quality.

In recent years, EVA Air has consistently been ranked the Best Airline Cabin Cleanliness by the renowned airline rating organization, Skytrax, proving that EVA Air's service quality is recognized internationally. In the award ceremony of the "World Airline Awards" held in June 2017, SKYTRAX Chair/CEO, Edward Plaisted said "No airline can overlook the importance of in-flight cabin cleanliness and the impact this has on customer travel experience. It's a great testimony of EVA Air's inflight cleanliness and cabin maintenance checks that this is the second time in three years that the airline has been voted by passengers as the World's Cleanest Airline." This has yet again proved that EVA Air's service quality is widely acclaimed in the world.

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 2017, 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.

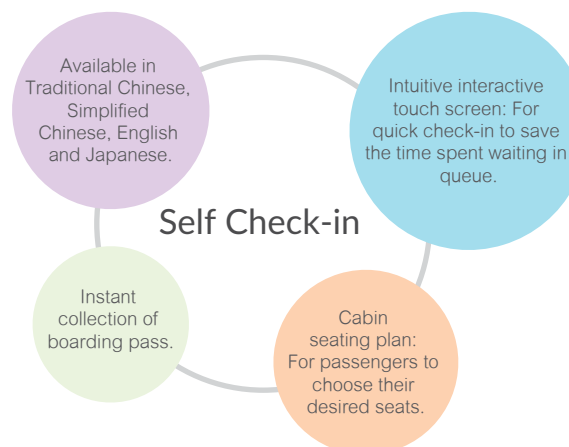
In-flight Products for Cabin Service Comply with Laws and Procurement Standards

Product category / standards Procurement	Total Number of Items						
	% of Compliance	2012	2013	2014	2015	2016	2017
Children's toys (ST safety toy inspection mark is required)	100%	15	17	18	15	12	12
Plastic tableware (Certificate of inspection is required)	100%	39	66	67	45	50	46
Food (Certificate of inspection is required)	100%	61	51	56	33	37	44

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, 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 2017, the usage rate of the self check-in service was 21.23%, a 6.21% increase from 2016.



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

EVA Mobile App was updated and launched on July 5, 2017. This comprehensive cloud manager makes it easier to check plane ticket promotions and real-time flight status, purchase tickets, manage the itinerary, and check-in. The App supports three major languages: Chinese (traditional and simplified), English and Japanese.

EVA Home Delivery Shopping App

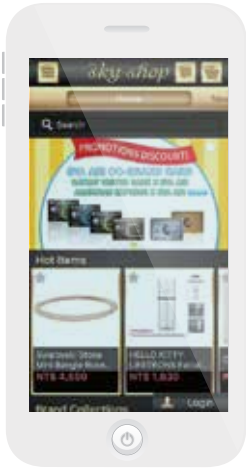
“EVA Air Home Delivery Shopping” is an online shopping mall launched by EVA Air in 2014; it offers fast and convenient shopping through the use of mobile app. Just a few simple swipes on the phone, and passengers can purchase exclusive EVA Air goods and other premium products, and have them delivered to the doorstep for free (home delivery is limited to the Taiwan region only). The mobile app functions allow passengers to shop anytime and anywhere, while at the same time supporting the eco-friendly concept of a green earth. “EVA Air Home Delivery Shopping” was downloaded 14,667 times in 2017.

EVA Mobile App's functions include:

Services	Introduction
Book a Flight	You can check and book tickets directly, and enjoy the fast, convenient on-line service when changing your reservations.
Special Offers	Check Special Ticket Offers
Flight Status	Check scheduled flight dates, verify the actual flight arrival and departure time, or register for SMS reminders of the estimated arrival and departure time.
My Trip	This feature integrates check-in, seat selection, meal selection, reservation enquiry and RIMOWA Electronic Tag baggage check-in services. Also, it incorporates your cellphone calendar, making it easier to check your itinerary.
Infinity MileageLands	Members can check their accrued mileage, register for SMS reminders of the flight departure time, check for exclusive member promotions, and download the electronic membership card.
Contact Us	You can check the contact information of our offices around the world via EVA Mobile. If you want to reach one of the offices, simply tap a phone number.
Notice of Important Flight Information	Example: Flight Information during a typhoon



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 45,020 times in 2017.



EVA Air Automated Services	Self Check-in		EVA Mobile App		EVA Sky Shop App		EVA Home Delivery Shopping App	
	Number of Usage	Percentage	Number of Downloads	Number of Usage	Number of Downloads	Number of Usage	Number of Downloads	Number of Usage
2014	880,304	8.86%	134,242	2,090,332	26,951	2,299 (Number of Transactions)	18,149	696
2015	1,145,793	10.46%	169,513	5,137,694	33,217	5,124 (Number of Transactions)	17,520	1,592
2016	1,828,705	15.02%	306,567	8,572,089	86,268	7,372 (Number of Transactions)	17,317	1,967
2017	2,835,556	21.23%	425,432	19,876,726	45,020	11,346 (Number of Transactions)	14,667	2,092

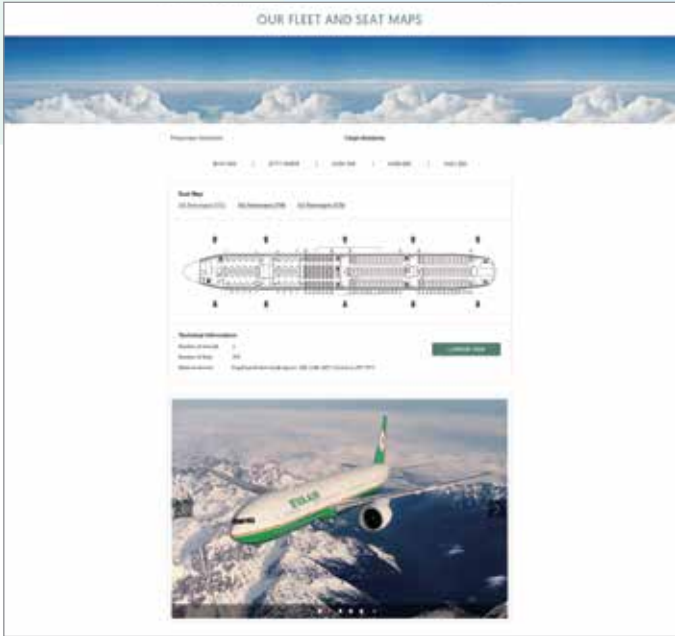
Note: In 2017, the global number of passengers flying with EVA Air was 12,129,059. The self check-in services consist of 3 types: kiosk, mobile phone, and web, among which, the kiosk was used the most.

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 2017, the number of people who had interacted with Pepper was 25,000. 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

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



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 Garden

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, fresh-made coffee, 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. Travelers can rest

peacefully in the sofa area featuring Wind Lanterns that sway with the breeze, work or read in the independent personal deck seat, or lean on the smooth, top quality stone-made bar in the modernized bar zone and have drinks especially made for them. Wi-Fi is available throughout the lounge, so travelers can keep track of firsthand business opportunities. The spacious and bright bathrooms and shower rooms are constructed with different kinds of materials to create garden-like scenarios such as Morning Drizzle, King's Power, and Geometrical Jungle, rendering showering and bathing an enjoyable experience.

• The Infinity

The INFINITY VIP Lounge is decorated with a resplendent sky tree and sparkling stars. The elegant curved walls construct a trendy, futuristic lounge, providing a vast space and aesthetic pleasure. Not only is the room 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 (Metro Forest, Smile Zone, Fantasy Flow, and Star Drops) 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 Star

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.

• 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.

• 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.

• 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. Eastern and western delicacies and Thai specialty food are served, enabling passengers to rest and have a bite to eat during their busy travels.

2-2-7 Creative 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. With a themed design, 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, allowing passengers to immerse themselves in a happy journey of fantasy right at the moment they board the airplane.

To this day, EVA Air's Hello Kitty Jets have been internationally lauded. The creative design and ingenuity was reviewed as the "Best Aircraft Liveries" by the British magazine Wallpaper in 2007. In 2016, Daily Mail selected the jet as the "World's Top 8 Plane Liveries" and the US professional travel magazine, Global Traveler, awarded the jet for its Outstanding Customized Service. In 2017, it was also elected one of the "Best Aircraft Liveries" by CNN.

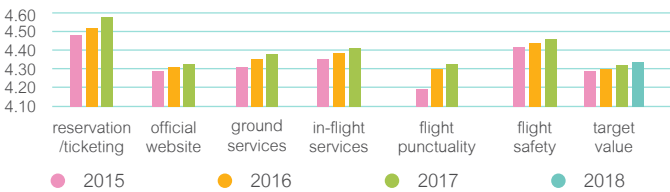


2-3 Customer Relationship

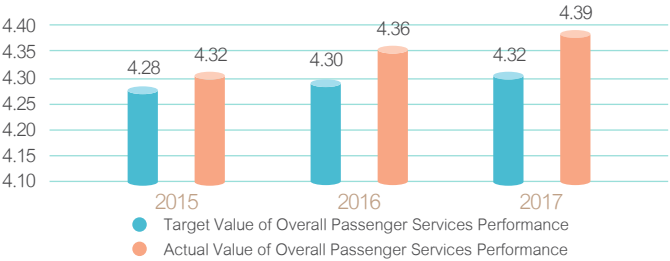
2-3-1 Customer Satisfaction Survey

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 2017, 393,963 questionnaires were sent to our members and 70,897 responses were mailed back to us; the response rate was 18.00%. The statistics showed that the overall passenger satisfaction level for 2017 was 4.39 (5-point Likert Scale), which exceeded the target value of 4.32.

Customer Satisfaction with Main Service Items of Passenger



Overall Customer Satisfaction with Passenger Services



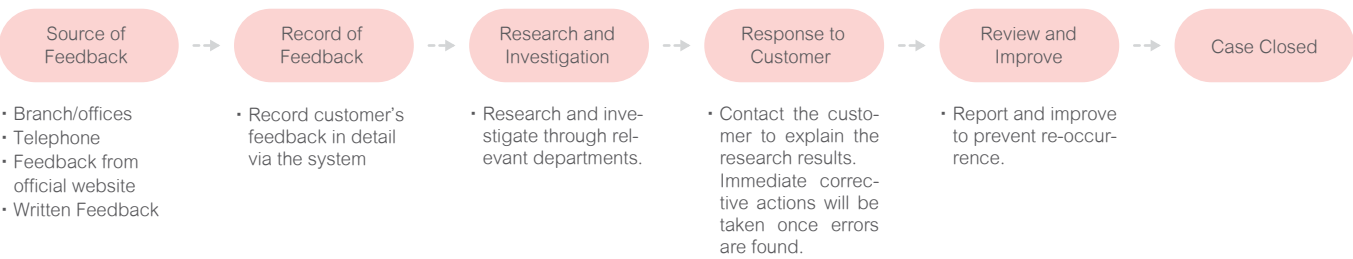
For services which have not reached the target satisfaction value, the related divisions of the respective services shall hold a service review meeting every month. Also, service quality committee meetings will be held every quarter to report the results of the review and analysis on the operations and 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 2017, there were 26,314 entries of customer feedback, equivalent to 217 entries per 100 thousand customers. The customer opinions primarily involved airport/baggage service (47.7%), cabin crew service (25.0%), flight schedule and official website service (10.9%), reservation/ticketing service (5.1%), and in-flight meal and beverage service (2.5%), which accounted for 91.1 % of the total entries of customer feedbacks.

Webpage for Product Customer Support

Contact us

If you have any question regarding the products or services we provide, please contact us via the following ways:

Service hours : Monday to Friday 09:00 a.m. to 12:00 noon
Monday to Friday 14:00 p.m. to 17:00 p.m.

Product Customer Support Number : 0800-535678, 03-351-5936

E-mail : shopping@evaair.com

Customer Service Fax Number : 03-351-0018

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 17,845 calls as of the end of December 2017. The calls consisted mainly of enquiries about the products, discounts or replacements and refunds.

2-3-3 Membership Services

EVA Air's "Infinity MileageLands" continues to launch special offers, such as earning mileage through purchasing tickets and redemption promotions for award tickets and cabin class upgrade. The program speeds up the accumulation of mileage for a more convenient service, allowing members to swiftly upgrade their memberships or reach the renewal threshold of the memberships. This improves member loyalty and continues to attract more people to sign up for membership. Through different special offers, when compared to the year before, in 2017 the number of members increased by 6% and the number of members flying with us increased by 6%. In total, the accumulated mileage increased by 19%, and the ratio of used mileage increased by 12%.

Apart from the special flight offers on the right, the Loyalty Marketing Department also actively works with other industries to expand our loyalty programs in order to enable "Infinity MileageLands" members to earn and use more miles through more channels, while increasing the Company's revenue. In 2017, we added several collaborating partners for earning mileage accumulation: Mileslife, Juneyao Airlines (HO; Star Alliance Member Connecting Partner), Thailand's Dusit Hotels and Resorts, redemption of card reward points for mileage by Shanghai Pudong Development Bank and KEB Hana Card, Rocketmiles (a hotel booking website), and swiping cards of DBS Bank, Cathay United Bank and American Express, which allow our members to accumulate mileage more quickly and conveniently. We have also added new partners for our members to redeem mileage. The choices include the e-coupons provided by Relux, Japan's high-end hotel booking website, which offer our members discounts on high-end hotels; the award tickets of Juneyao Airlines (HO; Star Alliance Member Connecting Partner), which enable the members to travel farther; various travel vouchers of KLOOK, which allow members to plan richer and more diverse trips; diversified magazines on travel, management and design, which will broaden our members' horizons.

The optimization and enhancement of membership services are what EVA Air continuously strives to achieve. In 2017, we added the "Infinity MileageLands" online mileage redemption for award tickets from members of Star Alliance, making it easier for members to redeem their mileage for award tickets. To encourage members to fly more frequently with us, those whose memberships expire in 3 and 6 months will receive an email reminding them of their membership expiry date and relevant ticket offers. In addition, in the spring of 2017, we provided our high-end members with a unique member-exclusive event, "A Night for EVA Air's Honorable Guests - Pixar 30th Anniversary Special Exhibition", which allowed our members to enter the magic realm of Pixar with their children. We also hosted the French-version musical of "Notre-Dame de Paris" and Broadway's classic musical "Chicago" for our Diamond card members, bringing them a feast of art and satisfying their craving for art and culture. At the end of the year, we hosted "A Night for EVA Air's Honorable Guests- Starry Sky Symphony Concert," in which pop diva Winnie Hsin and William Wei, winner of Golden Melody Awards for Best New Artist, were invited to perform with Evergreen Symphony Orchestra, in order to thank our Diamond card members, Gold card members, and other honorable guests for supporting "Infinity MileageLands."

"Maximize Your Mileage Earning!"

The special mileage offer allows members who purchase their tickets at locations eligible for the offer to earn up to 2,000 miles when flying with EVA Air/ UNI Air to travel abroad. The earned miles can also be used for membership upgrade or renewal.

Flexible Use of Mileage

The required air miles for complimentary round-trip tickets of Economy Class for Hong Kong or Macau have been reduced from 35,000 to 20,000, down by 43%.

"More Comfort is Just a Few Miles Away"

The class upgrade promotion allows members eligible to enjoy an upgrade award special offer for as little as 6,000 miles by flying with EVA Air/ UNI Air scheduled international flights and with eligible ticket classes.

"Spend Less Mileage, Enjoy Greater Privileges"

The redemption promotion for specific air routes allows our members to save up to 15,000 miles, which increases our members' willingness to redeem their miles for award tickets. The number of people who redeemed miles for tickets increased by 39%, compared to 2016.



"Maximize Your Mileage Earning!"
Special Promotion-
Mileage Accrual



"More Comfort is Just a Few Miles Away"
Special Promotion-
Upgrad Award



"Spend Less Mileage, Enjoy Greater Privileges"
Special Promotion-
Award Tickets



A Night for EVA Air's Honorable
Guests - Starry Sky Symphony
Concert

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 2017 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 & Security Statement" on EVA Air's corporate website.

When joining us as members, they must read and agree with EVA Air's Privacy Protection 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 (www.evaair.com) and mobile website (m.evaair.com), 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 cargoeservice 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.

2-4-1 Temperature-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.

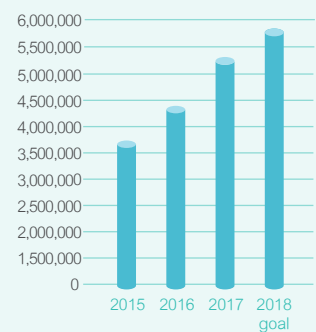
Cold-chain Transport Service Points in 2017



2-4-2 Cargo Transport E-Commerce

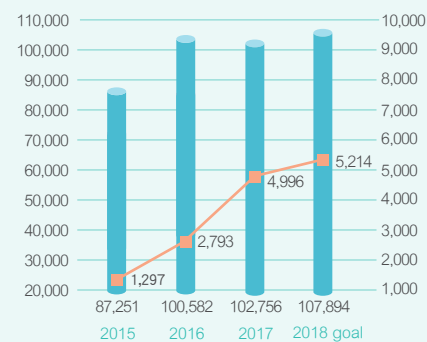
In response to the global trend of automation, EVA Air provides the Cargo e-Commerce online inquiry system and Cargo App mobile device inquiry system, allowing customers to keep track of the status of their cargo and flight updates anywhere and anytime. We also actively devote ourselves to the "e-freight" 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.

Usage Status of Cargo e-Commerce



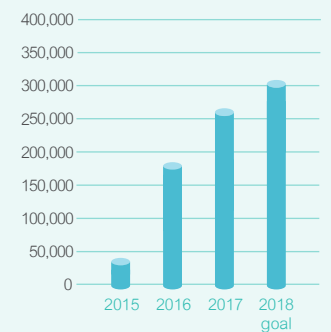
● Number of Visits for Cargo Status Inquiry

Usage Status of Cargo APP



● Number of Visits for Cargo Status Inquiry
■ Number of Cargo APP Downloads

Number of Issued e-AWB



● Number of Bills of Lading

In the 2016 CSR report, the annual number of Cargo App downloads was calculated by a cumulative method. In other words, the value of each year included the value of the previous year to facilitate internal analyses. In order to make it easier for the public to understand the growth of each year, the CSR report has been showing the number of downloads of each respective year since 2017.

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 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.

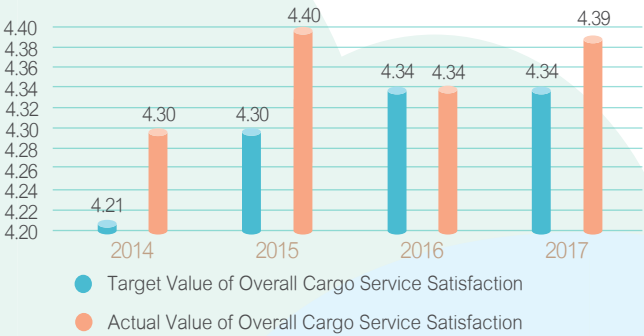
AEO Certificate



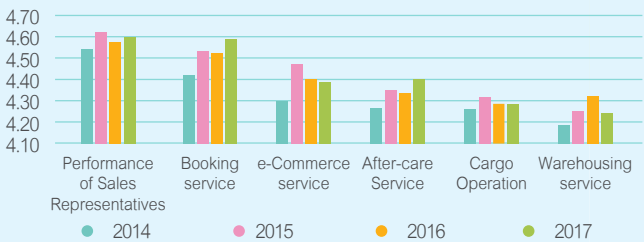
2-4-4 Cargo Customer Satisfaction Survey

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



Survey on Customer Satisfaction with Main Cargo Service Items



The main factors that influenced the customer satisfaction with our warehousing and cargo services in 2017 were the service quality of truck transport, quality of safe goods transportation, quality of pallet operations for exports, handling and response to abnormalities in goods, pick-up notifications for imported/exported goods and efficiency of cargo release procedure. We have made improvements according to the relevant problems.



Warehousing and Cargo Service Improvement Measures

Service quality of truck transport

- The stations shall coordinate the manpower allocation and efficiency of supervision of GHA.
- The stations will monitor the efficiency of the truck companies and ground service agents and request the maintenance of real-time information; the Operation Management Department will conduct inspections from time to time to ensure that the stations comply with the operational regulations
- At the cargo workshops, the Operation Management Department promoted that the stations must faithfully update truck real-time information, which has been included in the evaluation criteria of the hubs. In so doing, the hubs are required to examine the manpower and efficiency of ground service agents and to conduct inspections from time to time to truly achieve the effects of the improvements.

Pallet operations quality for exports

- The Operation Management Department has issued the COA to promote regulations on cargo handling. The stations shall adhere to the regulations issued by the Department and carefully handle warehousing equipment to avoid cargo from being damaged when loaded onto pallets. The stations shall carry out irregular inspections on the pallet loading operations for exported goods at the warehouses.



Handling and Response to Cargo Irregularities

- According to the operational regulations of COM CH1-3.7.2, in the event of any abnormalities when unloading imported goods, the staff must instantly register the same in the system. In this way, when the cargo owner comes to pick up the cargo, it is clear which party is responsible. If it takes time to investigate the situation, the staff shall also inform our client in advance and arrange follow-up services to avoid complaints and misunderstandings. The hubs have been asked to adhere to the aforesaid regulations accordingly.
- The stations will hold meetings to discuss improvement measures with the ground service agencies or warehouses according to each individual case. The Operation Management Department will inspect the corrective and preventive measures based on the minutes of the meetings with the ground service agents and continue to monitor the corresponding results.



Quality of Safe Cargo Transport

- To comply with Customs regulations, we have required the GHAs to truly keep track of the real-time information on cargo release and forbid un-cleared cargo from being loaded onto a plane when loading goods onto pallets.
- The stations shall keep abreast of specific seasonal weather conditions and make sure GHAs implement necessary protective measures, such as reinforced rain covers.
- According to the regulations stipulated in COM CH1-3.6 and 3.7.2, the stations have been asked to carry out inventory checks according to the records kept during pallet loading, and conduct a warehouse checkup in order to ensure the quality of safe cargo transport. In the event of abnormalities or incorrect deliveries, the staff shall inform the clients immediately and report the tracking progress.

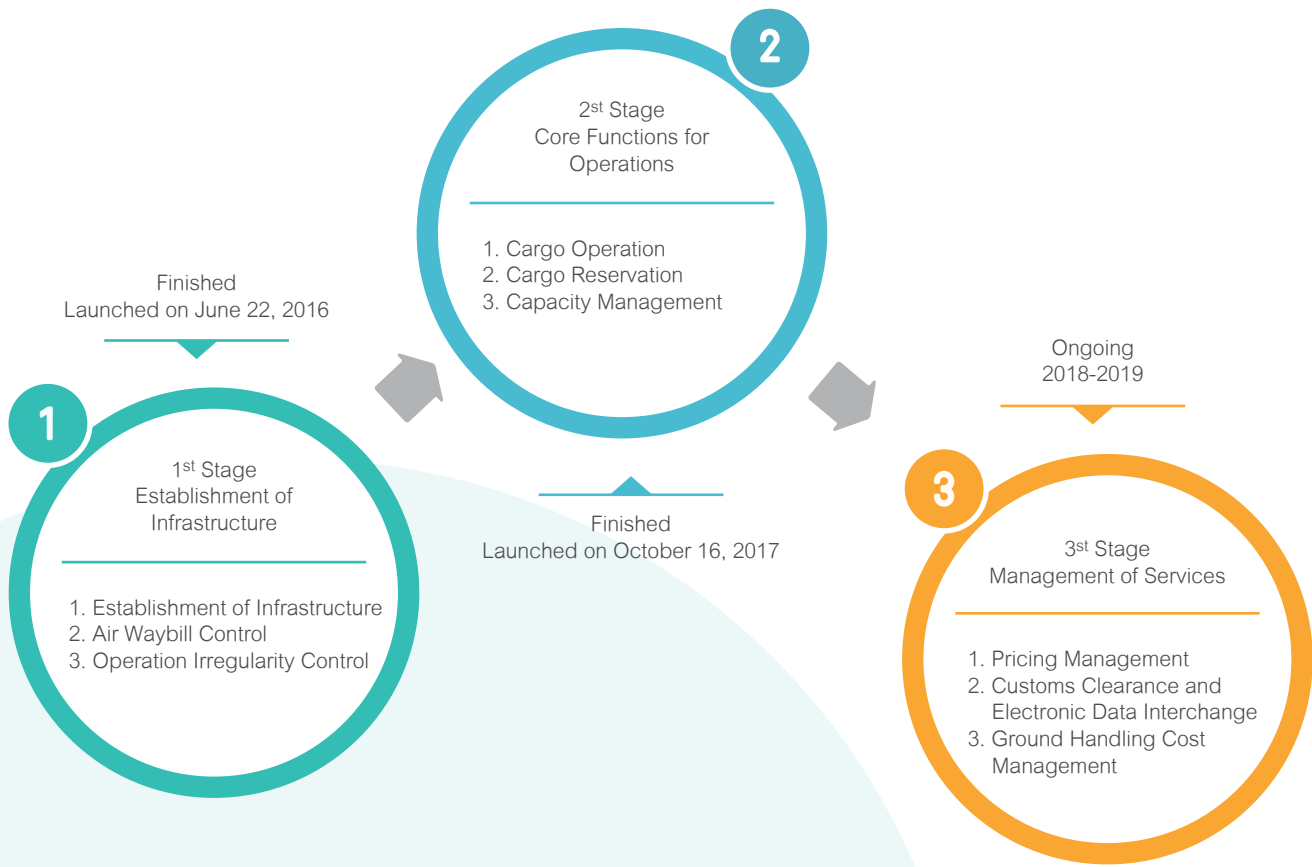


Pick-up Notice for Imported Goods and Efficiency of Cargo Release Procedures

- The ground service agent of the specific stations, Swissport, has put forward an improvement plan to enhance service quality and adjusted its current manpower structure according to the request of the hub. To provide more optimized cargo services, the hub is required to carry out irregular inspections and supervision.

Establishment of New Cargo System: New CargoWing

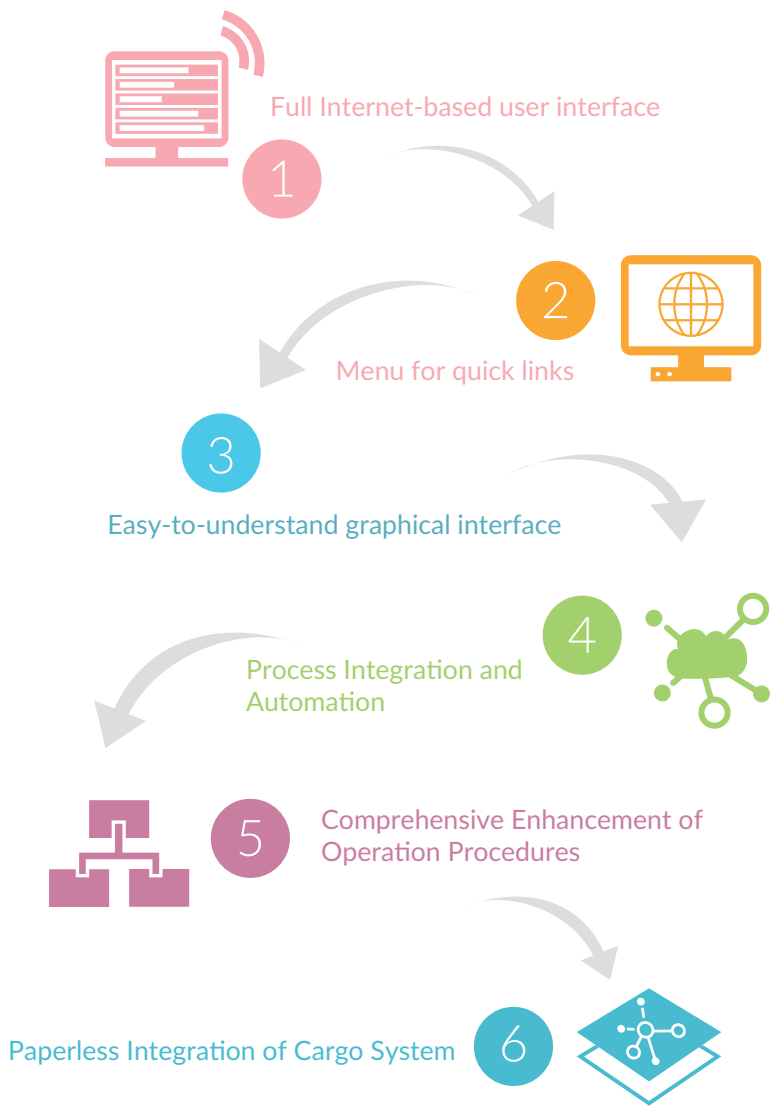
Ever since the self-developed cargo system CargoWing was launched on August 14, 2001, EVA Air has been comprehensively expanding the automation and digitalization of many cargo operations that can increase work efficiency, including import/export operations and booking, timetable, cargo capacity monitoring and control, 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



Features and Characteristics



03.

HUMAN RESOURCES DEVELOPMENT



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



EVIDENCE-BASED TRAINING 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



TOSHMS 1ST PLACE TOSHMA

The first airline in Taiwan to have obtained the certification of TOSHMA



MOST DESIRABLE EMPLOYERRANKED FORTH

Cheers Magazine: Ranked 4th in 100 Most Desirable Employers of the New Generation in 2017





Response to Major Events in 2017

- Regarding typhoon leave due to Typhoon Nesat

On July 30, 2017, over 500 EVA Air flight attendants asked for leave due to a typhoon, resulting in insufficient staff and cancellation of 50 flights. EVA Air expressed the sincerest apologies for the inconvenience caused; meanwhile, in order to provide a faithful account of what happened for the general public, a press release was issued in response to the false statements made by the Taoyuan Flight Attendants Union and the EVA Air Union. EVA Air without question places importance on flight safety and only flies when the weather is safe for takeoff and landing. Regarding future handling of similar situations, related information in event of natural disasters will be posted on the staff website in a way that is most intelligible for our flight attendants to shed their worries, along with continual two-way communication.

- The labor-management negotiation with the Taoyuan Flight Attendants Union is laid out as follows: In order to maintain our competitiveness in the industry, meet our customers' expectations of our services, and ensure the work conditions of our flight attendants, we have been examining a series of service procedures and the adequateness of staff allocation in recent years. By adding more staff and simplifying service procedures, we continue to improve the work conditions of our flight attendants. However, at the end of December 2017, the Taoyuan Flight Attendants Union staged a demonstration at the Company's front door claiming serious fatigue for cabin crew were caused by the new added 3-day pattern for Taipei -San Francisco round trip flight with its new departure time scheduled in the morning of Sunday Taipei local time. We expressed our willingness to listen to the Union's opinions and responded with statistical and scientific data to prove that the pattern did not cause fatigue or safety concerns. the Union's opinions and responded with statistical and scientific data to prove that the pattern did not cause fatigue or safety concerns.

Nonetheless, the Taoyuan Flight Attendants Union continued to organize consecutive sit-in protests, petitions signed by supporters, and press conferences to raise objections to issues such as the work intensity of some of the flights and the need for increased in-flight staff. In fact, EVA Air's all schedule arrangement for flight attendants does follow the flight duty limit and rest rule specified in Taiwan CAA's AOR (Aircraft Flight Operation Regulation) strictly with reasonable margin. Also those schedule patterns claimed by the union with fatigue concern did not deviate from the normal practice of airlines industry. Moreover, several negotiation meetings were held with regard to flights that the flight attendants deemed more laborious. Despite the Company's efforts, the Taoyuan Flight Attendants Union nevertheless presented a package of requests and insisted that the Company should accept all the requests in the package, including extending the overseas resting time and overnight stay for the flights proposed. This resulted in a failure to reach consensus. Communication and negotiation with the Union persisted in subsequent collective bargaining meetings.

Since April 2017, EVA Air has been participating in the collective bargaining with the Taoyuan Flight Attendants Union every month. Currently, discussions over concrete details have already been made. The Company's usual stance was maintained, i.e., that improvement of employee wellbeing shall be our continual goal, without compromising the Company's normal business operation or the expectations of our customers and investors. We respect the demands made by the Union and expect the Union to negotiate with rationality and good faith so that a win-win outcome can be achieved for both labor and management.

3-1 Appointment and Retention of Talent

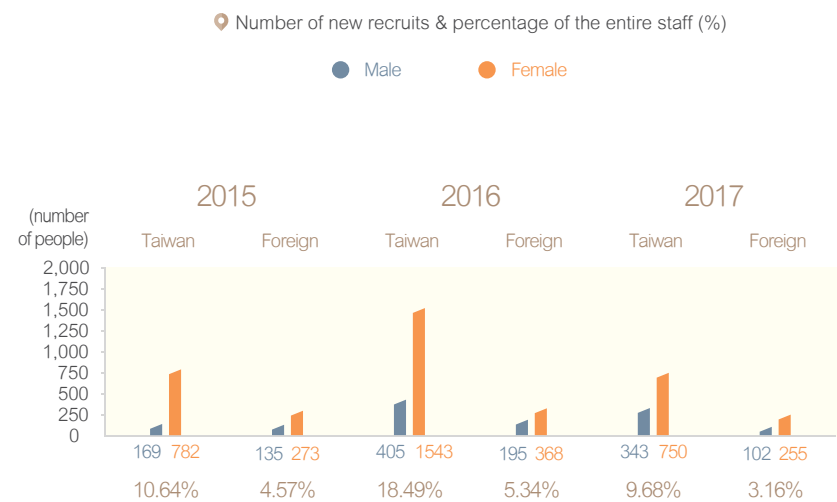
3-1-1 Human Resources Policies and Recruitment

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.

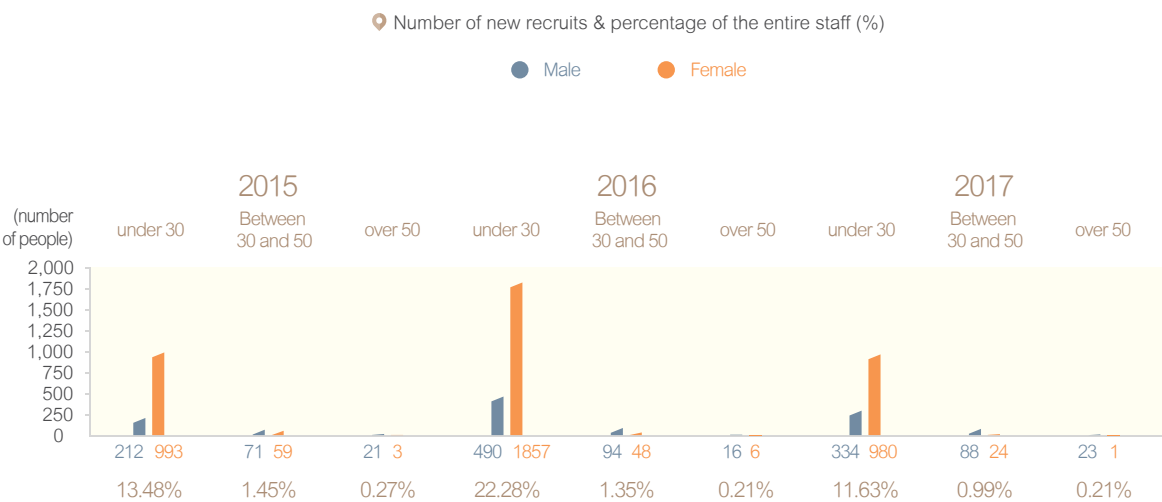
Our employees are mainly divided into two categories: "Inflight Service" and "Ground Service". Inflight service personnel include flight crew and cabin crew, while ground service personnel include the staff of airport transportation, passenger and cargo sales/reservation/ticketing, aircraft maintenance and flight dispatch, as well as other administrative personnel. In response to the growing business, flight route adjustment, and safety regulations, the number of hired employees increased by more than 5% in 2017, compared with the previous two years. By substantially increasing manpower, we have improved the service quality of our flights and safety at the same time. In 2017, there were 1,450 new recruits, whereas 705 employees resigned, including 266 new recruits and 439 general employees. In 2017, the main reasons that the general employees left the Company were in the order of personal career plan, family factors, and health issues. Based on 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.



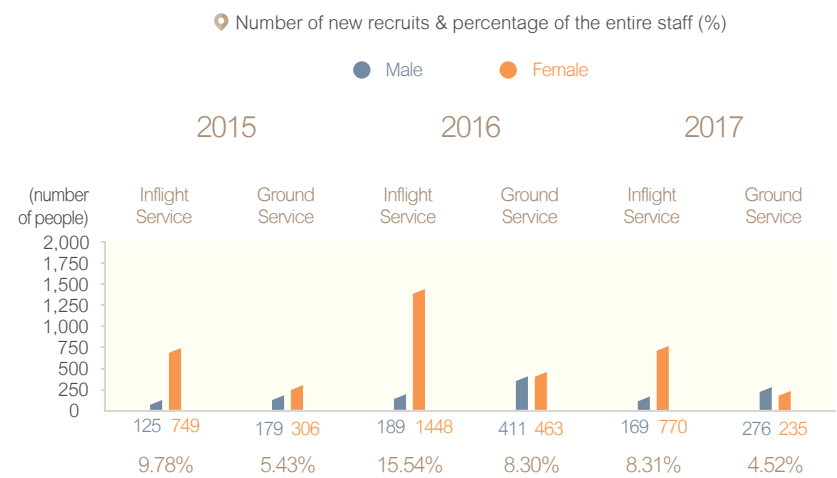
Statistics on new recruits worldwide (by nationality)



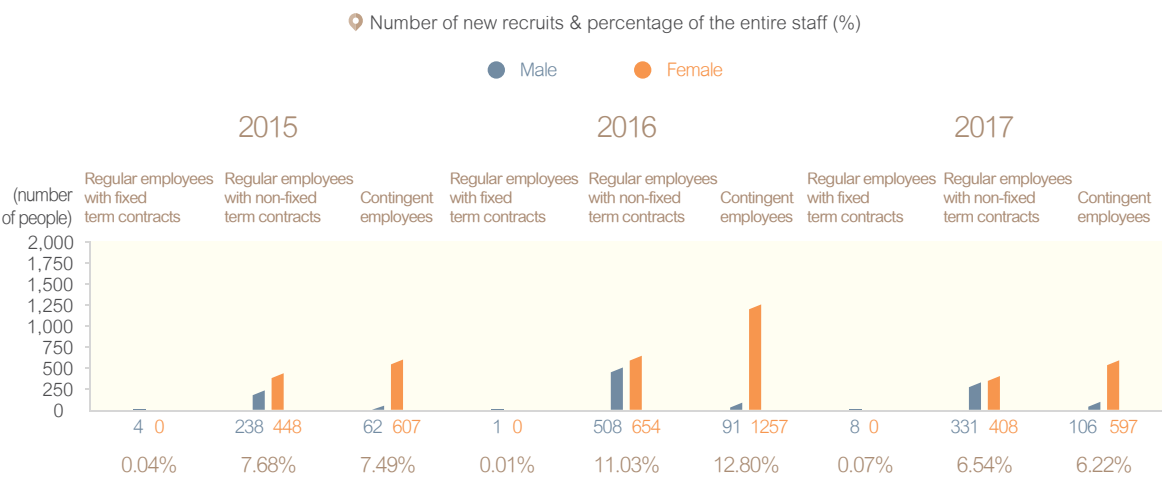
Statistics on new recruits worldwide (by age)



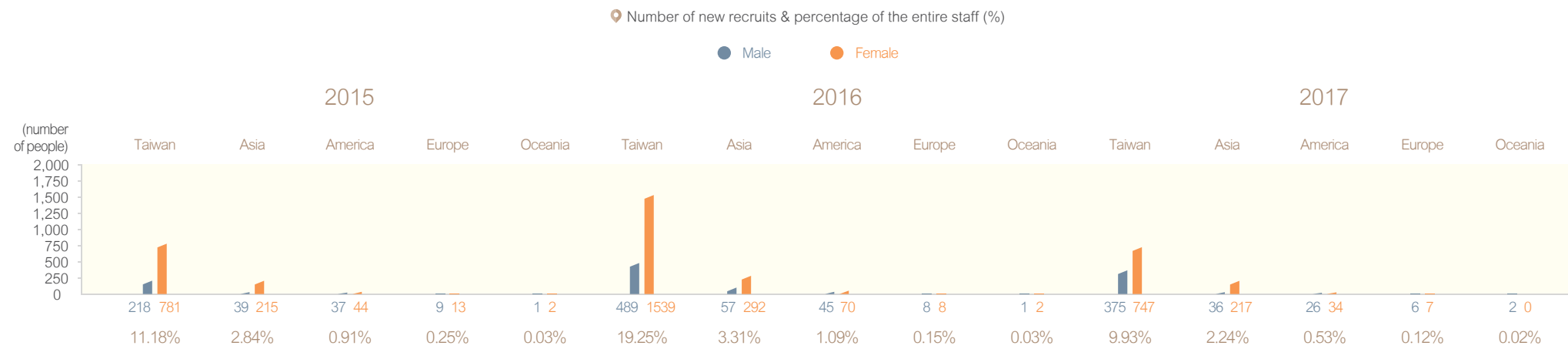
Statistics on new recruits worldwide (by category)



Statistics on new recruits worldwide (by contract)



Statistics on new recruits worldwide (by region)

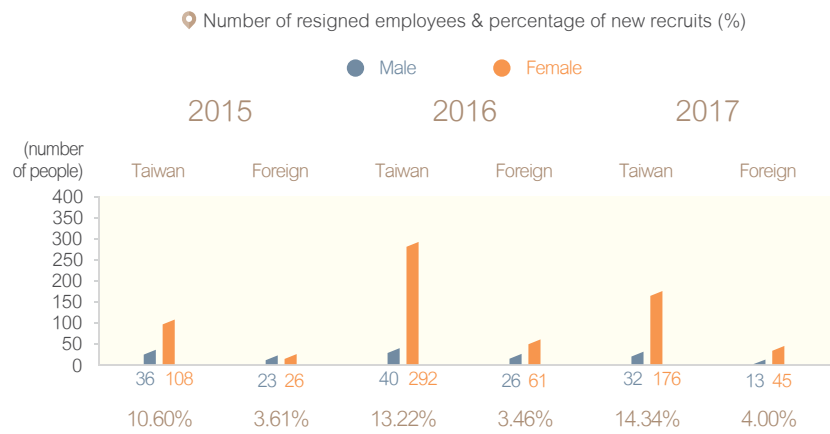


Note 1: Regular employees with fixed term contracts include doctors and flight training consultants. The remaining regular employees are those with non-fixed term contracts. Contingent employees include trainees, excluding the interns from the cooperative education system.

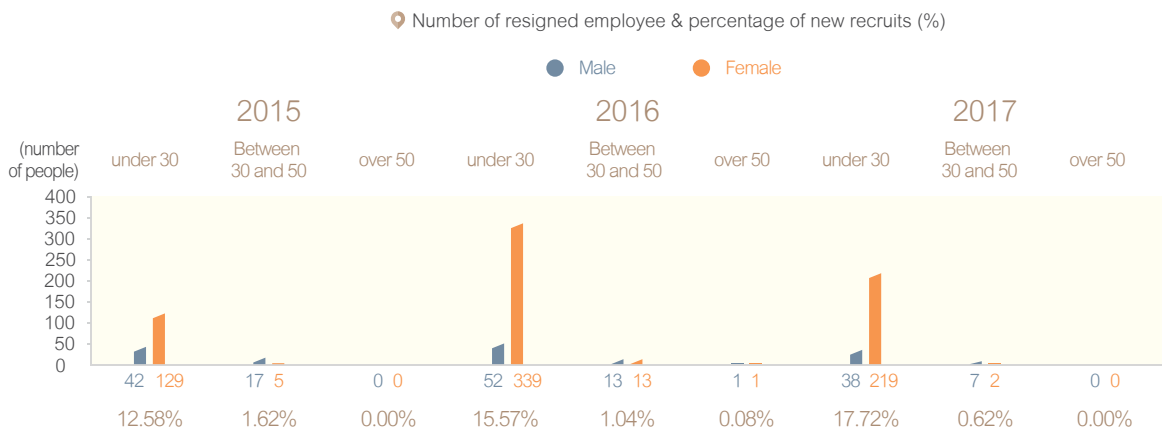
Note 2: The percentage of the entire staff (%) equals the number of new recruits / the number of employees at the end of the particular year.

Note 3: In response to the adjustment of basis of calculation, the data on 2015 to 2016 should be based on the disclosure in this version.

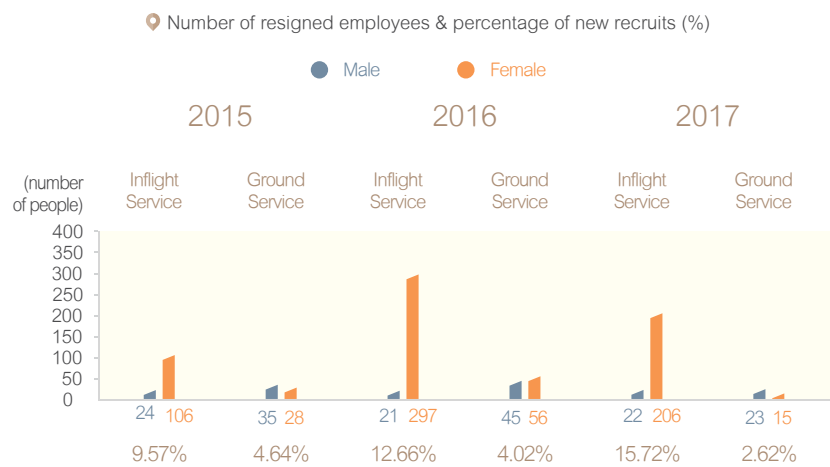
Statistics on resigned new recruits worldwide (by nationality)



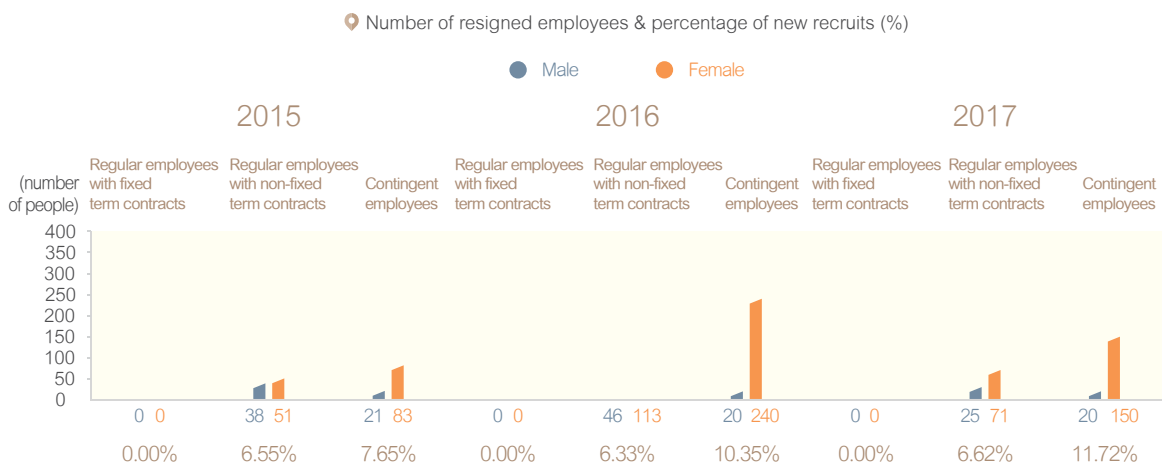
Statistics on resigned new recruits worldwide (by age)



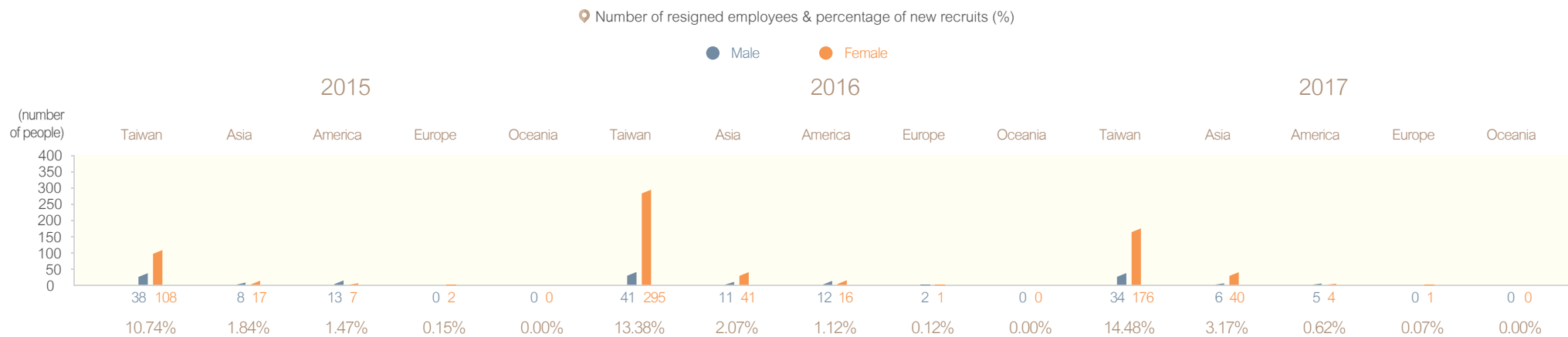
Statistics on resigned new recruits worldwide (by category)



Statistics on resigned new recruits worldwide (by contract)



Statistics on resigned new recruits worldwide (by region)



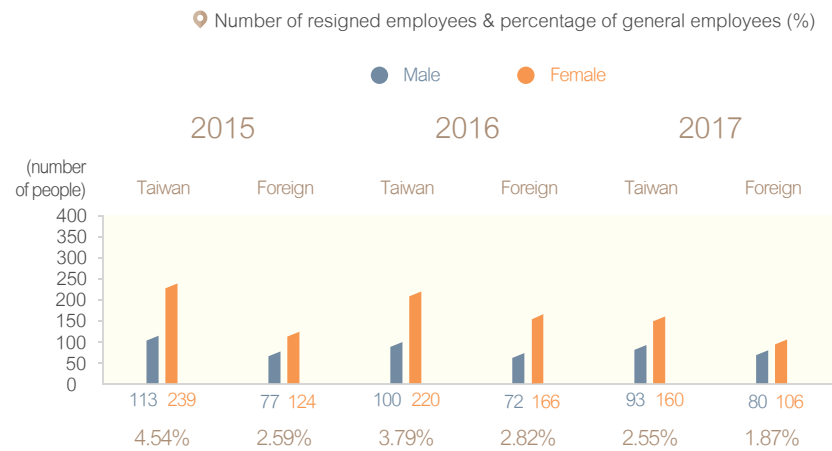
Note 1: This list includes those who left the Company within three months after being hired.

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

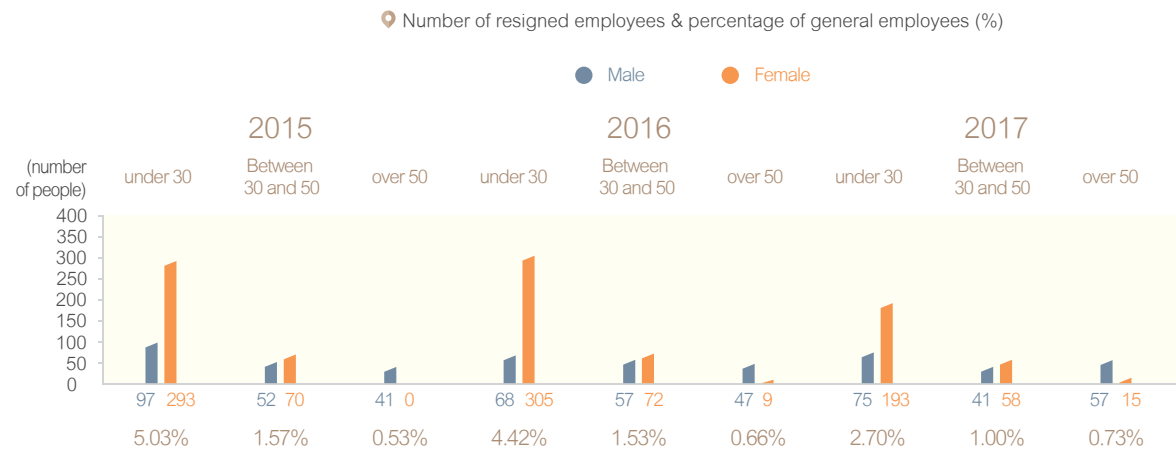
Note 3: The percentage of new recruits (%) equals the number of resigned employees / the number of new recruits in the particular year.

Note 4: In response to the adjustment of the basis of calculation for resigned new recruits (by age), the data on 2015 to 2016 should be based on the disclosure in this version.

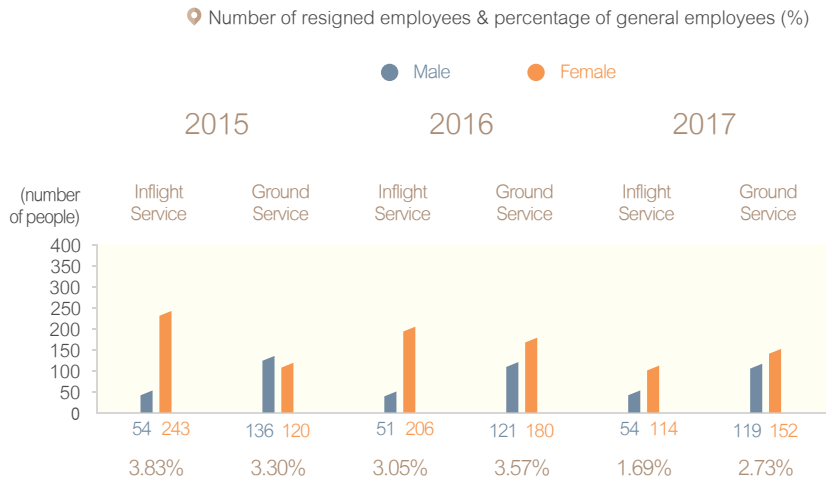
Statistics on resigned general employees worldwide (by nationality)



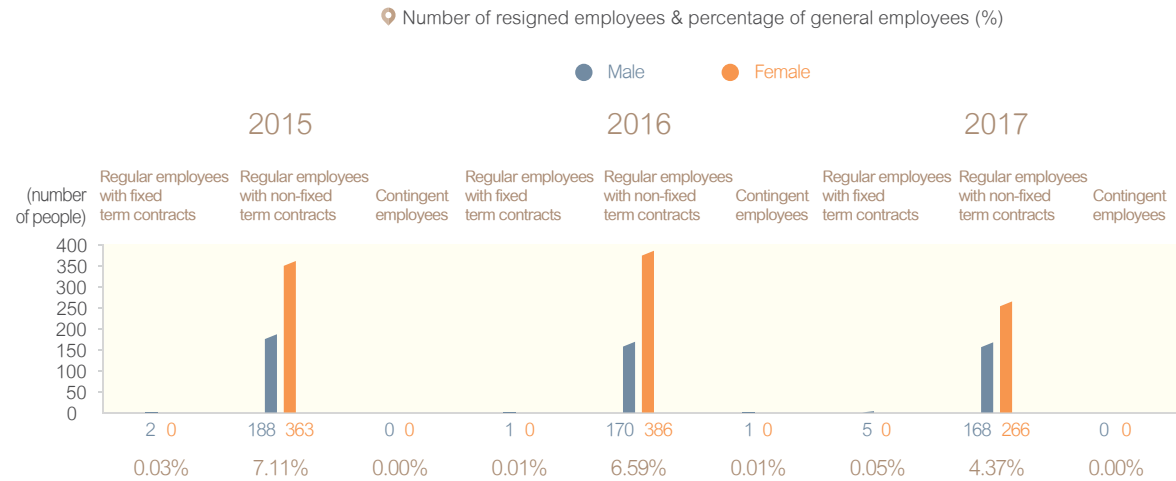
Statistics on resigned general employees worldwide (by age)



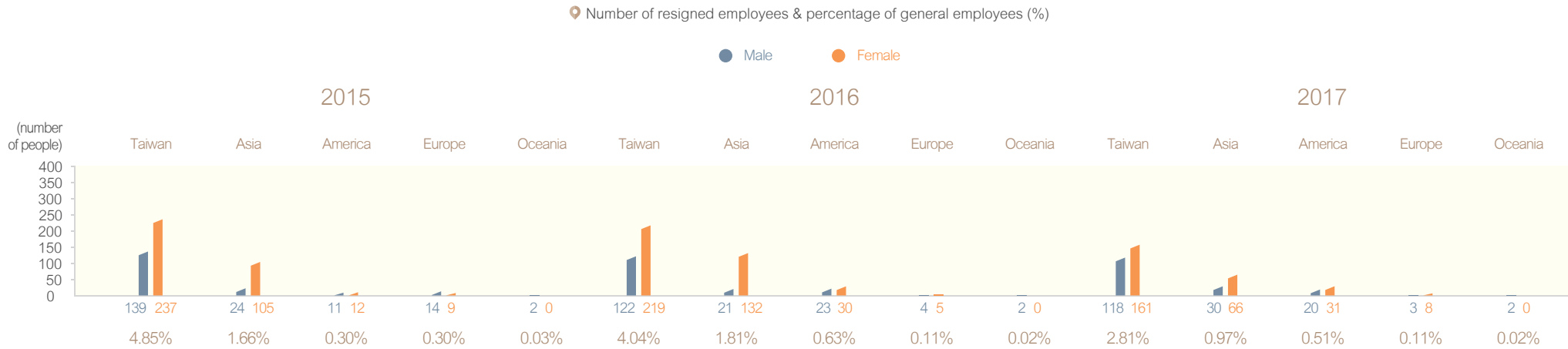
Statistics on resigned general employees worldwide (by category)



Statistics on resigned general employees worldwide (by contract)

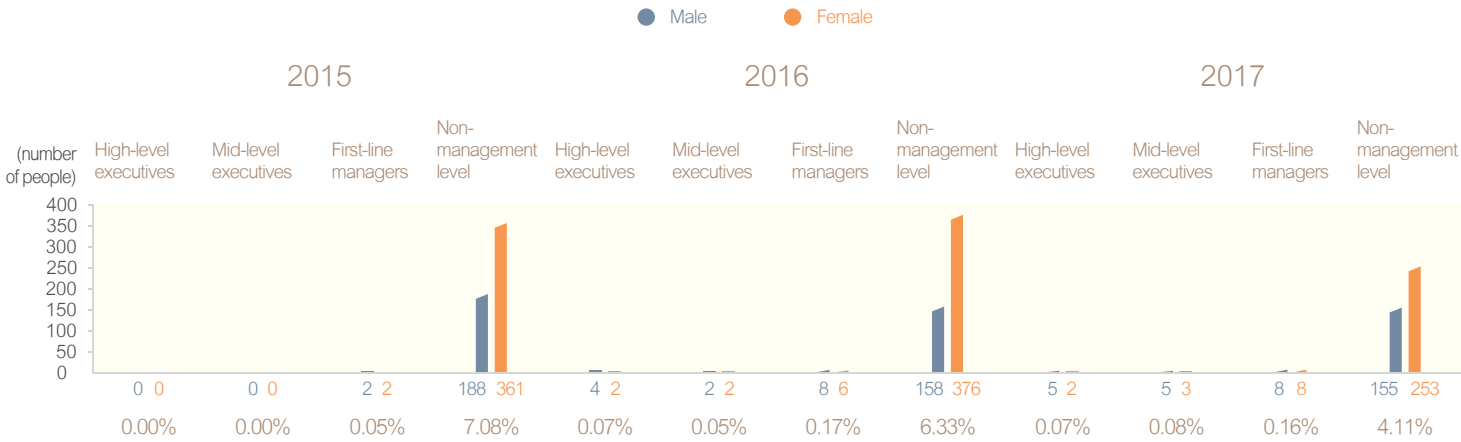


Statistics on resigned general employees worldwide (by region)



Statistics on resigned general employees worldwide (by position)

Number of resigned employees & percentage of general employees (%)



Note 1: This list excludes those who left the Company within three months after being hired.

Note 2: Regular employees with fixed term contracts include doctors, flight training consultants, and senior specialists. 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: 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 4: The percentage of general employees (%) equals the number of resigned employees / the number of employees at the end of the particular year excluding new recruits.

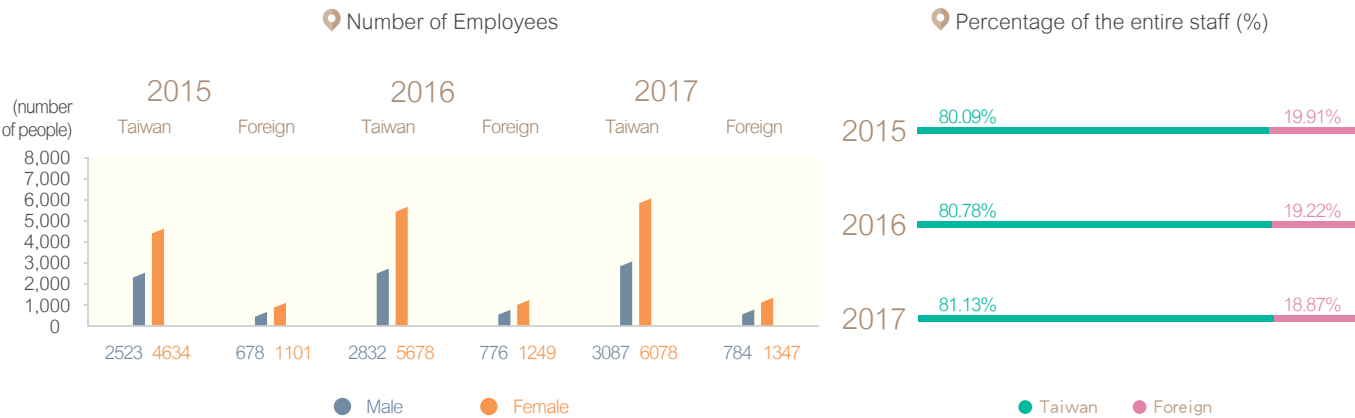
Note 5: In response to the adjustment of the basis of calculation for resigned general employees (by age), the data on 2015 to 2016 should be based on the disclosure in this version.

3-1-2 Employee Composition

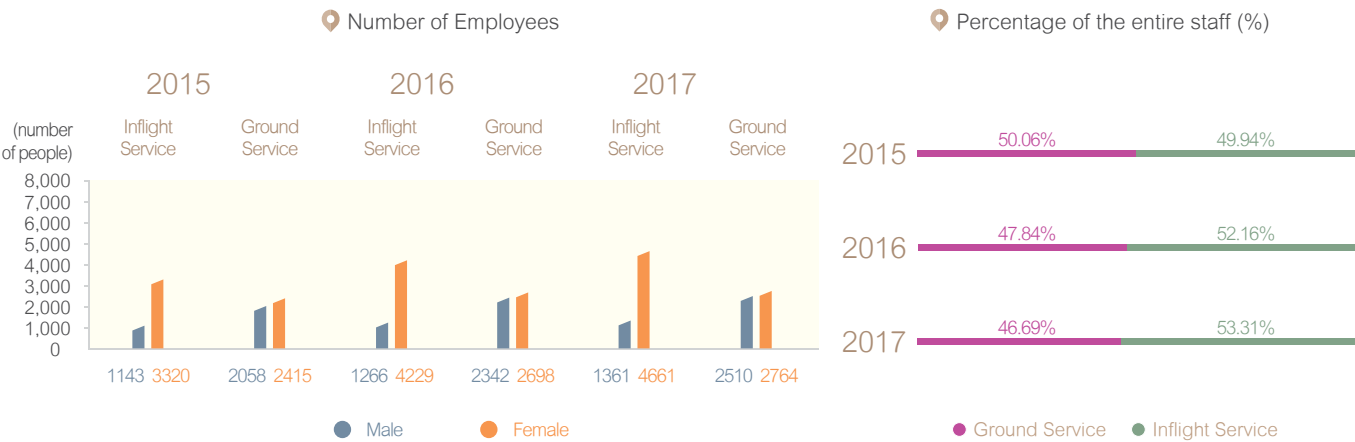
Employee Distribution

In 2017, there were 11,296 employees worldwide, of which 7,425 were female, accounting for 65.73%. The number of male employees was 3,871, accounting for 34.27%. The number of regular employees was 11,044, including 15 with fixed term contracts. The number of contingent employees was 252, including 74 interns and 178 inflight trainees. In the internationalized aviation industry, foreign employees accounted for 18.87% of all employees, higher than other industries. Meanwhile, a majority of employees were under 30 years old, accounting for 50.68%. 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.

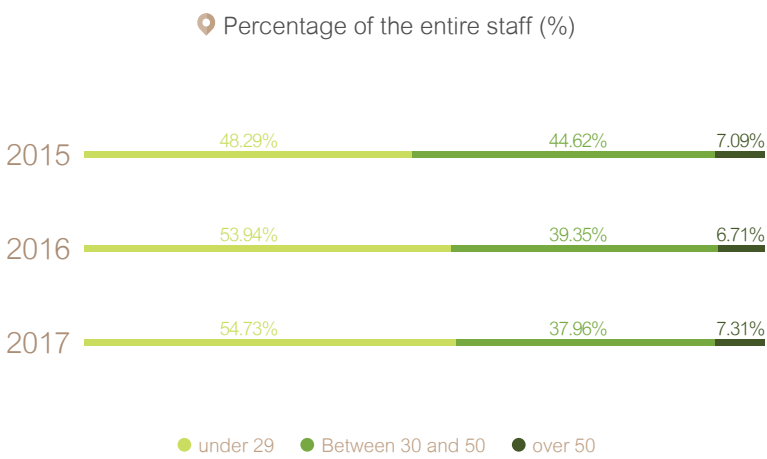
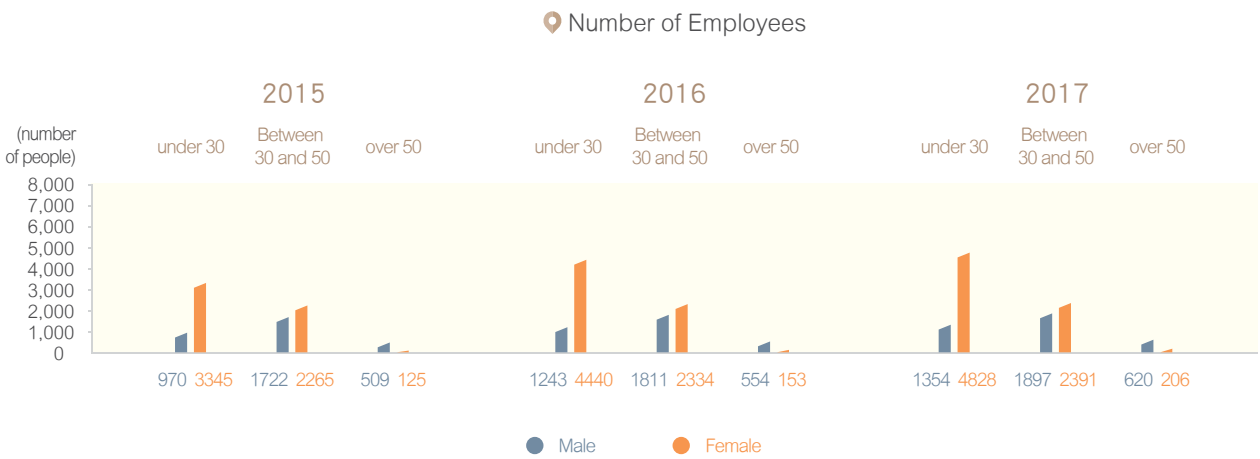
Employee composition (by nationality)



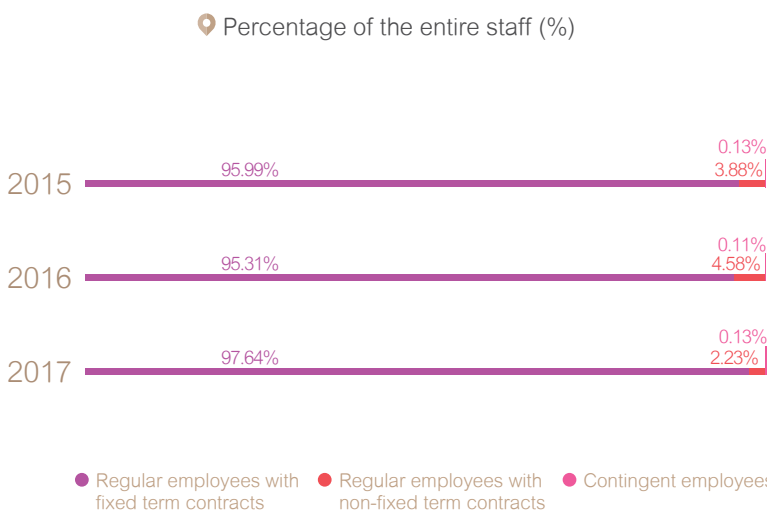
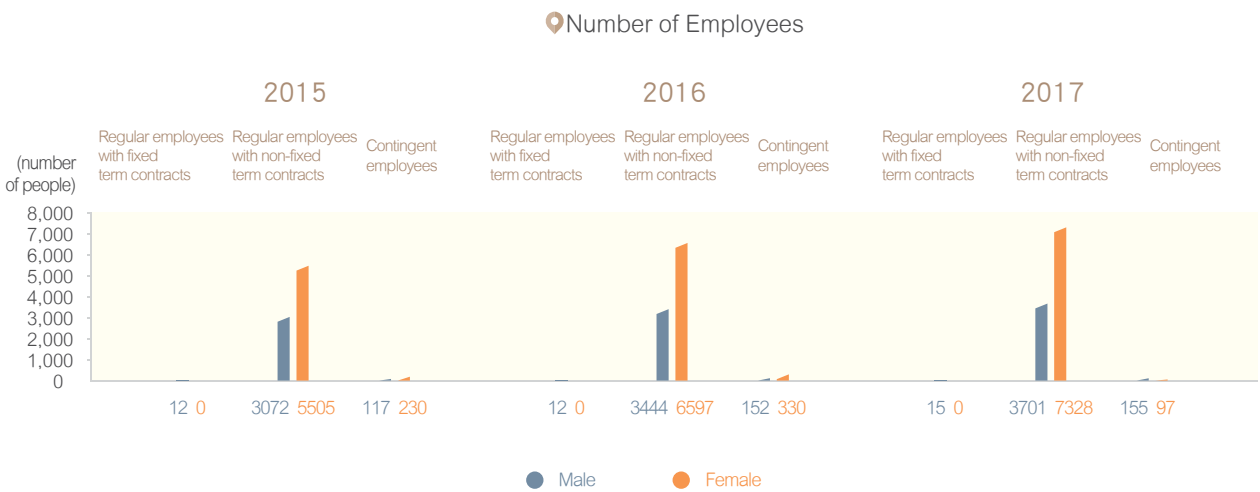
Employee composition (by category)



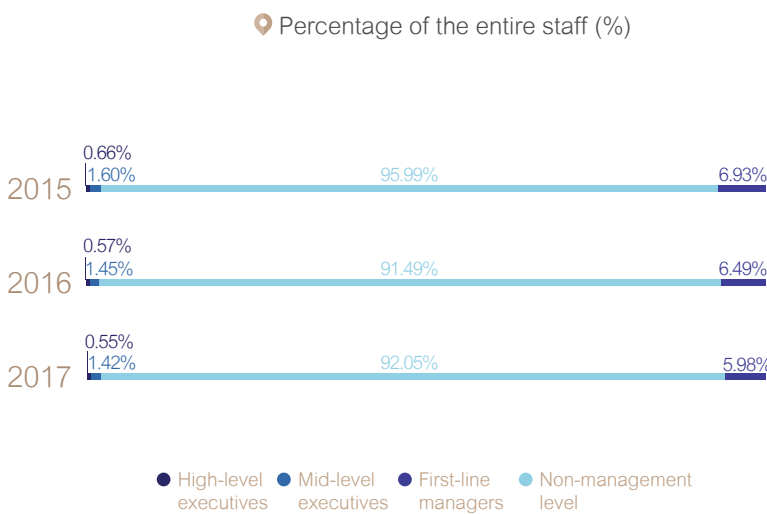
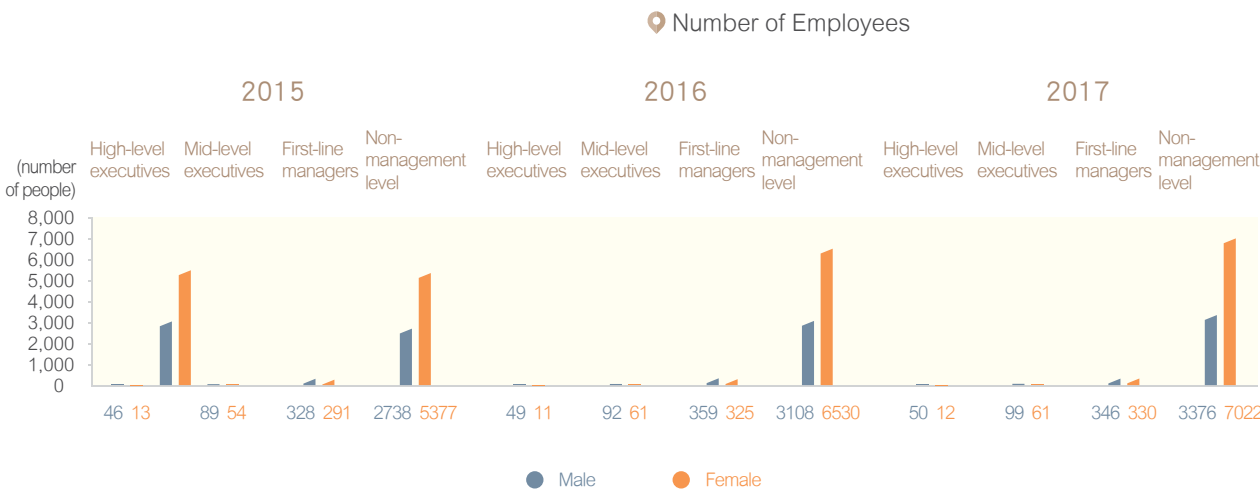
Employee composition (by age)



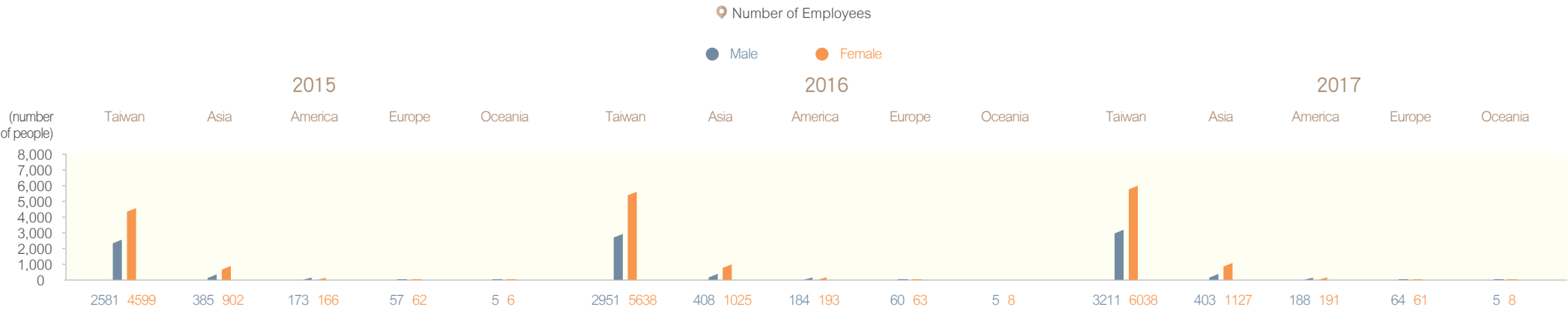
Employee composition (by contract)



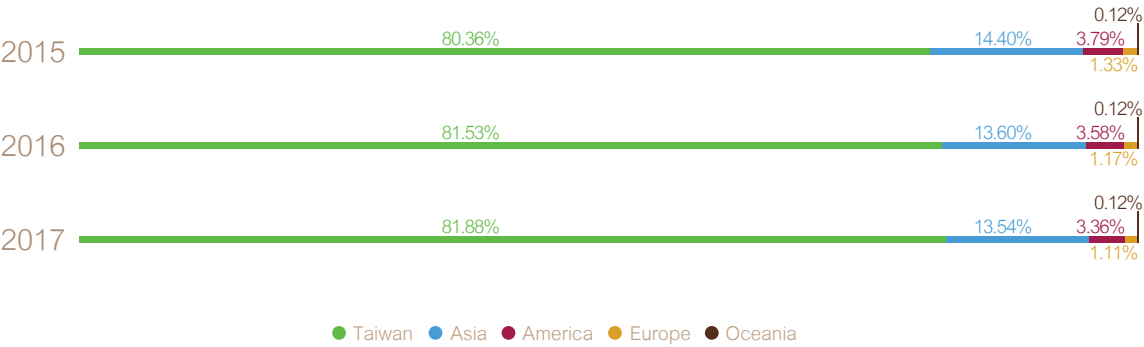
Employee composition (by position)



Employee composition (by region)



Percentage of the entire staff (%)



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.

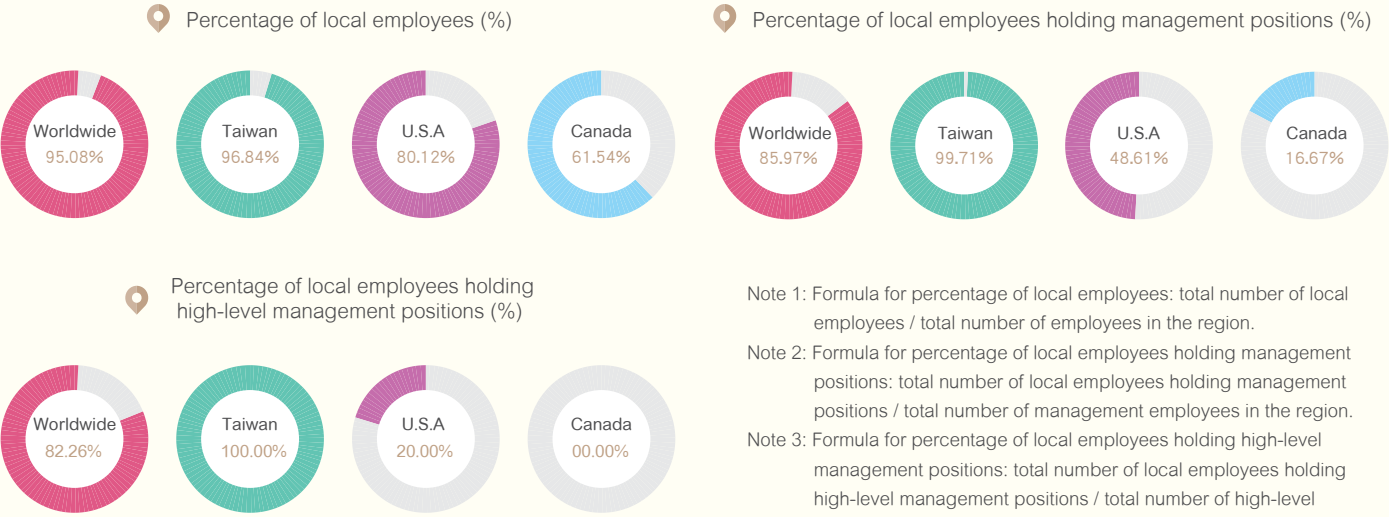
Note 3: Formula for percentage of local employees holding high-level management positions: total number of local employees holding high-level management positions / total number of high-level management employees in the region.

Note 4: The major operating locations include the U.S. and Canada.

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 2017, the local employees in Taiwan accounted for 96.84% of the entire staff, while the local management-level personnel accounted for 99.71%. The percentage of hired local employees worldwide accounted for 95.08% of all employees. At the major operating locations overseas in the U.S. and Canada, the local employees accounted for 80.12% and 61.54%, respectively, while the local management-level personnel totaled 48.61% and 16.67%, 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 2017



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 region.

Note 4: The major operating locations include the U.S. and Canada.

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 employees with disabilities has reached 77, albeit still lower than the statutory number of 94. However, with our continuous efforts, we expect to fulfill our goal of reaching the statutory number in 2018 and create a diverse workplace friendly to people with disabilities.

Number and percentage of employees with disabilities

	2013	2014	2015	2016	2017
Number of employees	25	48	55	54	54
Weighted number of employees	31	68	78	76	77
Total number of employees	5700	6595	7197	8537	9477
Percentage (%)	0.54	1.03	1.08	0.89	0.81
Note:Total number of employees: the number of employees who took out labor insurance on December 1st in the particular year. Note: 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.
Union Regular Communication 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.
Interview with Employees	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	
Flight Crew Seminar	Quarterly	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 2013 to 2017, there were 34 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, pension calculation method, 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 the problems in a rational and peaceful manner.

Statistics of Employee Complaints

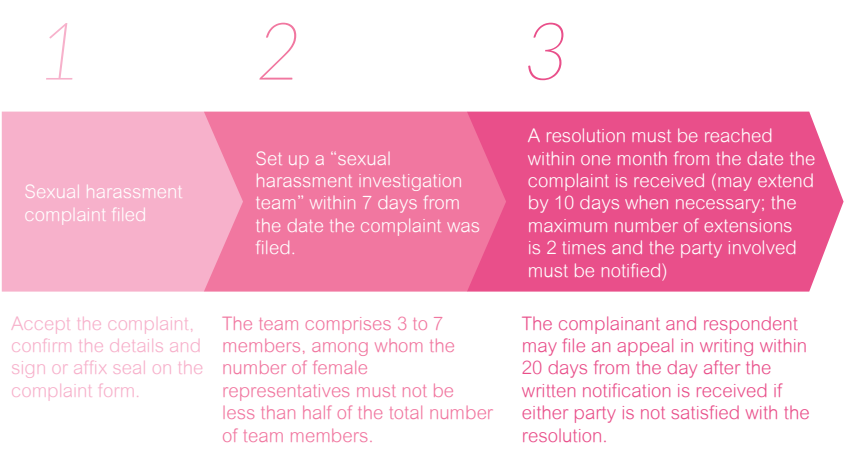
	2013	2014	2015	2016
Total number of complaints regarding labor practice issues submitted through the official complaint mechanism (for the current year)	9	11	3	3
Number of complaints resolved (incl. the preceding year)	9	16	8	4
Number of complaints handled (incl. the preceding year)	4	6	5	2
Number of complaints in process (unresolved)	5	5	1	2
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 : In the past, the number of complaints is calculated based on the formal complaints filed during the year. However, considering that there are unresolved cases from previous years that still require further communication and negotiation, the principle of calculation of the number of complaints handled and resolved was adjusted in 2015 to “the number of complaints handled and resolved during the reporting period, including complaints filed during the current year and preceding year”. For statistical consistency, the data for 2013 and 2014 were adjusted according to this new principle. 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 which is 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.

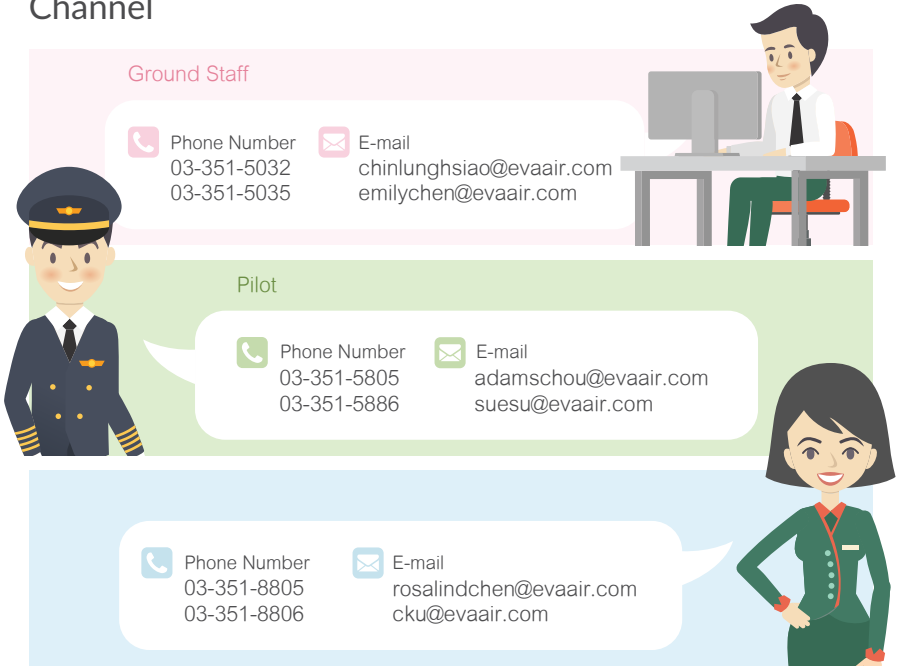
 Sexual Harassment Prevention and Gender Equality

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 2017, 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.

Sexual Harassment Complaint Procedure



Gender Discrimination/Sexual Harassment Complaint Channel



Male/Female Average Salary Ratio-Management Level

Level	2013	2014	2015	2016	2017
High-level Executives (Male : Female)	1.119	1.110	1.075	1.111	1.093
Mid-level Executives (Male : Female)	1.016	1.030	1.054	1.046	1.029
First-line Managers (Male : Female)	1.024	1.020	1.020	1.020	1.012
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	2013	2014	2015	2016	2017
High-level Executives (Male : Female)	1.477	1.255	1.191	1.101	1.093
Mid-level Executives (Male : Female)	0.987	1.004	1.942	1.988	1.020
First-line Managers (Male : Female)	1.004	1.011	1.995	1.982	1.003
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		2013	2014	2015	2016	2017
Male	Taiwan		1.838	1.816	1.749	1.749	1.761
	America	U.S.	1.139	1.153	1.139	1.089	1.196
		Canada	1.213	1.156	1.131	1.116	1.246
Female	Taiwan		1.838	1.816	1.749	1.749	1.761
	America	U.S.	1.139	1.153	1.139	1.089	1.196
		Canada	1.213	1.156	1.131	1.116	1.246

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: Since 2015, 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		2013	2014	2015	2016	2017
Male	Taiwan		1.68	1.66	1.68	1.69	1.67
	America	U.S.	1.64	1.66	1.64	1.67	1.53
		Canada	-	-	-	2.03	1.91
Female	Taiwan		1.77	1.69	1.68	1.78	1.73
	America	U.S.	1.38	1.38	1.41	1.40	1.34
		Canada	1.56	1.57	1.60	1.58	1.64
Note 1: Average salary of female (male) management executives / Average salary of all female (male) employees, excluding a ircrew (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, 2017, the balance of EVA Air's Labor Retirement Reserve Fund Account with the Bank of Taiwan was NTD 3,762,812,051. 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	2013	2014	2015	2016	2017
Salaries	7,644,331 (73%)	8,747,243 (73%)	10,122,946 (72%)	11,993,169 (72%)	13,297,537(71%)
Labor & health insurance premiums	423,136 (4%)	488,250 (4%)	552,671 (4%)	603,078 (4%)	723,951(4%)
Employee welfare	2,036,443 (19%)	2,329,422 (19%)	2,703,703 (20%)	3,480,019 (21%)	4,203,677(22%)
Total Pension expenses	401,338 (4%)	446,677 (4%)	510,493 (4%)	546,112 (3%)	605,011(3%)

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

Item	2013	2014	2015	2016	2017
Balance of Labor Retirement Reserve Fund Account	3,276,976	3,635,149	3,720,280	3,812,016	3,762,812

 Employee benefits

With the same spirit of serving our customers, EVA Air provides employees with a 5-star work environment and whole-hearted 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 health

Employee Benefits

Taiwan / Regular Employees / Indefinite-term Contract-based 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

Taiwan / Regular Employees / Fixed-term Contract-based 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

America / Regular Employees

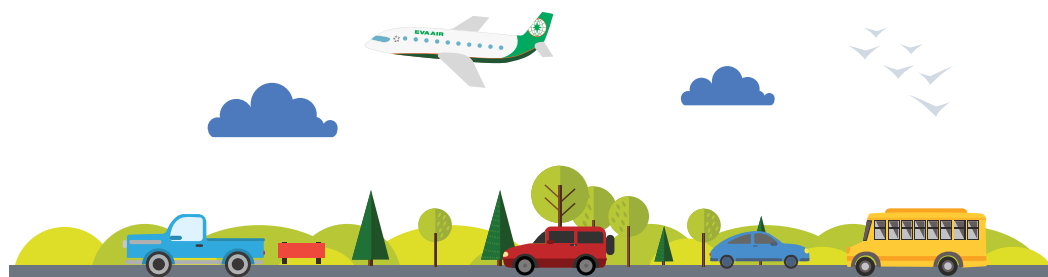
- ✓ Marriage subsidy
- ✓ Funeral subsidy
- ✓ Meal allowance
- ✓ Annual leave
- ✓ Insurance (health/dental/vision/life insurance)
- ✓ Year-end Bonus
- ✓ Rebate Tickets
- ✓ Parental leave (Note)
- ✓ Retirement benefits (401(k), discounted tickets for retired employees)

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

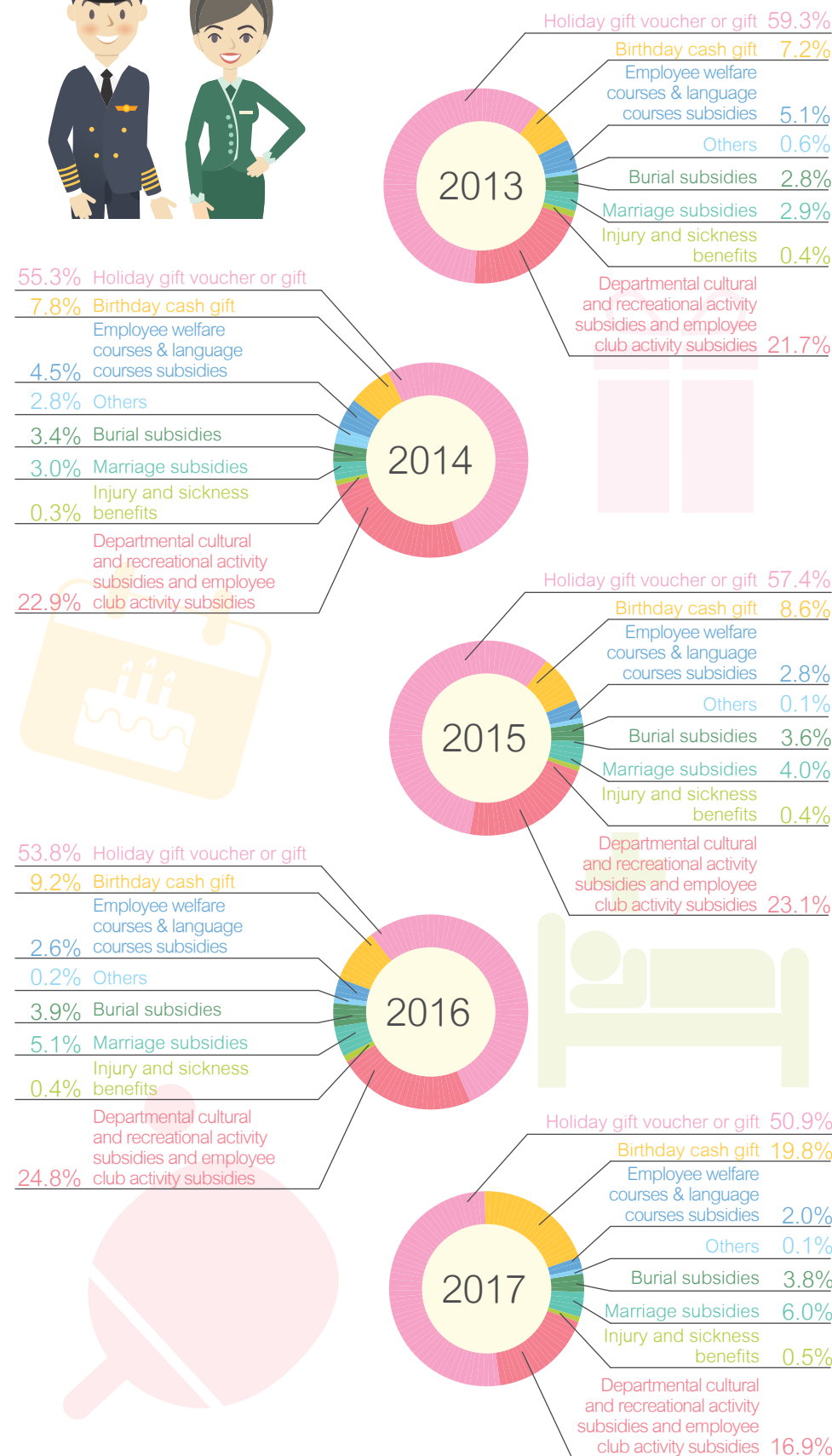
Note 2: Parental leave: America provides Family and Medical Leave (FMLA) in accordance with the law, while Canada provides Parental Leave. Those who require parental care and meet the eligibility requirements may apply.

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 twice a 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 (%)



 Employee benefits

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 2017, the number of female aircrew members temporarily transferred to ground staff was 91. Meanwhile, the number of employees applying for unpaid paternal leave was 194; males accounted for 2.6%, whereas the majority was female, accounting for 97.4%; 32% of employees who were eligible applied for unpaid parental leave, and all applications were approved; 98% 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
2017 Number of people eligible for unpaid parental leave	332	274	606
2017 Number of people applying for unpaid parental leave	189	5	194
2017 Percentage of people applying for unpaid parental leave (%)	57%	1.8%	32%
2017 Number of people who should be reinstated after unpaid parental leave (A)	158	5	163
2017 Number of people applying to be reinstated (B)	124	5	129
Reinstatement rate (B/A)	78%	100%	79%
2016 Number of people reinstated (C)	141	2	143
2016 Number of people applying to be reinstated and serving for more than 1 year (D)	138	2	140
Retention rate (D/C)	98%	100%	98%
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 who still stay employed by the end of the next year after reinstatement/ 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 2016, 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

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 a second interview to assess 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 chief 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 2017, every employee received an average of 40 training hours, 39.2 hours for female employees and 41.4 hours for male employees.

Training Hours of All Job Categories

Subject		2013	2014	2015	2016	2017
Average hours of training for each employee		61.5	35.2	41.8	38.4	40.0
Average hours of training for each female employee		58.1	34.1	40.3	38.0	39.2
Average hours of training for each male employee		66.7	37.0	44.5	39.0	41.4
Average hours of training for each employee category	Flight Crew	84.9	69.5	84.4	70.0	68.5
	Cabin Crew	55.7	43.1	51.8	47.0	49.7
	Ground Staff	58.7	22.4	24.7	24.1	24.5
Note 1: In June 2013, EVA Air joined the Star Alliance, which required the entire staff to complete the e-learning training. Therefore, the average hours of training for that year were higher. 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 2: 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 1,281 hours) and 2.5 months for cabin crew trainees (average training hours for each trainee were 464 hours).						
Note 3: The average training hours of employees = the total training hours that year / the total number of regular employees at the end of that year.						

3-2-1 Flight Crew

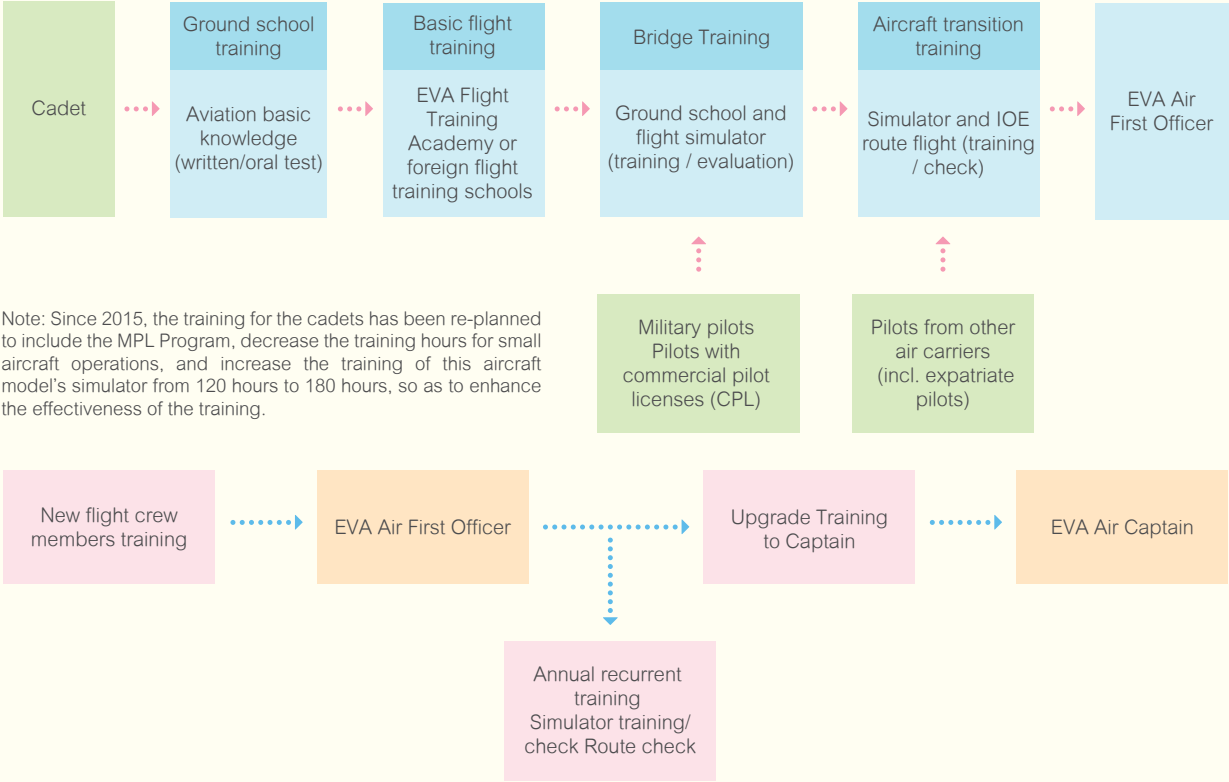
Flight safety and flight crew performance are closely related in providing passengers with a safe flight service. Thus in addition to continual purchase of the highest certified level Full Flight Simulators to conduct aircraft transition training, upgrade training and annual recurrent training for our 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 complies with the Company's standards. In 2016, the average rate for additional training of our fleets was between 4% to 6%. To fulfill EVA Air's safety mission statement, "We aim to assure your safety whenever you are airborne. 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. With the emphasis on optimizing training quality to ensure flight safety, the Academy insists that the student-teacher ratio be no higher than 2:1, which surpasses general private flight academies with a student-teacher ratio of around 6:1 to 8:1. 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 2017, 113 students had completed their training.

Training Program Flowchart for New Flight Crew Members

(4 phases over approximately 23 months)



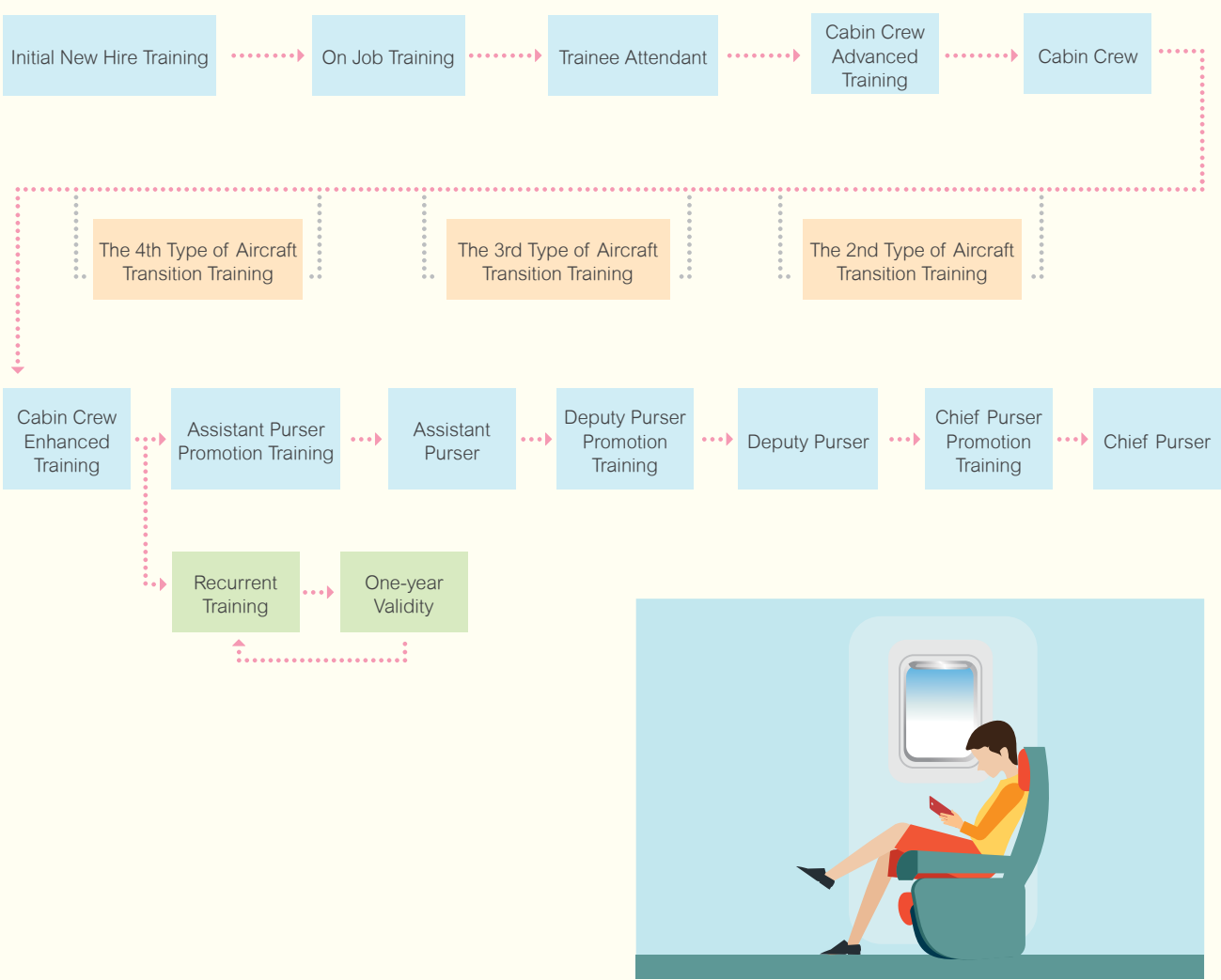
3-2-2 Cabin Crew

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 satisfy our customers' needs and meet their expectations, we continue to instill creativity and different ideas into our training courses. With a lively and interactive training method, our cabin crews can practice through the simulation of in-flight scenarios and internalize the concept of "safety" and "service." Through enhancing cabin crew training and learning effects, our customers will be able to experience "warm" quality services during a worry-free and pleasant journey.

The web version of “Duty All in One” for cabin crew members was launched in 2016 and is widely acclaimed among our cabin crew. This feature collects all the commonly used information for flight attendants in a single search system. Simply by entering the date and flight number, one will find the relevant duty information on that specific flight, such as safety notice, service working method, introduction to in-flight meals and drinks/alcohol, etc. For more convenience, a smartphone APP version of this feature was further launched in May 2017, whereby our cabin crew can go through the information offline on the plane easily and quickly. This allows all cabin crew members to prepare for their duties more effectively, which enhances the service quality as well.



Training Flowchart for Cabin Crew



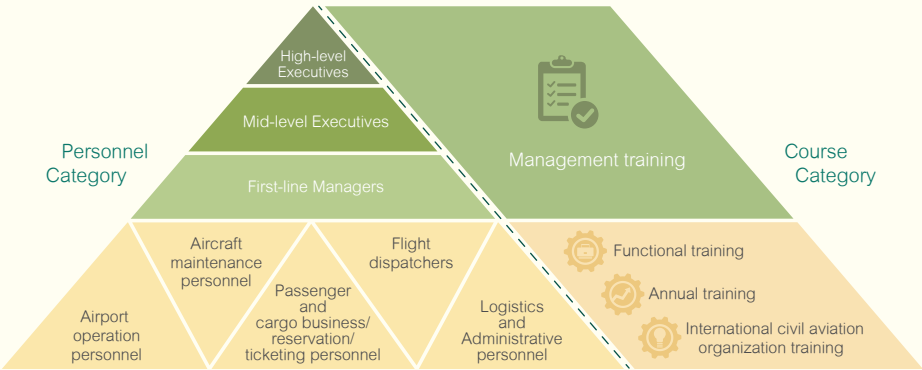
Course Category	Contents	Number of trainees	Training completion rate (%)
Initial New Hire Training	- Safety Training Course - Service Training Course - First Aid / CPR & AED Training - Other Training Courses - On Job Training	667	100%
Recurrent Training	- Safety / Security Training Course - Crew Resource Management - Emergency Simulation Training - Operation of Aircraft Doors, and Emergency Equipment - Job Task Skill Performance Review and Case Studies - Service Concept Course - E-Learning Course	3952	100%
Transition Training	- Aircraft System Course - Safety Training Course - Inflight Entertainment Course - Other Training Courses	2210	100%
Promotion Training	- Job Task Course - Leadership Course - Public Announcement Course - Service Simulation Course	Number of trainees: 633 Number of trainees who have completed: 620	98%

Note: The Promotion Training is a program for our cabin crew members to obtain promotion to higher positions. Failure to pass the relevant evaluation tests would mean thatshe is currently incapable of fulfilling the requirements for the next higher position; yet, she may retain her original position. Thus, the training completion rate did not reach 100%.

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



Ground Staff Training Course

Course Category	Content	Number of trainees	Training completion rate (%)
Functional training	- Management Training - Departmental Functional Training - General Training - New Employee Orientation - On-the-Job Training	Number of attendees: 11,600 Number of completion: 11,598	99.98%
Annual Training	- Reservation & Ticketing Course - Passenger and Cargo Service Course - Load & Balance Course - Baggage Course - Dangerous Goods Course		
International Civil Aviation Organization Training	- IATA Training - Star Alliance Training - Aircraft Manufacturer Training		

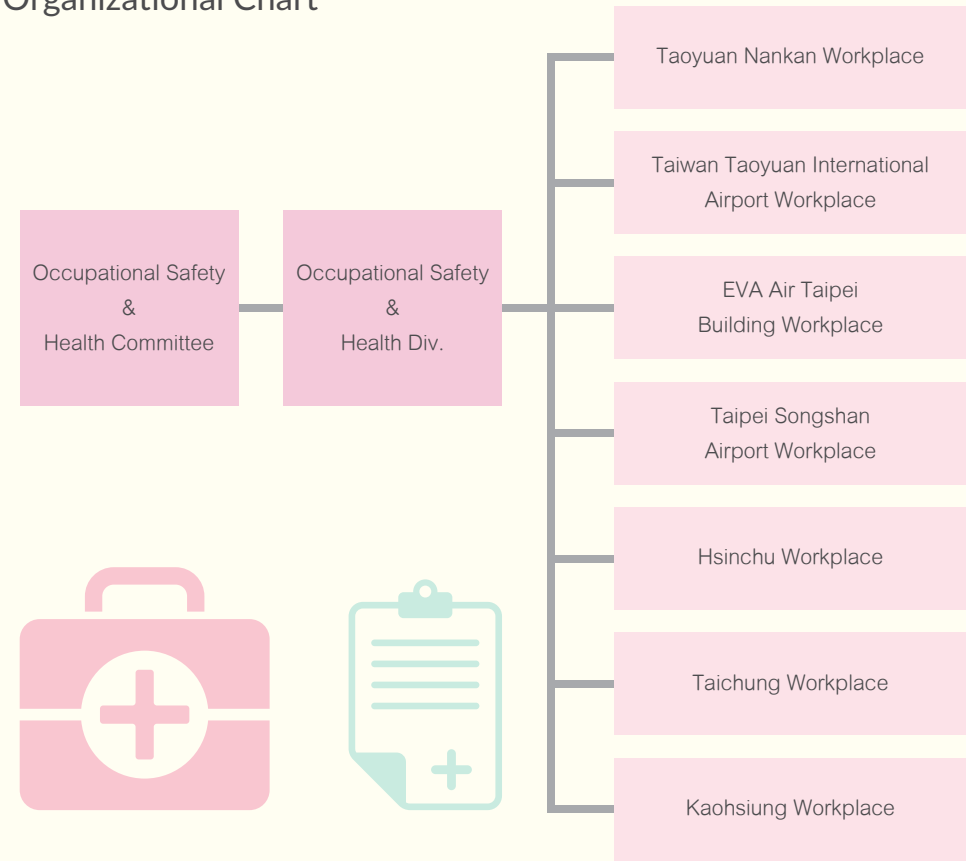
Note 1: IATA: International Aviation Transportation Association
Note 2: Star Alliance
Note 3: Part of the trainees failed to meet the standards set for the courses, so the training completion rate did not reach 100%. If the training involves the effectiveness of relevant certifications for business implementation, those who did not complete the training will be scheduled to join another training again or have their jobs adjusted.

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. The committee members include 1 commissioner, 1 executive secretary, 3 occupational safety and health management staff members, 1 head of department, 1 supervisory staff member related to occupational safety and health operations, 2 medical staff members, and 6 union representatives. The percentage of union representatives is 40%. This far exceeds the statutory requirement (1/3). 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



Safe & Health

To enhance the safety of our work environment, EVA Air’s goal of occupational safety and health is zero violations, zero occurrences, and zero risks. 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 Health and Safety Assessment Series (OHSAS 18001). 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 planned to carry out the certification at the end of 2018, with the aim of achieving our goal of occupational safety and health by making improvements and carrying out regular inspections through the management system.

Goal and Major Measures of Occupational Safety and Health



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

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. To effectively prevent the 3 highs (high uric acid, high blood cholesterol, and high blood pressure) and diabetes from occurring, we especially held the weight control competition in 2017, aiming to encourage the participating employees to reduce and control their weight and to further prevent chronic diseases. The event included the health seminar and weight control competition. 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.

54

Number of Participants

Weight Control Competition

Through holding the “Facilitating Health: Weight Control” competition, we aim to promote the concept of “controlled diet and exercise” to help the participating employees reach their goals of weight control and to further prevent chronic diseases.

120

Number of Participants

Health Seminar

- 1.The right kind of diet:
Nutritionists were invited to share their ways of calculating calories and the correct eating habits.
2. Lose weight at work:
Experienced fitness coaches were invited to teach our employees how to keep fit even during work through some simple movements.

356

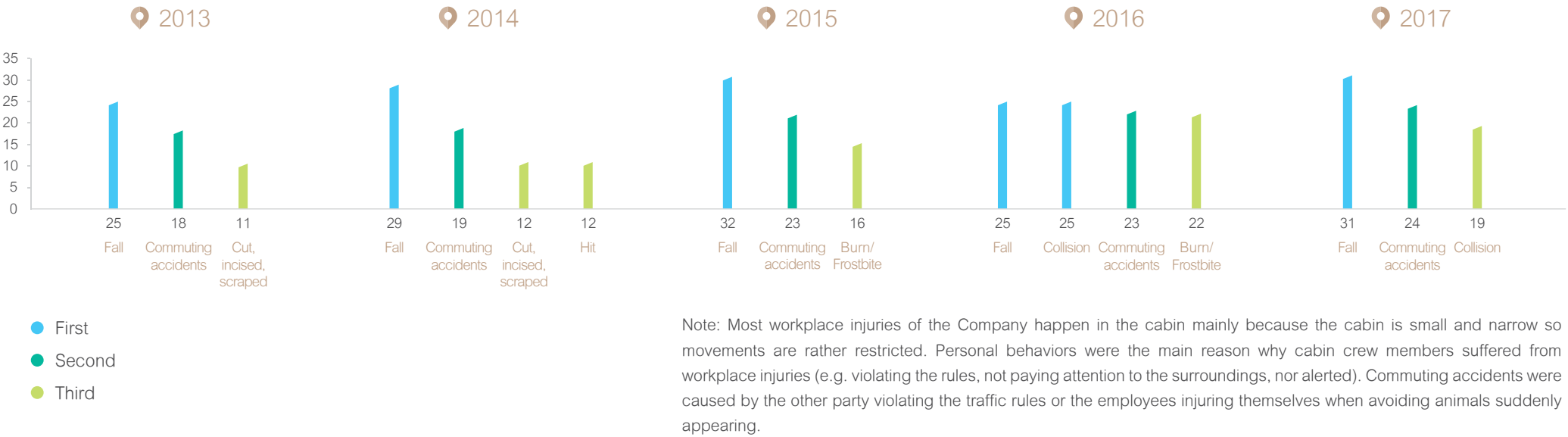
times a year

Onsite Medical Personnel Service

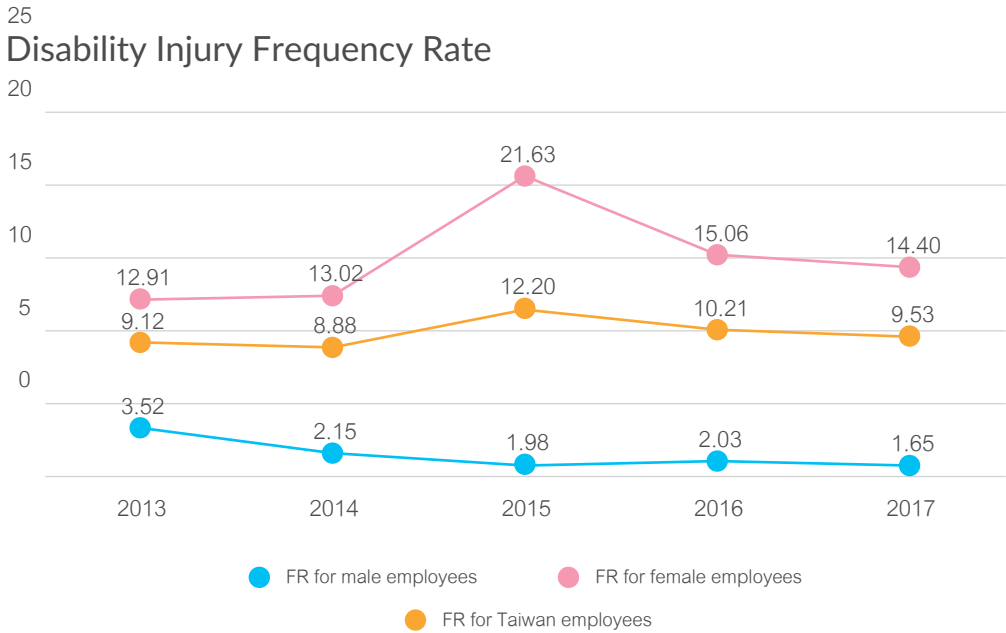
Periodically, doctors and nurses come to our workplaces t to provide health consultations and health education to achieve the goal of looking after our employees' physical health.

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 2017 Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate (SR) were lower than those in 2016. The occupational accidents of the cabin crew accounted for 82.11% 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 quarter 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. In 2017, there were no incidents of major occupational accidents.

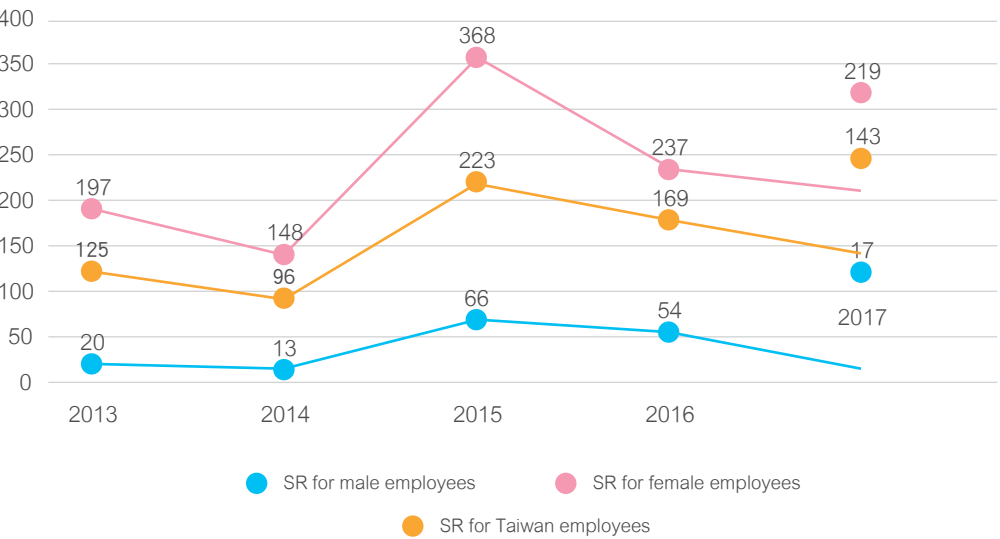
Number of Top 3 Workplace Injuries



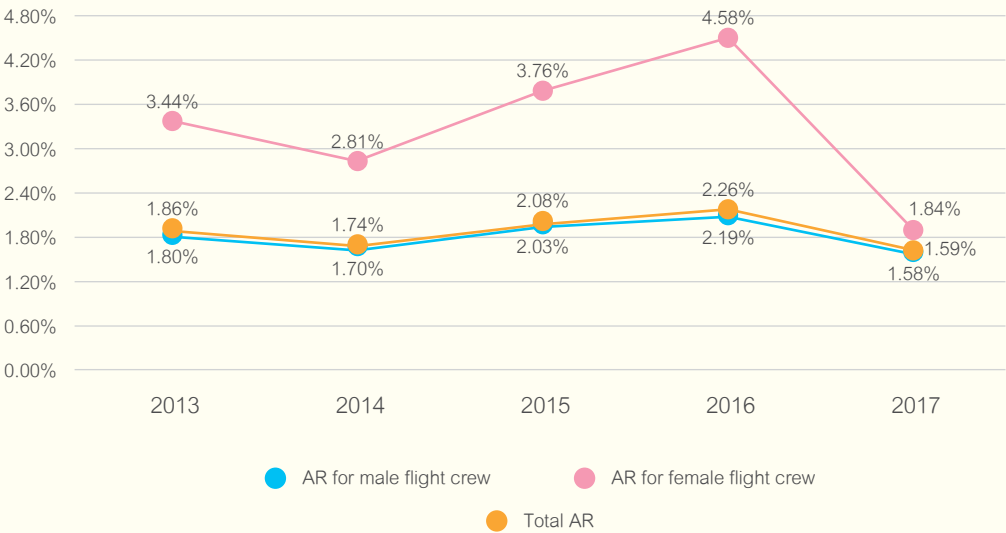
Disability Injury Frequency Rate



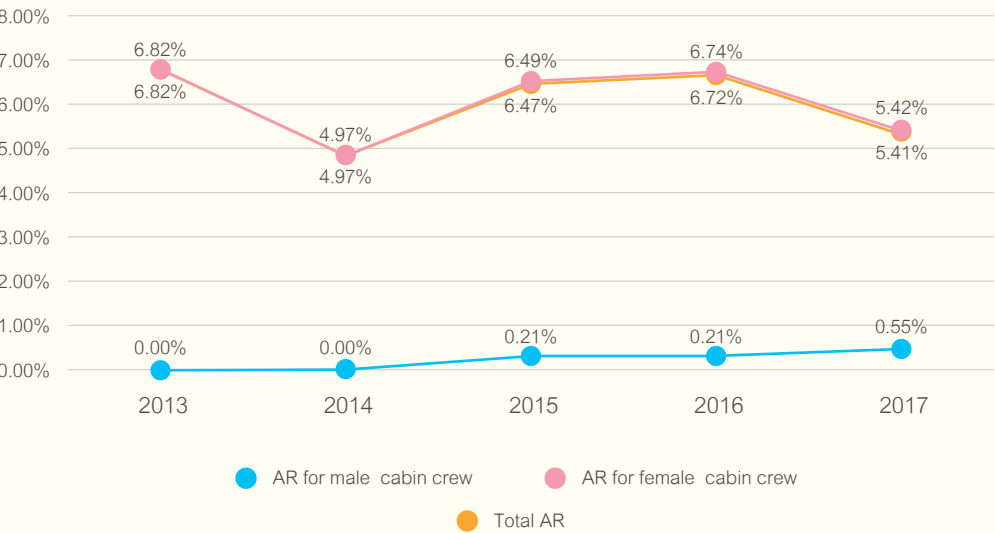
Disability Injury Severity Rate



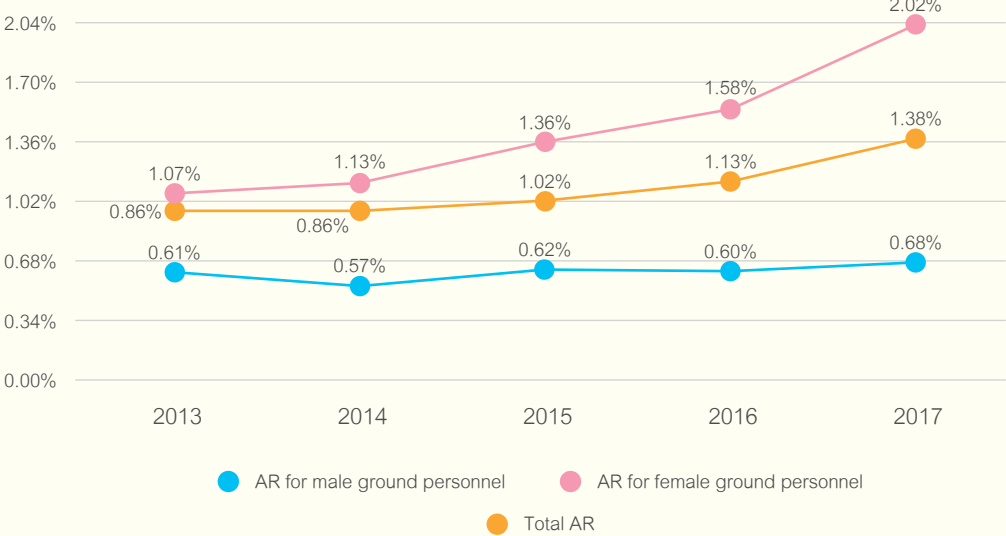
Absence Rate - all flight crew



Absence Rate (AR) – All cabin crew



Absence Rate (AR) - Domestic ground service personnel



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 quarter 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.		
Entire staff	• 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 in 2016, 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. • For those whose health examinations indicate abnormalities, we actively provide health management and health 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	2015	2016	2017
Use Count (person)	9	27	40
Time spent (hour)	41	73	100.5

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).

04.

GREEN EARTH



NATURAL
100%

O₂

In the 21st century where environmental awareness is growing, as a member of the global industry, EVA Air views the local and global environments as its own responsibility. We hope that through our environmental protection policies, we can motivate our industry partners and passengers to join our cause and share in our efforts to protect the environment. In recent years, EVA Air has begun to adopt international standard management systems. Internal review and external auditing procedures help us to execute various environmental protection measures, and reduce any negative impacts on the environment resulting from our operations. EVA Air will accept and address any climate-related problems that affect the global community. Our proactive actions include greenhouse gas (GHG) inventory, risk/opportunity identification, energy-saving projects, performance monitoring, etc. The 2017 "Green Travel" - EVA Carbon Offset Program, was rolled out under the influence of the zero-carbon emissions lifestyle trend, flying our passengers towards a greener tomorrow.

Chapter Highlights



43.03 tonnes
of CO₂e



CO₂e from flight GHG emissions were offset since the start of the "Green Travel" EVA Carbon Offset Program in May 2017 until the end of 2017.

22.7%



WASTE RECYCLING
RATE

59,435 tonnes
of CO₂e



REDUCED FLIGHT GHG EMISSIONS
FROM OUR FLIGHT ENERGY
CONSERVATION PROJECT

An equivalent of 18,868 tonnes of fuel saved.

108,093 kg
of CO₂e



REDUCED GHG EMISSIONS
FROM OUR GROUND SERVICE
POWER-SAVING PROJECT

An equivalent of 203,334 kWh of electricity saved.

22%



ENERGY USE INTENSITY (EUI)

145.18 kWh/m², 22% lower than the annual reference value (186.2 kWh/m²) of the office building announced by the Bureau of Energy, MOEA.



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. 233,700 tonnes of carbon dioxide emissions were already successfully reduced between 2013 and 2017, an equivalent of 19,470,000 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 CO₂ 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

Since March 2016, 163 labor hours and NT \$ 400,000 have been invested in the system implementation.

● Achievement

Since the system went live in May 2017 until the end of 2017, a total of 43.03 tonnes of CO₂e had been offset, an equivalent of the amount absorbed by 3,586 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 ton 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 ton of carbon emissions offset means one ton 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 energy.

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 further reducing your carbon footprint.

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 fees 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.

How do we calculate your 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 emissions 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



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.

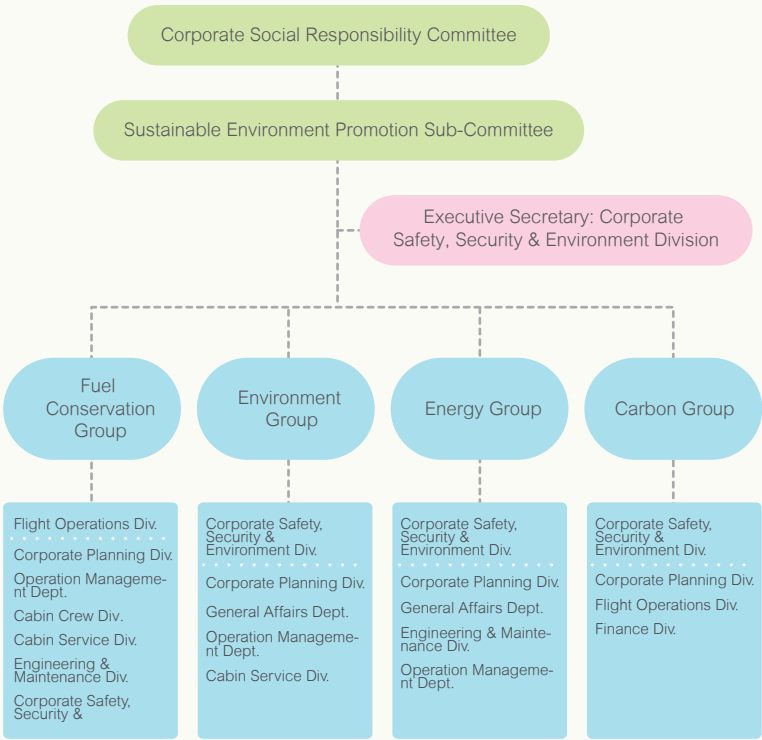
4-1-1 Management system certification and environmental policies

● 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 corporate sustainability and 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 Documents	Name of Standardized Document	Action on Risks	Response Measures
Office electricity consumption (the whole park area)	A minimum of 1% of the power is legally required to be conserved annually	Improve lighting and air conditioning. Reduce energy cost.	Yes	Environment and energy operation management procedures	Reduce risks	Monitor energy performance index
Office water consumption (the whole park area)	Water supply shortage	Invest in rainwater recycling system and increase water reuse amount.	Yes	Environment and energy operation management procedures	Reduce risks	Continue recycling rainwater and condensed water. Monitor water consumption in the park.
Scrapping and replacement of unusable training equipment	Waste disposal company does not treat waste properly	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 leaks due 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
Domestic sewage from office activities	Water Pollution Control Act will begin to collect water pollution control fees for public sewage systems	Company executives fully support the operations of the management system	Yes	Environment and energy operation management procedures	Reduce risks	Monitor the discharge water quality
Supplier management	Insufficient supply due to supplier's work suspension caused by environmental issues	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	No	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 3 years.

In 2015, EVA Air started the "Corporate Risk and Sustainable Environment Management Credit Course". The course offers managers and environment management staff a way to learn relevant information, and organizes educational trainings and campaigns at each department during the introductory stage of the environment and energy management system.

Results of major power conservation measures

Year	2015	2016	2017
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
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 ClimateCare, 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.
Total environmental protection expenditure (NTD 1,000)	139,179	139,179	153,906
Environmental protection expenditure items	- Waste disposal expenditure - Aircraft noise prevention expenditure - EU carbon emissions processing expenditure	- Carbon offset project installation expenditure - Green power procurement expenditure - Environment and energy management system installation and project research expenditure	

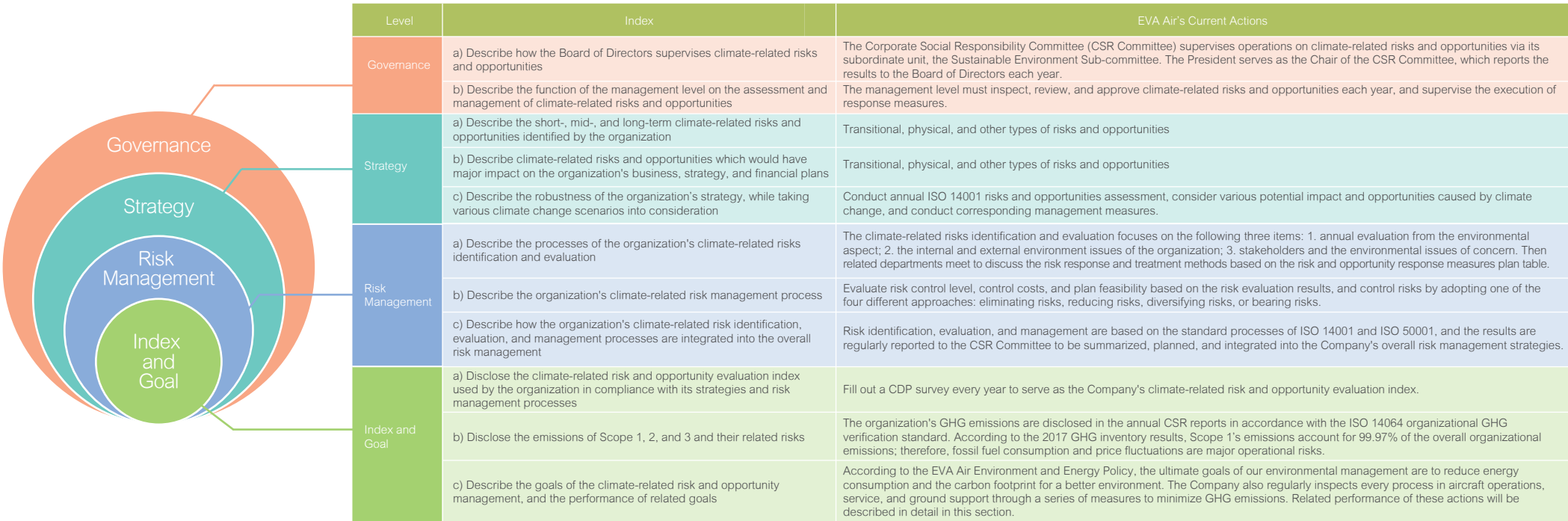
4-1-2 Introducing TCFD to Manage Environmental Risks and Opportunities

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 environmental issues. EVA Air is committed to:

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 information through the internal environment and energy blog, which periodically publishes the latest environment protection information.
Promoting the concepts of environmental protection and energy conservation	Announcing the environment and energy procurement guidelines, with which all relevant procurement actions of the Company comply.
Joining the green procurement movement	Using green products and creating a culture of environment protection.
Establishing a low -carbon green environment	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.



● Transitional Type

Item		European Union Emission Trading Scheme (EU ETS)	Aircraft noise prevention	Taiwan GHG reduction and management policies
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.
Negative impact		· Increase operation costs · Increase R&D costs · Reduce asset value · ncrease current liabilities · Dispose assets early	· Increase operation costs · Reduce asset value · Increase current liabilities · Dispose assets early · Loss of existing customers · Legal proceedings or fines · Brand damage	· Increase operation costs · Increase R&D costs · Reduce asset value · Increase current liabilities · Dispose assets early
Impact Subjects		· Products or service · Company Equipment · Upstream value chain	· Company equipment · Upstream value chain	· Products or service · Company equipment · Upstream value chain
Impact strength		Medium-high	High	Medium
EVA response measures and opportunities	Highest level of management and duties	President / protect company operations from impact	President / protect company operations from impact	President / protect company operations from impact
	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
	Risk management action	Recruit related departments to be in charge of this item	Ensure that the newly introduced airplanes comply with the regulations	Monitor and control carbon emissions
	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

● Physical Type

Item		Typhoons and torrential rain	Ice and snow damage	Extreme heat and drought
Description of legal 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.
Negative impact		· Reduce revenue · Increase insurance fee burden · Increase current liabilities · Dispose assets early · Reduce market demand · ncrease operation costs · Loss of existing customers · Employee injuries	· Reduce revenue · Increase operation costs · Increase asset costs · Reduce asset value · Increase current liabilities · Dispose assets early · Reduce market demand · Loss of existing customers · Increase insurance fee burden · Employee injuries	· Reduce revenue · Increase operation costs · Reduce capital acquisition · Reduce asset value · Dispose assets early · Loss of existing customers · Brand damage · Interrupted water supply
Impact Subjects		· Products or service · Company Equipment · Company equipment · Company buildings · Upstream value chain · Downstream value chain	· Products or service · Company staff · Company buildings · Upstream value chain · Company equipment · Downstream value chain	· Products or service · Company equipment · Company equipment
Impact strength		Medium-high	Medium-high	Medium
EVA response measures and opportunities	Highest level of management and duties	President / ensure no damage or loss to the Company operations	President / ensure no damage or loss to the Company operations	President / protect company operations from impact
	Strategic plan	Correctly obtain global climate information and accurately analyze various risk values	For responses to extreme climates, collect the special cases faced by other airlines and draft the Company's response measures	Find optimal service methods with limited resources to make the best use of the resources
	Risk management action	Plan corresponding measures for various types of natural disaster risks	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 profit under the principle of safety first	To minimize the Company's loss under the principle of safety first	Effectively use water resources and achieve optimal fuel efficiency without affecting comfort.

● Other Types

Item		Energy Shortage	Political and economic status	Epidemic diseases
Description of legal 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.
Negative impact		· Increase operation costs · Increase asset costs · Increase current liabilities · Discontinued sales · Broken supply chain · Limited growth · Dysfunctional operations	· Reduce revenue · Reduce capital acquisition · Reduce market demand · Obstruct growth · Reduce production	· Reduce revenue · Increase operation costs · Reduce market demand · Loss of existing customers · Limited growth · Discontinued sales · Employee injuries
Impact Subjects		· Products or service · Company Equipment · Company buildings · Upstream value chain · Downstream value chain	· Products or service · Company equipment	· Products or service · Company staff · Upstream value chain · Downstream value chain
Impact strength		High	Medium	Medium-high
EVA response measures and opportunities	Highest level of management and duties	President / ensure normal company operations	President / maximize rewards for investors	President / protect company operations from impact
	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	An epidemic disease may break out without warning at any time in any region. An airline's first line of defense is to correctly obtain possibilities beforehand, so that disease prevention and sterilization after the outbreak can be arranged in advance.
	Risk management 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 energy market	Reduce unnecessary loss due to factors of politics and economy	Reduce operational loss due to epidemic disease outbreaks

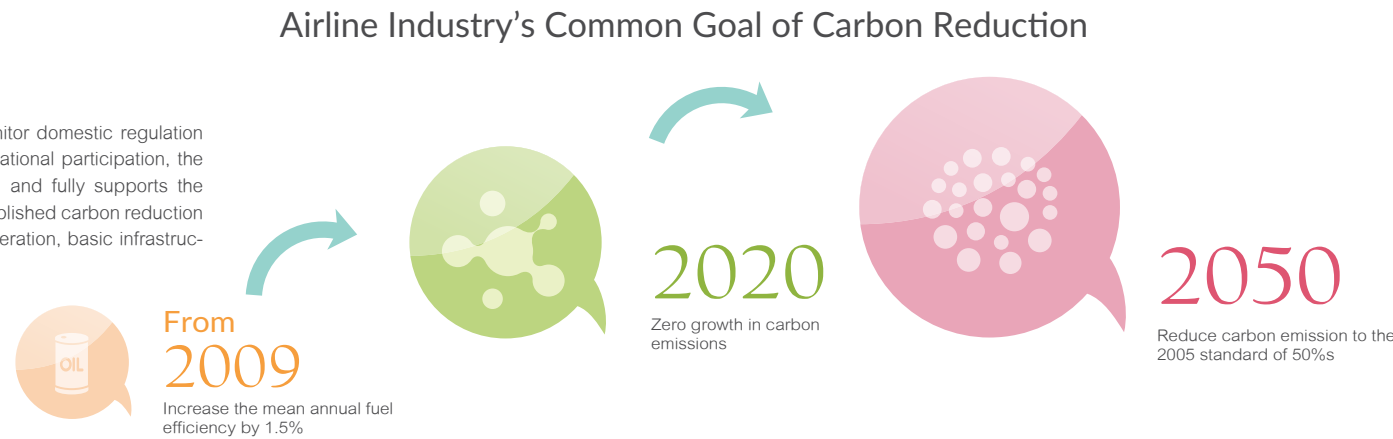
4-2 Energy and Resource Management

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 Paris Agreement was passed by the 2015 United Nations Climate Change Conference, which is further indication that GHG management is a key to mankind's survival and economic growth in the next 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 and 2017. 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



EVA Air Complies 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
	Alternative Fuel	There is currently no domestic supply of alternative aviation fuel
Operation	Improvement of aircraft operating procedures	Revise the standard operating procedures for flight crews
	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
Basic Infrastructure	Airport Infrastructure	EVA Air shall operate in accordance with the competent authorities ' regulations
	Flight Management	
	Airspace Management	
	Airline route Structure	
Financial Measures	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. In 2016, EVA Air purchased 2.5 million kWh of green power to promote Taiwan's green power development.
	Carbon Offset	

● 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 and 2017. 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. The 2017 total emissions grew by 6.4% from 2016, while the emission strength dropped by 1.2%. In consideration of the increase in total emissions, the results demonstrate the improvement in fuel efficiency of the company's new fleet.

Total GHG emissions (tonnes CO₂e)

Scope	2013	2014	2015	2016	2017
Scope 1 for Aircraft	5,081,133	5,322,634	5,496,282	5,916,183	6,302,431
Scope 1 for Non-Aircraft	275	327	465	841	802
Scope 2	11,485	11,368	11,355	12,098	12,148
Total	5,092,893	5,334,329	5,508,102	5,929,123	6,315,381

Note1: 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.

Note2: Scope 1 for aircraft refers to aircraft fuel.

Note3: Scope 1 for non-aircraft includes company vehicle gasoline and diesel fuels, natural gas, and diesel fuel for emergency power generator tests.

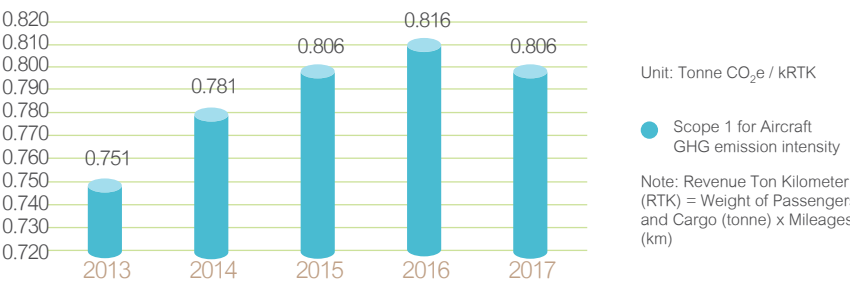
Note4: Greenhouse gas emissions from refrigerants, fire extinguishers, septic tanks, and boiler fuel are excluded due to the insignificance of the data.

Note5: The 2012-2016 emission data were recalculated in accordance with 2017 ISO 14064 verification of GHG emissions.

Note6: Scope 2 refers to external electricity procurement, the emission factors are 0.532 (2012), 0.522 (2013), 0.521 (2014), 0.528 (2015), 0.529 (2016 & 2017) kg CO₂e.

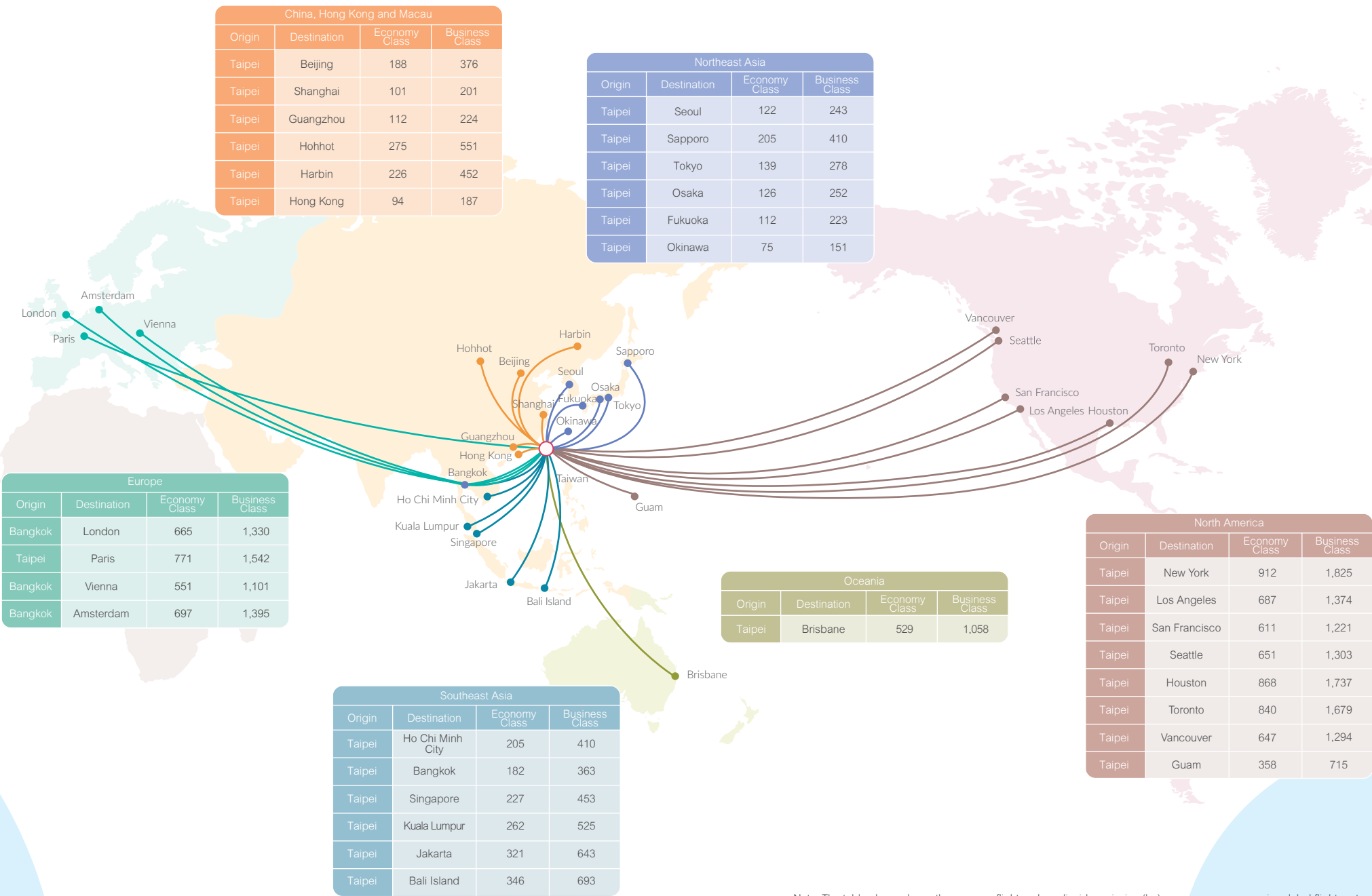
Note7: 2016 is EVA Air's first year implementing GHG inventory, and hence it is used as the base year for GHG inventory comparison.

Aircraft GHG Emission Intensity



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.



Note: The table above shows the one way flight carbon dioxide emission (kg) per passenger on major global flight routes departing from Taipei (Taoyuan Airport)

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

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	2013	2014	2015	2016	2017
Aircraft Fuel	USG, Gallon	530,243,424	555,445,348	573,566,500	617,385,422	657,692,464
	Megajoule	67,184,444,680	70,377,652,162	72,673,691,073	78,225,763,589	83,332,863,670
Gasoline	Liter	60,308	69,835	77,477	77,859	83,433
	Megajoule	1,968,168	2,279,067	2,528,473	2,540,939	2,722,862
Diesel	Liter	50,258	48,058	35,020	45,434	43,486
	Megajoule	1,766,348	1,478,144	1,230,786	1,596,815	1,528,332
Natural Gas	Cubic Meter	-	27,345	100,825	109,862	105,091
	Megajoule	-	915,292	3,374,814	3,677,301	3,517,606
Electricity	kWh	22,001,860	21,828,636	21,505,454	23,065,142	22,964,630
	Megajoule	79,167,973	78,542,768	77,381,785	82,993,917	82,632,250
Tap Water	Cubic Meter	162,108	145,107	142,767	161,525	130,484
Recycled Water	Cubic Meter	-	-	2,213	4,600	1,825

Total Energy and Resources Consumption

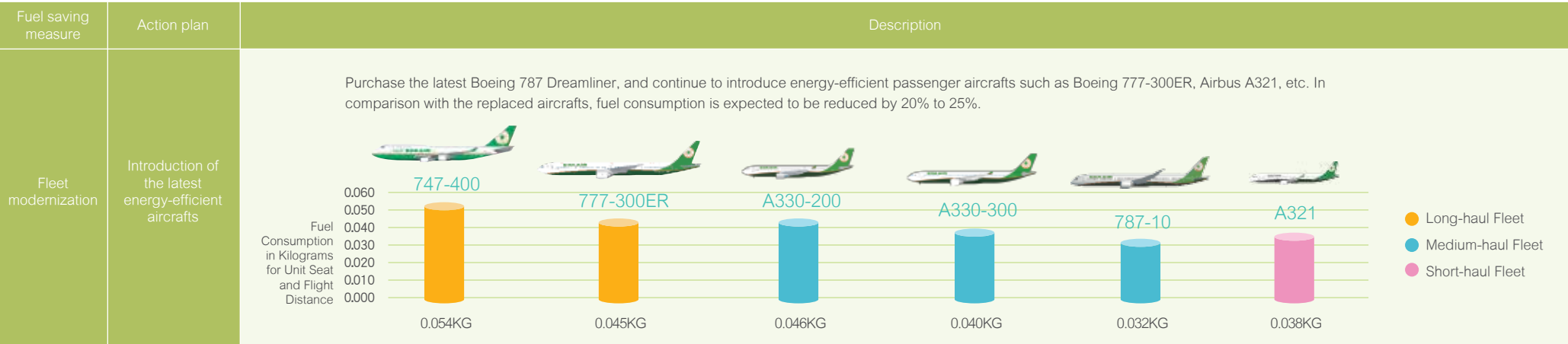
Note 1: No natural gas was used prior to 2013.
Note 2: Recycled water resources include rainwater and condensed water; the recycled quantity is measured by a water meter.



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 2017, EVA Air's fuel conservation measures saved a total of 18,868 tonnes of fuel or an emission reduction of 59,435 tonne CO₂e.

Fuel Conservation Measures



Fuel Conservation Measures and Action Plans

Aircraft Weight Reduction

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

Flight Operations

- Flight Plan Optimization
- Flight Route Optimization
- Aircraft Weight Control
- Aircraft Center of Gravity Control
- Fuel Policy Improvement
- Flight Operating Procedure Adjustments
- Aircraft Performance and Fuel Consumption Monitoring
- Alternate Airport Selection
- Decrease the Usage of the Auxiliary Power Unit (APU)

Aircraft Maintenance

- Reinforce operational inspections of aircraft maintenance
- Maintenance for Fuel Conservation
- Regular Aircraft Cleaning

Results of major fuel conservation measures

Project / Year	Unit	2013	2014	2015	2016	2017	2018 Target
Flexible adjustment of water load	Ton	1,087.9	1,368.1	1,238.1	854.0	909.4	851.3
Fuel Policy Improvement	Ton	Unquantified	771.1	792.9	829.9	850.0	795.7
Alternate Airport Selection	Ton	1,698.7	1,310.7	1,517.9	2,219.9	2,512.7	2,504.3
New Baggage and Cargo Container	Ton	Unquantified	406.1	2,772.0	2,938.4	3,044.0	3,087.8
Flight Plan Optimization	Ton	5,283.6	5,237.4	6,500.0	6,975.0	7,091.3	6,638.3
APU Usage Reduction	Ton	1,373.2	3,635.7	2,971.8	3,094.3	4,305.5	4,030.5
Electronic Flight Bag	Ton	25.1	30.9	36.3	54.1	143.9	131.0
Aircraft Weight Reduction Plan (Added in 2017)	Ton	-	-	-	-	11.4	28.5
Total Fuel Savings	Ton	9,468.5	12,830.3	15,926.9	17,099.6	18,868.2	18,067.4
	Megajoule	397,102,497	538,094,119	667,963,432	717,145,679	791,319,568	757,734,557
CO ₂ Emission Reduction	Tonne CO ₂ e	29,825	40,415	50,170	53,864	59,435	56,912



Note 1: Basis of calculation for CO₂ emission reduction, 1 ton of aviation fuel = 3.15 tonnes CO₂e. (Source of emission factor: IPCC Find EF Website http://www.ipcc-ng-gip.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.

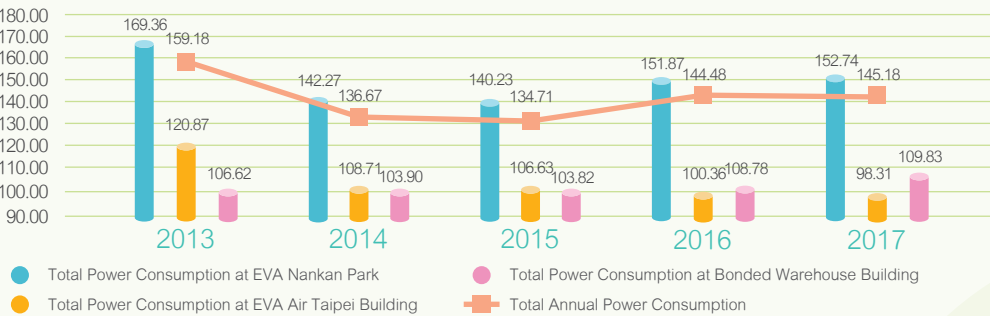
4-2-3 Ground Operation Power Consumption

Monitoring and Energy Conservation

In 2017, the overall Energy Use Intensity (EUI) was 145.18 kWh/m², 22% 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.

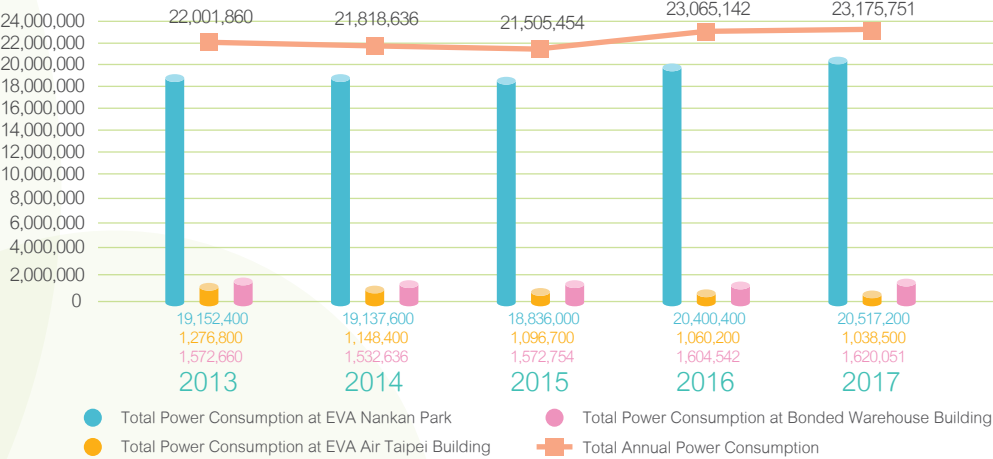
The main power-saving measure in the past three years has been the replacement of power equipment; from 2015 to 2017, 795,590 kWh of electricity had been saved, which is an equivalent of 420,614 kg of CO₂e. EVA Air monitors power consumption at its operating locations in Taiwan (EVA Nankan Park, EVA Air Taipei Building and 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 three 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.

Energy Use Intensity (EUI) at Major Sites



Note: EUI has increased because of fleet expansion, increasing new recruits, and additional amount of training in recent years when the original resources (floor area) remain unchanged.

Power Consumption at Major Sites



Note: The power consumption has increased because of fleet expansion, increasing new recruits, and additional amount of training in recent years.

Main Power Conservation Measures and Performance

	Corrective Actions	Annual Power Consumption (kWh)			Accumulated reduction of GHG emissions (kg CO ₂ e)
		2015	2016	2017	
Lighting equipment	LED lighting replaced traditional fluorescent lighting	199,022	97,937	114,975	217,714
Air Conditioning System	Reinforce air conditioning system operation management, control ice water machine output temperature	53,648	240,890	87,600	202,097
Audio -visual equipment	Replacements	-	759	759	803
Total		252,670	339,586	203,334	420,614

Note1: The power consumption has increased because of fleet expansion, increasing new recruits, and additional amount of training in recent years.
Note2: The power consumption has increased because of fleet expansion, increasing new recruits, and additional amount of training in recent years.
Note3: The power consumption has increased because of fleet expansion, increasing new recruits, and additional amount of training in recent years.

4-2-4 Waste disposal and air pollutants

Through the implementation of ISO 14001 Environmental Management System, EVA Air plans to increase recycling rate by 1.8% in 2018 (with 2015 as the base year) to lower the impact of waste production on the environment. In regards to waste management and reduction, the waste produced at the EVA Nankan Park, the EVA Air Taipei Building, the 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 Target
General Wastet	221,560	237,720	241,880	240,000
Hazardous Industrial Waste	47	49	57	57
Recycled	110,549	142,131	71,185	84,260
Recycling Rate (%)	33.3%	37.4%	22.7%	35.1%

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: The recycled waste includes fluorescent lights, paper, tin cans, aluminum cans, hard iron, PET bottles, plastics, and aluminum foil.
Note 5: The general waste increased by 1.7% compared with the previous year as the Company switched to the third-generation flight attendant uniforms in 2017.
Note 6: In 2015 - 2017, there was a 28% increase in the total number of staff due to the continuous expansion of operations. It caused the total waste to increase; however, the average waste produced per person was reduced by 1.7%.

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	2013	2014	2015	2016	2017
Total aircraft SOx (tonne)	45.521	48.71	50.91	54.50	56.62
Total aircraft NOx (tonne)	474.55	507.73	530.72	568.09	590.21

Note 1: Aircraft SOx emissions: calculated by using the conversion coefficient (0.000891 tons/LTO) suggested by the U.S. Environmental Protection Agency.
Note 2: Aircraft NOx emissions: calculated by using the conversion coefficient (0.009288 tons/LTO) suggested by the U.S. Environmental Protection Agency.
Note 3: LTO: Landing-Takeoff Cycle.



05.

SOCIAL INCLUSION AND COMMUNITY ENGAGEMENT



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, and in 2017, we sponsored the Taipei 2017 Summer Universiade. 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.



Chapter Highlights

14 million dollars /
2.43% (percentage among net profit)



The amount of charitable donations in 2017

The value of cash and flight tickets, as well as all sorts of resources and goods used for sponsorships in 2017 totaled more than 14 million NTD, accounting for 2.43% 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.



Golden Quality Award for Athletic Sponsorships

EVA Air was awarded the top-level Golden Quality Award for Official Sponsorships for the Taipei 2017 Summer Universiade by the Sports Administration, Ministry of Education.

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 make sure that all employees implement safety procedures with devotion, attention, and determination. 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 education center 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

National Cheng Kung University

EVA Air possesses an excellent corporate culture and abundant teaching resources. In 2013, National Cheng Kung University (NCKU) unveiled the Civil Aviation Engineering Program in a corporate-academic partnership with EVA Air, to help advance the education of aviation professionals and nurture great aviation engineering talents. 2017 marked the fifth year of the Certificate Program, with 252 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 2017 were 260 hours with a 10-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.

Civil Aviation Engineering Program in National Cheng Kung University

Item	2015	2016	2017
Number of Teachers Participating (person)	13	15	10
Program Duration (hour)	612	766	260

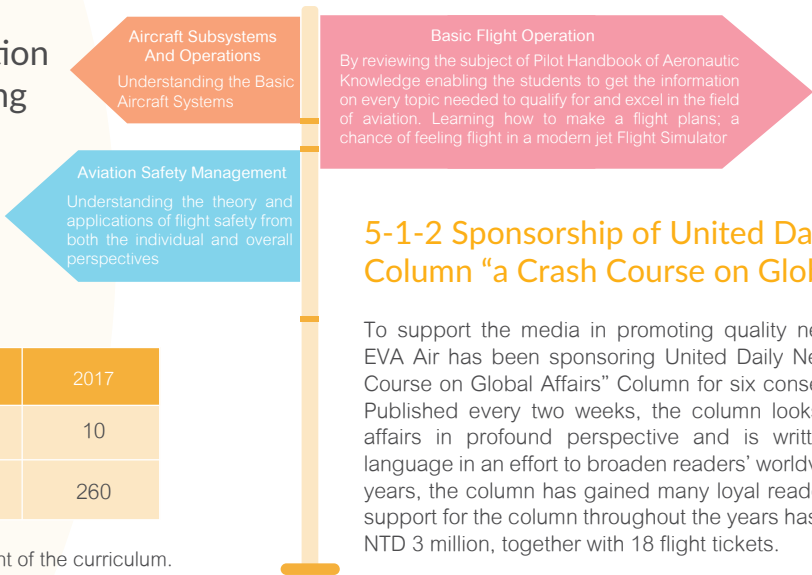
* The invested resources decreased in 2017 due to the adjustment of the curriculum.

Investment in Promotional Education

Item	Number of Teachers (person)	Hours (hours/per semester)	Budget (unit: NTD 10,000)	Remarks
2015	60	717	194	
2016	39	828	95	Students from National Cheng Kung University used the flight simulators 4 hours annually per person (USD2,400, or approximately NTD72,000); these expenses were excluded from the annual budget.
2017	10	260	4.8	Students from National Cheng Kung University used the flight simulators 4 hours annually per person (USD2,400, or approximately NTD72,000); these expenses were excluded from the annual budget.

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

Civil Aviation Engineering Program



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 six 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 million, together with 18 flight tickets.

5-2 Charitable Contribution

5-2-1 Charitable Efforts

Upholding the spirit of social contribution, EVA Air and Chang Yung-Fa Foundation work hand in hand to provide resources to the disadvantaged groups most in need, letting kindness spread across Taiwan. In the meantime, we also care for those who need help in society and try to provide them with relevant emergency aid. Through disaster reconstruction and charitable donations, we hope to call upon more people to devote their resources to the charitable efforts and create a society full of warmth.

Statistics of Social Welfare from 2017

Item	Cash (NTD)	Free Tickets (number)	Reward Tickets (number)	Others (material donations, devoted manpower and time)	Benefit
Charitable Activities	2.4 millions	0	0	282 pieces of furniture (worth approximately 0.3 million) 97 economy seats (worth around 1.6 million)	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	6.1 millions	188 (worth about 26.85 million)	531 (worth about 14.30 million)	Company advertising and promotion resources: 38.64 millions Plane ticket vouchers: 14 millions Excess baggage free of charge: 3.16 millions	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. In addition, during the 2017 Taipei 2017 Universiade, EVA Air provided discounted flight tickets, free excess baggage, and our own promoting resources, helping the major sporting event held in Taiwan to earn global praise.
Giving Back to Local Communities	10.5 millions	72 (worth about 2 million)	0		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 local tourism bureaus for holding tourism promotion events abroad to introduce Taiwan more to the world.
Arts and Culture Activities	6 millions	205 (worth about 12.26 million)	0	Plane ticket vouchers: 2.5 millions	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	2.5 millions	440 (worth about 41.11 million)	531 (worth about 14.30 million)	The total value of all sorts of resources is approximately 60.20 million.	The total value of cash, flight tickets, and all sorts of resources for sponsorships is: NTD 140.61 million.

Note: The charitable donations in 2017 accounted for 2.43% of net profit.

In 2017, based on the spirit of recycling and through collaboration with the Chang Yung-Fa Foundation, EVA Air provided 282 pieces of secondhand furniture, including: wall cabinets, wardrobes, TV cabinets, bedside cabinets, mattresses, coffee tables, desks, and exhaust hoods for two remote rural schools supported by education institutes. Upholding the idea of cherishing resources, we donated the reusable materials from in-flight tableware to furniture like desks and chairs to the schools in need of help through the professional charitable services provided by the Chang Yung-Fa Foundation. In so doing, the resources could be reused and further helped to improve the daily lives of the students and elevate the standards for their educational equipment.

☀ Reindeer Children Home's visit to EVA Air

In the flight safety tour held by the Taoyuan International Airport, we received Reindeer Children 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.

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 2017, NTD2.4 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 2017, including: the Taipei 2017 Summer Universiade, the Christmasland in New Taipei City", the Taoyuan Shihmen Reservoir Hot Air Balloon Carnival (held in Taoyuan), the 2018 Taoyuan Countdown Party, and the Taitung Hot Air Balloon Festival and Chishang Autumn Rice Harvest Arts Festival both held in Taitung. 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.

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 2017, Taipei City's Department of Information and Tourism and New Taipei City's Tourism & Travel Department worked together and held tourism exhibitions and promotional activities in Japan, South Korea, Thailand, Shanghai, and Hong Kong, aiming at actively attracting Asian tourists to Taiwan. Among these events, the one held two years in a row in Seoul, South Korea was the most effective. In 2018, we will continuously collaborate with relevant tourism bureaus to attract tourists to Taiwan from countries like Thailand, Vietnam, and Japan.

☀ 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 2017. 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 2018 so that this touristic event in Taiwan filled with local characteristics can be promoted throughout the world.

5-3-1 Neighborhood Relations

☀ Donation of the Old Cabin Seats

EVA Air continues to improve the service quality and upgrade the in-flight hardware equipment. In order to make good use of the old seats removed from the cabins, we donated 97 sets of Economy Class seats (194 seats) to many universities in Taiwan for teaching purposes in 2017, including China University of Science and Technology, Taipei City University of Science and Technology, TransWorld University, and Chien Hsin University of Science and Technology. Through building cabin simulation classrooms, the students are able to learn from professional aviation practice in a simulation environment.

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

EVA Air continues to improve the service quality and upgrade the in-flight hardware equipment. In order to make good use of the old seats removed from the cabins, we donated 97 sets of Economy Class seats (194 seats) to many universities in Taiwan for teaching purposes in 2017, including China University of Science and Technology, Taipei City University of Science and Technology, TransWorld University, and Chien Hsin University of Science and Technology. Through building cabin simulation classrooms, the students are able to learn from professional aviation practice in a simulation environment.



☀ 2017 Christmasland in New Taipei City

Since 2010, New Taipei City has held "Christmasland in New Taipei City," which attracts millions of visitors every year. In 2017, the main 360-degree 3D projection was shown on New Taipei County Government Hall, the bamboo-shaped Christmas tree, and Banqiao Station. Meanwhile, the city government used the "magical Christmas circus" as the theme to hold this biggest festival in Taiwan that lasted 39 days. The festival is one of the largest annual events in New Taipei City. EVA Air sponsored this event in both 2016 and 2017, successfully marketing tourism in New Taipei City and creating a warm Christmas atmosphere for visitors.

☀ 2018 Taoyuan Countdown Party



EVA Air sponsored the 2018 Taoyuan Countdown Party held by Taoyuan City Government. This event is one of the biggest annual events in Taoyuan and took place in the arts district of Taoyuan City. The organizer invited many well-known celebrities to join the event, attracting over 150,000 people to celebrate the coming of 2018.

☀ The Chihshang Autumn Rice Harvest Arts Festival

Sparing no effort to expand the boundaries of folk art and culture, we sponsored the annual Chihshang Autumn Rice Harvest Arts Festival in 2014 and 2017 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 artists. The promotional campaign was the combined effort of Chihshang Township, Taitung County Government and members of the public. 100% of the proceeds go towards philanthropic causes. The Chihshang Autumn Rice Harvest Arts Festival is not merely an event; rather, it is a driving force that aims to incubate the local talents and attract the young generation to return to their home town, so as to activate the local economy.

☀ 2017 Taoyuan Shihmen Reservoir Hot Air Balloon Festival

EVA Air sponsored the 2017 Taoyuan Shihmen Reservoir Hot Air Balloon Festival held by Taoyuan City Government. Taoyuan City Government first hosted the festival in 2016, and within 4 days, 180,000 people were attracted to join the event. The Festival in 2017 was 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 Event

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.



☀ Make Your Own Magic - Disney Princess Live in Concert

The world's first-time Disney's "Princess Concert" was held in Taiwan. Working with Evergreen Symphony Orchestra, the concert performed the touching classic theme songs for the Taiwanese fans.

☀ Hayley Westenra Concert

Born in New Zealand, the soprano Hayley Westenra has a delicate and charming voice. In 2009, she sang at the opening ceremony of The World Games 2009 in Kaohsiung. In 2017, she came to Taiwan to perform for the fifth time. This concert was a special musical event for Taiwanese music fans to personally participate in.

☀ Rudolf Buchbinder: Beethoven Piano Concerto Cycle

Known as the gentleman pianist, Buchbinder has spent his life studying Beethoven and come to much in-depth realization. When he plays, he is always able to represent the multifaceted skills of Beethoven's works. This time, he was invited to Taiwan and collaborated with Taipei Symphony Orchestra; together, they performed the 5 complete piano concertos of Beethoven.

☀ Concert of the Maestro of the Century - Joe Hisaishi

Japan's prominent maestro Joe Hisaishi has composed numerous classic film scores for the master animator Hayao Miyazaki. With enduring fame and popularity, Hisaishi was invited again by MNA art to Taiwan and collaborated with the legendary cellist, Mischa Maisky; together, they performed Dvorák's legendary cello concerto, Brahms' Symphony No.3, and other classic numbers.

☀ Meimen Culture Foundation

Meimen Culture Foundation was founded by Li, Feng-Shan, the famous Taiwanese practitioner of healthy martial arts and Qigong. For decades, the foundation has strived to pass on and promote the traditional wisdom of maintaining health. Every year, the foundation travels to the United States to hold charitable seminars on maintaining health, training camps, and lessons on the healthy arm-swinging exercise for ethnic Chinese immigrants. EVA Air has consecutively sponsored their travels over the years in the attempt to promote exercise and health.

☀ Chicago The Musical

Chicago The Musical is one of the three most popular classic musicals of all time and has been staged for more than 20 years on New York's Broadway. It is acclaimed as the classic musical of the authentic American performance art, widely known and loved by audiences.

☀ Disney in Concert: Frozen

The Disney in Concert: Frozen, was premiered in London in 2015. The concert was first held in Taiwan in 2017. The four invited major singers, together with NSO National Symphony Orchestra and Taiwan National Choir, performed the classic tracks of the movie.

☀ The Musical: Notre Dame de Paris

First staged in Paris, France in 1998, the musical Notre Dame de Paris had the most successful first year of any musical ever in the world, according to the Guinness Book of Records, and it held the record for 7 years long. Previously, the musical had been staged in Taiwan four times. In 2017, the musical was again invited to Taiwan for the fifth time and was widely adored by the Taiwanese audience.

☀ Martyrs' Shrine

The play Martyrs' Shrine is an adaptation from the novel of the same title. The play illustrates the reformists at the end of the Qing dynasty trying to find a way to transform China during the Hundred Days' Reform. This play was one of the most sensational performances at Shanghai International Arts Festival in 2017. The play featured the most significant actors from the National Theatre of China. EVA Air and Media Sphere Communications Ltd. jointly invited the group to Taiwan to increase the cross-strait cultural exchanges.



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 52th Radio Broadcast Golden Bell Awards

To encourage quality radio and TV productions and services, we sponsored the 2017 Radio Broadcast Golden Bell Awards organized by Sanlih E-Television Company.

☀ The 54nd 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 28th Golden Melody Awards

We sponsored the 2017 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.

In 2017, we sponsored the Taipei 2017 Universiade, providing abundant promotional resources for the competing delegations of all the participating countries, such as up to 12,000 discounted plane tickets and favored baggage service. We effectively promoted Taiwan with sports so that the athletes could participate in the event with all their forces and achieve the best results.

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

☀ Taipei 2017 Universiade

EVA Air provided the delegation of each country with discounted plane tickets and free excess baggage service. We also made particular arrangements for the delivery of special sports equipment, which profited over 500 foreign athletes. In addition, to strongly promote the Taipei 2017 Universiade, EVA Air also made use of our own promotional platforms, including covering the event for six months on the in-flight magazine, broadcasting promotional videos on the in-flight entertainment system, and advertising on 6 million boarding passes. In doing so, passengers flying with EVA Air from all over the world were able to learn of the Taipei 2017 Universiade, which made Taiwan known to the world.



☀ 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. Since 2017, EVA Air has also started to sponsor the badminton player Wang Tzu-Wei, who has shown considerable potential. We have provided plane tickets for him to compete and undertake training abroad. In the 2017 Universiade, which was held in Taipei for the first time, Wang won gold medals for Men's Singles and Mixed Team Badminton. EVA Air will continue to provide sponsorships for the athletes, hoping that these Taiwanese athletes will keep delivering outstanding performances in the future.



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.

☀ 2017 Fubon LPGA Taiwan Championship

The 2017 Fubon LPGA Taiwan Championship is one of the most important annual golf events in Taiwan. The event was sponsored by Fubon Financial, while EVA Air was officially appointed as the airline for the event, sponsoring famous athletes to come to Taiwan and making an effort to develop golf in Taiwan together.

☀ 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. We also provided annual sponsorships for up-and-comers, including Hsu Ching-Wen and Lu Yen-Hsun; respectively 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.

☀ 2017 OEC Taipei WTA Challenger

EVA Air had sponsored this sports event for four consecutive years since 2013 and was the only airline designated for the event. The annual OEC Taipei WTA Challenger is an important international WTA Tennis tournament held in Taiwan, which has attracted enormous attention from tennis fans and international professional tennis players.

☀ Sports Documentary: "Football Dream in Europe"

The sports documentary "Football Dream in Europe" was produced by Qingdao Duxiaoyue Company. The documentary illustrates the story of two football players of ethnic Chinese background: Xavier Chen and Tim Chow, working to succeed in the top football leagues in Europe. This sports documentary on sports stars was broadcast in the form of mini TV series in the attempt to encourage athletes to fulfill their dreams.

5-6 Feedback to the Industry

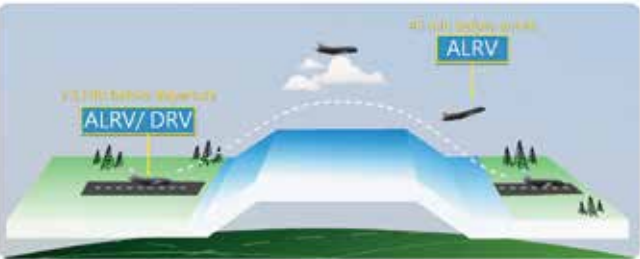
Since 2005, EVA Air has worked with United States Naval Research Laboratory in developing the Flight Operations Risk Assessment System (FORAS). The system uses information on instant weather, crew members' experience, airport facilities, and aircraft equipment to conduct risk assessment on every flight in a bid to provide the crew with current information about the risks of the flight operations. As the system brought considerable benefits to safety risk management, EVA Air received the FSF Professionalism Award in Flight Safety from the Flight Safety Foundation in 2017.

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. From 2018 onwards, we will collaborate with the Flight Safety Foundation and hold multiple workshops around the world in order 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



06.



CORPORATE GOVERNANCE

Upholding the principle of ethical management, EVA Air has formulated the “Corporate Social Responsibility Best Practice Principles”, which are used as the basis for promoting businesses related to corporate social responsibility. EVA Air has been ranked among the top 5% of the best listed companies selected by the “4th Corporate Governance Evaluation” organized by Taiwan Stock Exchange Corporation (TWSE), which is a great honor that EVA Air has won for three consecutive years. In addition to continuously adhering to the core values of flight safety and quality service, in the face of external environmental challenges, EVA Air will uphold the excellent corporate spirit even more, and realize the corporate social responsibility of a sustainable airline based on a professional and positive attitude.

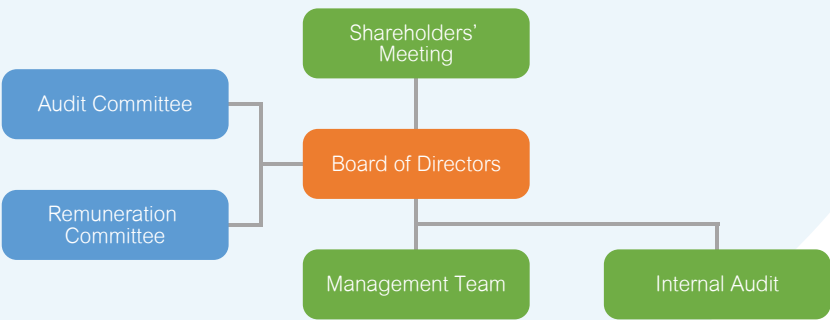


Chapter Highlights



Since 2016, EVA Air has been ranked among the top 5% of the best listed companies for three consecutive years selected by the “Corporate Governance Evaluation for Listed and OTC Companies” organized by TWSE.

Corporate Governance Framework



	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)	2.93	2.93
Results of self-evaluation	Good	Good

Note: Under 2 points means “requiring improvement”, 2-3 “good”, and 3 or more “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 female and three of them independent directors. 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 of 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	http://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_01.pdf
Regulation for Electing Directors	http://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_07.pdf
Rules and Procedures of Board of Directors Meetings	http://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.

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. As on December 31, 2017, two meetings were convened.

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 entirely 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. As of December 31, 2017, three meetings were convened.

The Company's achievements in recent years

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, supervisors 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 2017 and the results of both were "Good".

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.

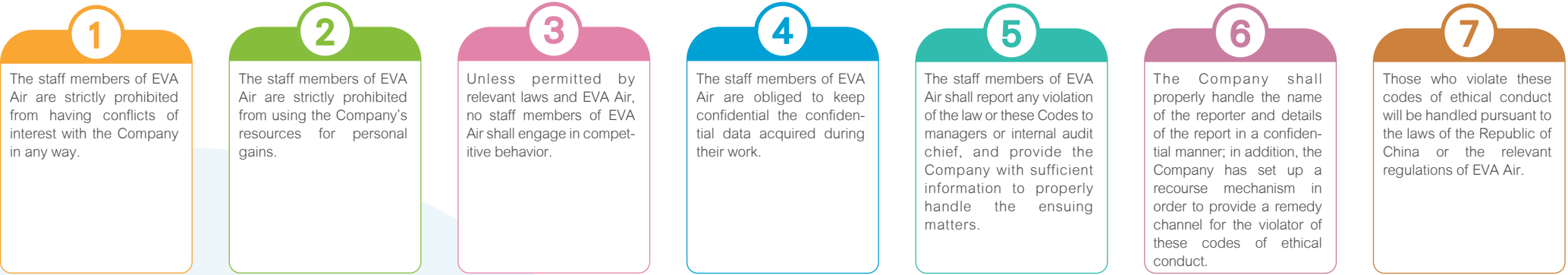
Concerning the mechanism for handling material inside information and its disclosure, to avoid improper information disclosure and to ensure the consistency and accuracy of the information made public, EVA Air has also formulated the “Procedures for Handling Material Inside Information”, and requires 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	http://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	http://stock.evergreen.com.tw/download/gv1/rule/2618/zh-TW/2618_15.pdf

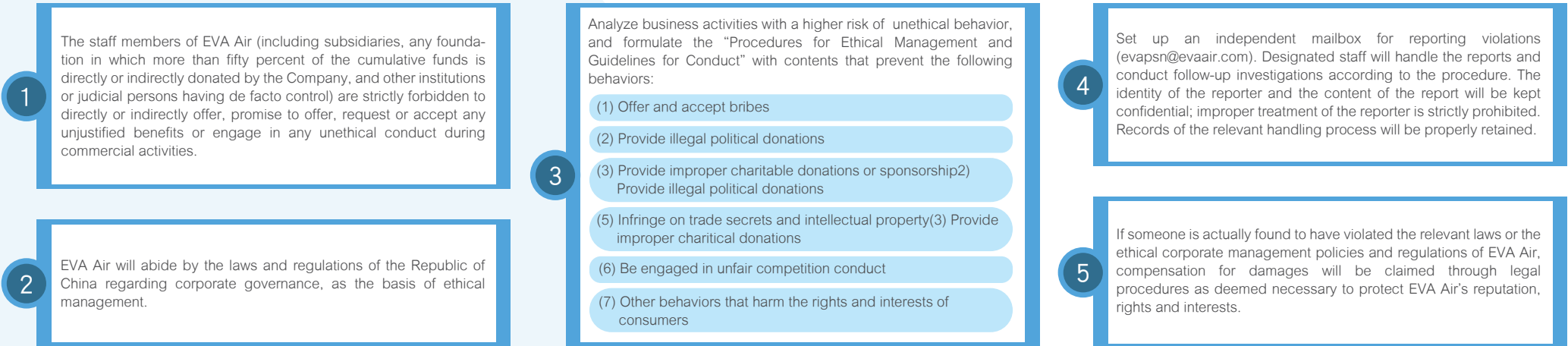
Key Points of EVA Air’s Corporate Governance Best Practice Principles



Key Points of EVA Air’s Codes of Ethical Conduct

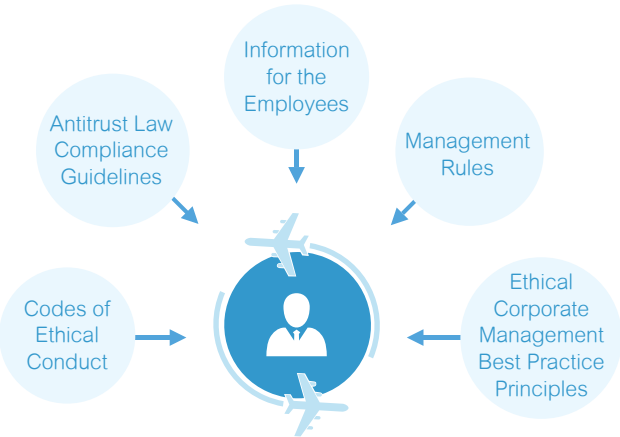


Key points of EVA Air’s Ethical Corporate Management Best Practice Principles



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 Law Compliance 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 Law Compliance 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.



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.



Statistics on communication channels with stakeholders over the years

Communication with Stakeholders	No. of valid cases received		No. of cases handled		No. of cases resolved	
	2016	2017	2016	2017	2016	2017
Mailbox for Ethics Consultation	0	0	0	0	0	0
Mailbox for Reporting Violations	0	0	0	0	0	0
Complaints Mailbox for Social Impacts	1	0	1	0	1	0

Major litigation cases

Nature of the case
The civil lawsuit filed against EVA Air in the U.S. for alleged violation of the Antitrust Law due to passenger and cargo fuel surcharges.
Status of handling
A settlement has been reached for cargo service. As for the class action lawsuit arising from passenger service, after considering the subsequent litigation costs and risks, the Board of Directors had, on February 7, 2018, resolved on a USD21 million settlement with the plaintiff. The case was publicly announced under the Material Information of MOPS (Market Observation Post System).
After treatment
Strengthen the legal risk prevention mechanism: After this incident, EVA Air formulated the "Antitrust Law Compliance Guidelines" and relevant legal risk prevention mechanisms, including educational training on Fair Trade Law and anti-competitive issues, to give the Company a set of guidelines to follow in its internal management and external business activities so as to prevent legal risks from arising again.

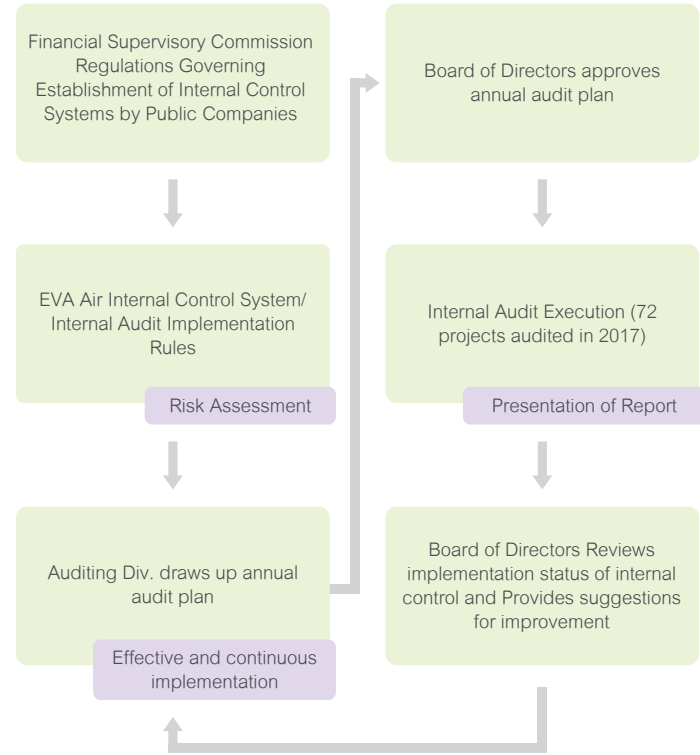
Note: Disclosure standards are consistent with those in the annual report

6-2-2 Sound internal control

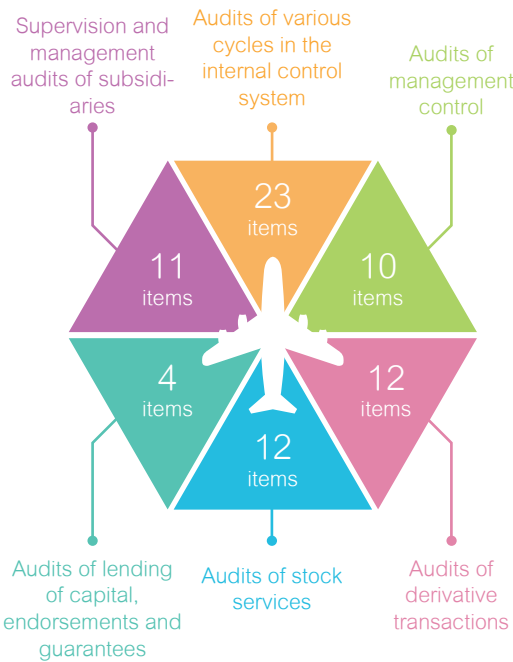
To promote the operational performance of the Company and fulfill the spirit of corporate governance, EVA Air has formulated "Internal Control System of EVA Air" and "Internal Audit Implementation Rules of EVA Air" as the basis for its internal audit implementation with its operating pattern in the airline 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



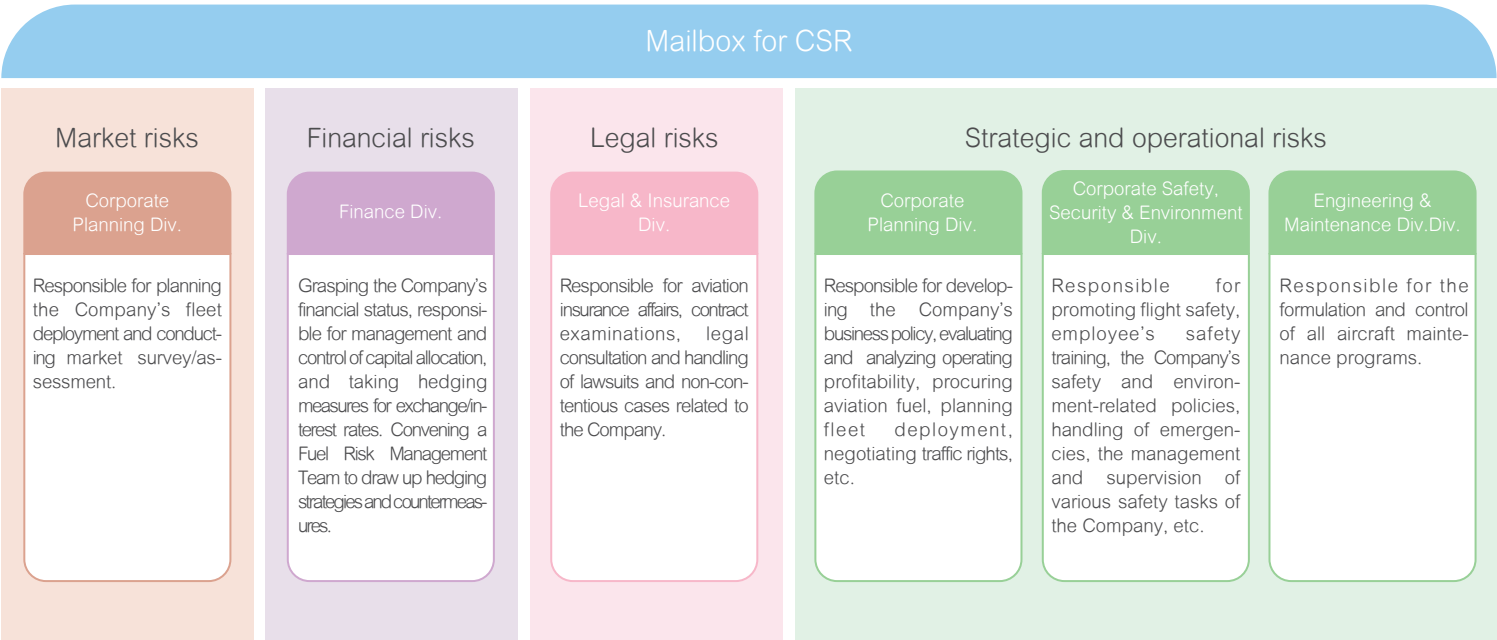
Audits of various cycles in the internal control system



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 27 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 2013 and 2017, to tackle anticorruption issues, the Auditing Div. conducted investigations at 26 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.



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.

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.

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."

6-3 Business Performance

Since its establishment 29 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. "Safety and Service" are the core values of EVA Air. In 2017, 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, EVA Air and RIMOWA jointly released cutting-edge electronic tag luggage which simplifies passenger luggage check-in processes through electronic tags. This is the first airline in Asia and the second worldwide to officially offer the new service. 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 2017 for the second year in a row; only ten airline companies around the world had by far received the honor. In the same year, EVA Air was also recognized as the 6th place in the World's Best Airline, the Best Business Class Comfort Amenities, the Best Airline Cabin Cleanliness, the World's 2nd Best Airport Services, as well as the World's 3rd Best Cabin Staff by SKYTRAX. Other awards include Global Traveler Magazine's "Best Airport Staff/Gate Agents" (2nd place) and "Best Airlines in North Asia" (2nd place); Travel + Leisure Magazine's "The World's Best International Airlines" (10th place); TripAdvisor's "Top 10 Major Airline in Asia-Pacific Best Airlines" and "Best Airline in Taiwan"; Cheers Magazine's "Top 100 Most Attractive Employers" (4th place); and CAA's 2017 "Golden Wing Award" for International and Cross-Strait Routes.

In the aspect of promoting actions related to corporate social responsibility, EVA Air spares no efforts. In terms of corporate governance, EVA Air was rated the top 5% best listed companies in the "4th Corporate Governance Evaluation" by TWSE (Taiwan Stock Exchange) for the third consecutively year. In the environmental aspect, EVA Air received dual certifications in 2016: ISO14001:2015 for the environmental management system and ISO50001 for the energy management system, and passed the ISO 14064 greenhouse gas inventory and validation in 2017. In 2017, besides continuous introduction of new energy-saving aircraft and promotion of the aircraft fuel-saving measures to achieve the purpose of carbon emission reduction, EVA Air also implemented the "EVA Air Carbon Offset Program", in which passengers can voluntarily choose to pay the equivalent amount of flight carbon emissions or self-defined amount to fund the international carbon reduction projects and achieve "zero carbon travel", showing the resolution of EVA Air's friendliness to the earth 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 three consecutive years, and has received the "Top 50 Corporate Sustainability Report Awards - Transportation Gold Award" (1st place) and the "Social Inclusion Award" in 2017. 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.

6-3-1 Financial Performance

Consolidated operating revenues over the years

Ratios of consolidated operating revenue

Unit: NT thousands

Item	2017		2016		2015		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Passenger revenue	92,437,502	57	85,862,878	59	81,871,572	60	77,959,069	59	71,100,137	57
Cargo revenue	24,841,078	15	22,207,130	15	26,093,054	19	31,257,603	23	32,032,751	26
Other operating revenue	46,283,151	28	36,609,657	26	29,203,918	21	23,873,336	18	21,031,563	17
Consolidated operating revenue	163,561,731	100	144,679,665	100	137,168,544	100	133,090,008	100	124,164,451	100

Overview of operating revenues for various regions

Unit: NT thousands

Region	2017	2016	2015	2014	2013
Taiwan	91,418,358	78,058,475	69,748,029	61,442,036	55,453,400
Asia	36,391,365	32,835,461	35,628,765	39,467,111	37,561,459
Europe	4,924,846	4,654,482	4,937,027	5,951,322	5,994,859
North America	30,325,905	28,773,210	26,518,634	25,832,005	24,779,667
Others	501,257	358,037	336,089	397,534	375,066

Business performance over the years

Year	2017	2016	2015	2014	Unit
The Company's income tax expense (benefit)	1,133,866	892,030	103,104	428,643	NT thousands
The Company's total assets	201,146,068	195,749,734	176,487,661	151,487,620	NT thousands
The Company's amount of capital	41,734,490	40,518,923	38,589,450	32,589,450	NT thousands
Average revenue of employees	11,087	10,955	12,958	14,362	NT thousands
Employee salaries and welfares	18,830,176	16,622,378	13,900,797	12,011,592	NT thousands
The Company's total revenue	125,314,160	115,495,819	115,892,656	116,921,858	NT thousands
Consolidated total revenue	163,561,731	144,679,665	137,168,544	133,090,008	NT thousands
Consolidated net profit before tax	7,976,120	5,296,923	7,365,204	48,945	NT thousands
Total market value	66,149,167	59,157,627	71,776,377	72,185,632	NT thousands
The Company's operating costs and expenses	119,371,642	110,534,380	108,519,719	116,285,622	NT thousands
The Company's retained earnings	8,672,249	5,702,366	6,347,229	739,412	NT thousands
The Company's gross salaries	13,297,537	11,993,169	10,133,930	8,747,243	NT thousands
Total pension	605,011	546,112	510,493	446,677	NT thousands
The Company's gross profit margin	13.93	13.75	14.97	8.19	(%)
The Company's return on assets	3.67	2.60	4.70	(0.08)	(%)
The Company's return on equity	10.33	6.80	15.46	(3.72)	(%)
The Company's debt ratio	71.16	72.76	72.32	77.30	(%)



07.

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 33 sustainability issues.





Customers

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
	Increase Revenue	Green product	E-survey	On demand	Customer expectation for green product	Whether or not the provision of in-flight service products meets customer expectations, so as to make improvements and increase recognition
		Feedbacks can be properly handled, and their rights and interests safeguarded.	Customer feedback from official website, telephone calls, written feedback, Branch/office, 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
		Service quality enhancement	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
	Increase of duty-free goods revenue	Product satisfaction enhancement	Customer Service Mailbox, Customer Service Hotline	On demand	Provide product consultation, return & change service, safeguard the rights and interests of customers, and shorten the handling time.	Increase revenue
	Increase revenue of home delivery shopping	Product satisfaction enhancement	Customer Service Mailbox, Customer Service Hotline	On demand	Respond to product satisfaction, provide product consultation, return & change service, safeguard the rights and interests of customers, and shorten the handling time.	Increase revenue
	Provide in-flight amenities	Provide high quality in-flight service	E-survey, chief purser reporting system, customer service system	As needed	Assess customer feedback, adjust in-flight meal content and flavor and service products	Enhancement of customer satisfaction scores
	Members' flight frequency is higher than ordinary passengers. They contribute greatly to the Company's revenue	Members expect to have better offers when flying, more information on preferential offers, accumulating mileage for award redemption, and instant notification of benefits and its modification.	e-NEWS	Monthly	Notice of modification in members' benefits, Infinity mileageLands special offers, flight reminder and information on preferential offers from partners of EVA	Through passing information will strengthen the engagement between members and EVA to improve service quality.
			Mileage Statement	The next month if member's account 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.
			enVoyage inflight magazine- Infinity MileageLands	Monthly	Highlight of members' benefits or special event for members	Encourage passengers to become Infinity MileageLands members and remind members of the use of their own benefits.

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
 Members	Members' flight frequency is higher than ordinary passengers. They contribute greatly to the Company's revenue	Members expect to have better offers when flying, more information on preferential offers, accumulating mileage for award redemption, and instant notification of benefits and its modification.	Single partner's electronic advertisement	As needed	Information on preferential offers from partners	Inform members of preferential offers to increase revenue.
			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
			Member Hotline, phone number and fax	On demand	Reply to every concerned FFP Program inquiry from members	Members can receive timely replies to improve service quality
			Member activities	As needed	Invite members to concerts or special exhibitions	Maintain customer relationships, and strengthen the engagement with members.
			Issuing & updating membership card (Membership Guide, Statement of interest, etc.)	Silver/Gold/Diamond Card: 2 years;	The privileges, and upgrading methods of each card tiers	Easy to identify card tiers to provide timely preferential offers.
 Web users	1. Increase revenue 2. Provide a convenient way for passengers to book tickets and search for relevant information	Webpages and mobile commerce service are fast and convenient, which aims to quickly satisfy users' needs accordingly	Customer feedback via the official website	On demand	Function response and optimization of web pages	Enhance customer satisfaction



Employees

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
 Air crew	Promotion of training equipment and availability	Meet the training needs	Face to face, e-mail, Flight Training Equipment Management System (FTEMS)	On demand	Problems encountered in courses, equipment problems	Improve equipment availability to meet the training needs
	First-line personnel and the external image of the Company.	Adjust the welfare of air crew	Face to face, e-mail, phone, flight crew seminar	On demand Quarterly	Adjustment of remuneration and welfare	The crew and the Company understand each other's needs and positions, and seek win-win solutions on the basis of mutual trust.
 Cabin crew	First-line personnel and the external image of the Company.	As for relevant suggestions or questions of service operation, the relevant departments are expected to make assessments and adjustments.	Employee Care /Suggestion Mailbox, cabin crew meeting, Chief purser meeting	As needed Five times a month Monthly	Deliver the Company's internal & external information, service operation advocacy, exchange views, and conduct two-way communication with relevant departments. Questions or suggestions raised by crew members shall be evaluated and examined by the responsible department and the crew informed whether or not they are feasible..	Make the Company understand the needs of its crew and make adjustments acceptable by both sides, even under the condition of making profit, so that progress can be achieved jointly. Make the crew understand the Company's position, and reason for taking action or not taking action.
 Cabin crew, ground staff	Assist in the sales of duty-free commodities	Employee welfare, customer satisfaction enhancement	e-mail CP Report Internal meeting	Regularly	Offer rewards for sales	Increase revenue
 Ground staff	Maintain the Company's operation	Business policy of the Company	Department meeting	Monthly	Arrange and convey the Company's business direction and major policies	Understand the Company's operating policy, work together to achieve goals and create revenue.
		Employee welfare	Employee Welfare Committee	At least three times a year	Subsidy adjustments and distribution of employee welfare coupons	Enhance employee welfare to boost work morale.
		Working condition	Labor-management meeting	Quarterly	Annual calendar & working condition	Promote harmonious labor-management relations
 All employees	Maintain the Company's operation	Sexual harassment and dishonest behavior in the workplace	Grievance hotline or mailbox	On demand	Conduct relevant investigation on grievance	Create a working environment for gender equality, implement an ethical management policy, and create a sustainable business environment.
		Safe and healthy working environment	Occupational Safety & Health Committee Meeting Investigation report on occupational accident Education and Training Internal webpage announcement Electronic bulletin	Quarterly 12 copies/month As needed As needed As needed	Discussion of safety & health policy and issues Reporting on occupational accident Occupational safety and health education & training Safety and health information bulletin Safety and health information bulletin	Reflect on and grasp the health and safety of employees in a timely manner



Government

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
EU: Emission Trading Scheme U.K. Environment Agency 	Competent authorities	To declare the greenhouse gas emissions in the EU regularly and release carbon emission allowance	Website declaration	Annually	Declared emission in 2017: 131 MT	Meet the EU standards and enhance the Company's competitiveness.
IATA 	Competent authorities	Exchange of aviation environment information	Meeting	As needed	Exchange of related aviation environment information and notification of national environmental regulations and standards	Meeting material
CAA 	Supervise the Company's safety management system to ensure the implementation of risk analysis and management.	To accept the CAA's audit of the safety management system	Official document, phone, e-mail, taking the initiative to visit	As needed	Received the CAA's audit on Jul. 24 - Aug. 4, 2017	To strengthen the Company's safety management system according to the regulations and audit requirements
	Review Dangerous Goods Transport Manual, and check the relevant operations at home and abroad	Dangerous goods operation meets the requirements and receives verification	Taking the initiative to visit	As needed	Received the CAA's audit on Apr. 19 - 21, 2017	To complete the correction of incomplete work according to regulations, check results, and establish good communication channels with the CAA.
	Competent authorities	Reduce noise and greenhouse gas emissions	Meeting, official document	As needed	Continue to abide by relevant regulations	With the introduction of aircraft equipped with the latest technology, noise pollution and greenhouse gas emissions are reduced.
	Competent authorities	Conform to, and abide by, relevant laws & regulations	Official document, phone	As needed	Provide the required statistical data on time	Make the Company get high scores in the rating of traffic rights distribution to facilitate the subsequent traffic rights distribution.
Customs of the ROC 	Provide customs clearance service and standards for cargo import, export and transshipment, and examine and verify the Authorized Economic Operator (AEO) qualification of the Company.	Cooperate with the implementation of imported cargo customs clearance in advance	Official document, phone, taking the initiative to visit	As needed	Cooperate with the implementation formally on July 1, 2017	Taiwan import goods declaration for customs clearance proceeds smoothly.
National Communications Commission (NCC) 	The only channel for application for radio service	The examination of the telecommunication control radio frequency equipment to verify that it is qualified, and the type approval and conformity certification and the approval of radio channel application are done expeditiously.	Telephone communication Official document	As per business need Daily Monthly Quarterly Semi-annually	Check whether the channel license expires (3 years)	The radio frequency equipment conforms to the standard and the channel application process is smooth.
Bureau of Energy (BOE) 	Competent authorities	More than 1% of energy is saved every year	Energy declaration	Annually	The declared power-saving rate in 2017 was 1.31%.	Reduce the Company's energy expenditure and enhance the corporate image.
Bureau of Labor Insurance (BLI) & Bureau of National Health Insurance (BNHI) 	Provide the basis for the formulation and implementation of laws and regulations and management measures related to labor insurance and health insurance.	Implement insurance matters according to the relevant regulations to safeguard the rights and interests of both the employer and workers.	Telephone counseling, official document	As needed	The way of handling labor insurance and health insurance conforms to regulations.	Safeguard the rights and interests of both the employer and workers.

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
Bureau of Labor Insurance (BLI) 	Unit that the application for labor insurance against occupational accidents is made to	No occurrence of occupational accidents	Official document	As needed	Provide occupational accident case data	Assist in the identification of occupational accident cases
Ministry of Labor (MOL) and local competent authorities 	Provide the basis for the formulation and implementation of relevant laws and regulations and management measures.	Formulate working rules and contracts according to the relevant regulations to safeguard the rights and interests of both the employer and workers.	Telephone counseling, official document	As needed	Relevant documents conform to regulations. Professionals respond to labor-related questions to clarify the legitimacy of the operation.	Safeguard the rights and interests of both the employer and workers
Office of Labor Inspection , Taoyuan 	Competent authority for labor inspection	Establish safe and healthy workplace	Official letter (labor inspection)	As needed	Defects of labor inspection	Completed in compliance with occupational safety and health regulations
Taoyuan Fire Department 	Highest guidance on safety reporting	Meet fire protection standards, high quality fire -fighting equipment is used for emergency rescue, disaster prevention and control and fire prevention to provide the employees with the safest working environment.	Telephone contact Taking the initiative to visit Periodic inspection	As per business need Monthly Semi-annually	Mechanical and electrical personnel attend vocational training; actively participate in fire-fighting lectures; take the initiative to broaden their fire-fighting knowledge via exchanges with the fire department; and check whether the equipment has expired or not according to regulations.	Improve the awareness and concept of the staff in fire-fighting, and establish disaster prevention system and disaster prevention capacity.
MOL Labor Inspection 	Competent authority for labor inspection	Establish safe and healthy workplace	Network (occupational accident reporting) Official letter (labor inspection)	As needed	Reporting of occupational accidents through monthly statement Reporting of major occupational accidents Defects of labor inspection	Completed in compliance with occupational safety and health regulations

Travel Agencies or Distributors

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
Travel Agencies 	Sell flight seats and provide services like reservation and ticket issuing related to travel	Flight safety, personal data, service quality	Telephone, meeting, e-mail	As needed	Excellent flight safety records and services	To maintain good relations of cooperation and create revenue
Freight Forwarder 	Freight income accounts for a certain proportion of the Company's overall revenue; any growth or losses will have a significant impact on the Company's overall profit.	Carry out global freight marketing management and capacity allocation, planning and control to achieve the revenue targets for the freight business.	Official document, phone, e-mail, taking the initiative to visit	As needed	Global freight market management, marketing management, capacity allocation, planning and control, revenue management and estimation, fleet planning	Increase revenue

Media Reporters

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
Electronic/ Print Media 	Report related news of the Company	Methods of handling unusual incidents, business performance of the Company	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.
Advertising Agency 	Promote the Company's positive image and product information	The Company's future long-term plan and short term promotion messages	Telephone counseling, e -mail, interview	As per business need	The Company's promotional messages, new product information (new route or service)	The most effective approach is to be adaptive, depending on the need for advertising, the exposure is expected to have the maximum reach in return, and to conclude a final report follow-up.
Social Media 	Promote the Company's positive image and product information	New services or new routes launched by the Company	Information about the products and activities is shared on the Company's social network or platforms, bloggers are invited to elaborate the effectiveness by sharing their actual experiences.	As needed	The Company's promotional messages, new product information (new route or service)	Through the contents shared on the social networking site or platform of the Company, it is hoped that more internet friends are attracted to pay attention. The experience shared by bloggers can be further shared by fans to achieve publicity results.



Shareholders

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
 Individuals and legal persons	Shareholders of the Company have the right to attend the Shareholders' Meeting and the right to vote.	Create shareholder value and distribute dividends	Shareholders' Meeting Institutional investors' conference	Once a year	Report operation status, circumstances concerning directors and supervisors attending the Board meeting, dividend policy, reinvestment benefit, budgeting, etc.	Announce or reply relevant information to investors according to regulations and the demand of investors to establish good communication.
	Shareholders of the Company have the right to attend the Shareholders' Meeting and the right to vote.	Create shareholder value and distribute dividends	Shareholder Hotline & Mailbox Investor information website	On demand	Contents of responses to questions from investors about the Company's business performance and financial condition.	Announce or reply relevant information to investors according to regulations and the demand of investors to establish good communication.



Suppliers or Contractors

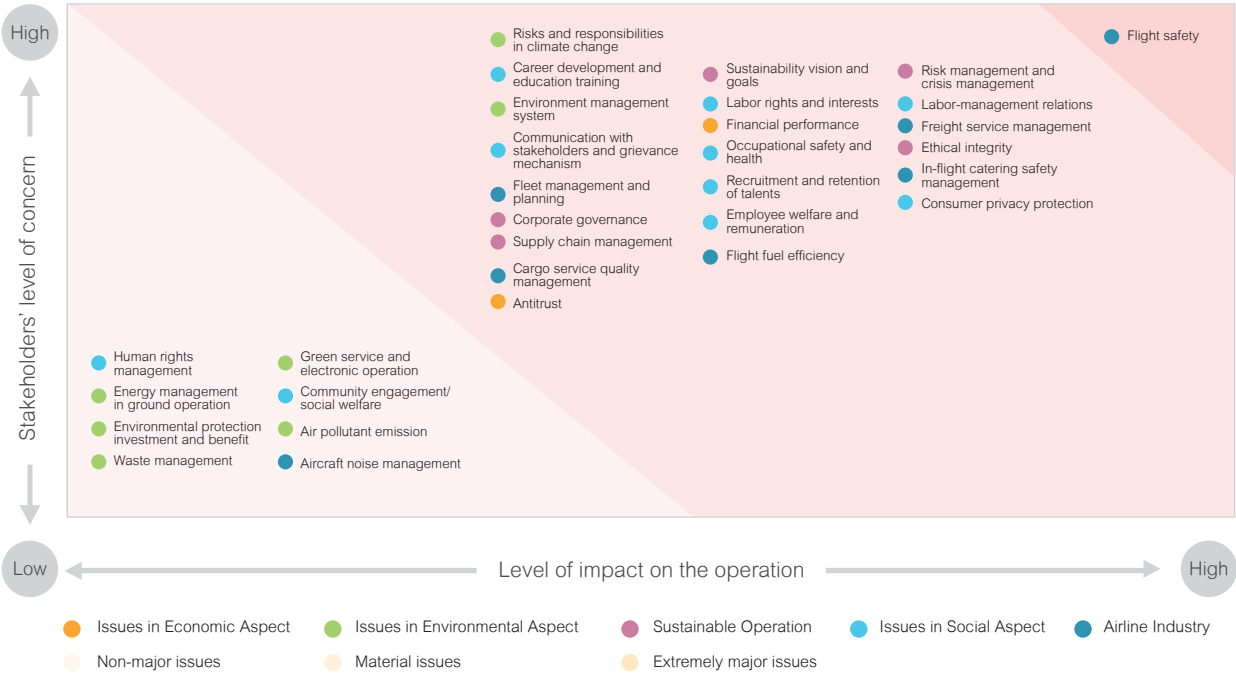
Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
 Training equipment suppliers	Improvement of training equipment and availability	Improve equipment availability to meet the training needs	E-mail, Telephone	On demand	Equipment problems, spare parts support, system upgrading	Improve equipment availability to meet the training needs
 Cabin service supplies manufacturing	Provide passengers with articles for in-flight use	Open and transparent procurement channels and information	Order form, Telephone, E-mail	Daily	Procurement documents, procurement information communication	Product quality and punctual delivery of incoming products
 Cabin service supplies contractors	Provide passengers with articles for in-flight use	Open and transparent procurement channels and information	Order form, Telephone, E-mail	Daily	Procurement documents, procurement information communication	Product quality and punctual delivery of incoming products
 Airport company	Formulate airport noise charging standards and collect fees	Noise prevention	Charging bills	As needed	Provide specifications and standards related to aircraft noise levels	Understand the difference in noise charge standards of various airports and related laws and regulations
	Maintain the operation of the Company	Compliance with laws and regulations, noise prevention	Meeting, official document	As needed	Provide specifications and standards related to aircraft noise levels to comply with regulations	Enhance environmental protection performance
 Flight Training School	Train flight cadets	Complete the training as scheduled according to the contract plan	E-mail, Telephone, Meeting	As needed, on demand	Improve problems encountered in the training schedule and students' learning problems.	Increase training capacity and adjust training cycle
 American Institute in Taiwan	The competent authority where cabin crew applies for the USA entry visas	Obtain USA visas to facilitate cabin crew to enter the USA to perform the duty	Telephone counseling E-mail interview	As needed As needed Once or twice a month	Professionals and officials respond to questions related to visas to clarify the process of operation.	Allow cabin crew to obtain visas on time and enter/leave the USA smoothly.
 Cabin service supplies distributors	Provide passengers with articles for in-flight use	Open and transparent procurement channels and information	Order form, Telephone, E-mail	Daily	Procurement documents, procurement information communication	Product quality and punctual delivery of incoming products
 Manufacturers and agents of in-flight duty-free commodities	Increase revenue of duty-free commodities	The products provided by manufacturers have sales potential and stable supply status	E-mail, meeting, telephone, order, contract	As needed	Propose products with potential, sufficient lead time is given to orders.	Increase revenue

Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
Cooperative partners of various categories 	Provide products for sales, increase Home Delivery Shopping revenue	The products provided by manufacturers have the potential to increase turnover	E-mail, meeting, telephone	As needed	Propose products with potential, give sufficient lead time for orders.	Increase revenue
Fuel suppliers 	Provide stable, qualified and competitively -priced aviation fuel to ensure the normal operation of the aircraft and the competitiveness of airfares	Fuel use condition	Visit, e-mail, telephone, international conference	As needed	Fuel requirement for new airports and operating airports, fleet planning, invoice errors, payment status, account checking	Reduce fuel costs
Taiwan Power Company 	Supply electricity to maintain the operation of the Company.	Use electricity reasonably	Telephone, official document, bill, website	As needed	Electricity consumption of the company	Know the electricity consumption of the company, monitor abnormal conditions to reduce operational risks.
Taiwan Water Corporation 	Supply water to maintain the operation of the Company.	Use water reasonably	Telephone, official document, bill, website	As needed	Water consumption of the company	Know the water consumption of the company, monitor abnormal conditions to reduce operational risks.
Ground service agents 	Provide air cargo storage service	Know the quality and safety requirements of freight operations, and in case of violation, report immediately	Telephone, e-mail, coordination meeting, visit	As needed	Any operations not meeting the requirements shall be reported immediately, and improvement is required	Manufacturers with good improvement results and excellent performance that have received the AEO certificate issued by the Ministry of Finance show that the Company has practiced strict voluntary management in the safe operation of the supply chain.
	Perform ground service at the station	Increase agency fees	Telephone, e-mail	As needed	Check the service quality and price index and negotiate	Both parties reach an agreement
Outsourcing business of aircraft maintenance ground service agency 	Flight safety and quality assurance	Adjustment of aircraft maintenance work pricing	Telephone, e-mail International Airlines Technical Pool (IATP) meeting business visit	Quarterly Annually Semi-annually	Evaluate a price increase is reasonable based on the market value, the number of flights and the consumer index price (CPI) of maintenance agency site.	Reach consensus through negotiation, agree on pricing adjustment as well as communicate and review the agency service quality to maintain good relationships between both parties.
Transportation contracting 	Responsible for the safe commuting protection of a majority of the employees.	Flight crew and ground staff arrive at their workplaces on time daily in order not to delay their official business and serving the customers.	Have regular meetings Semiannual vehicle inspection and fire drill Irregularly check tire pressure, vehicle license and driver's license. Play the short film on rescuing advocacy every day. Irregularly made announcements on internal riding basic advocacy.	As per business need Daily Monthly	Subcontractors are assessed annually and the record of the vehicle condition shall be kept for 7 years. Play the short film on emergency rescue on the vehicle.	Ensure the employees' riding safety
Aircraft maintenance spare parts suppliers 	Materials and parts are purchased at market competitive prices to control maintenance costs and ensure the quality and safety of aircraft maintenance.	Explanation sessions about the procurement policy are held regularly so that our future procurement plan can be understood. When procurement requirements are put forward, the requirements of the product can be explained in detail (e.g. necessary documents to be provided when delivering the product). Payment is made on time to avoid delays in the delivery time which may result in the interest losses of both parties.	Telephone, e-mail Discussions between both parties in meetings Routine business visits Visit manufacturers Purchase order, purchase contract International Airlines Technical Pool (IATP) meeting	Daily Once every 1 or 2 year(s) Once every 3-6 months Once every 1-3 year(s) Daily Once every 1-2 year(s) Annually	Exchange market information with suppliers through routine business visits. The Company selects qualified suppliers according to the examination and verification system of suppliers. The financial management system of manufacturers developed by the Company can confirm the payment status regularly to ensure smooth payment operation.	Both parties communicate with each other directly face to face about preparation of materials for maintenance, purchase price, quality and delivery time to provide the suppliers with purchasing information more effectively. This can effectively avoid the situation that the product documentation does not meet the requirements when the supplier makes delivery, and it can make the procurement process proceed more smoothly. As the Company makes payment according to the terms of payment stipulated in the contract or application documents, suppliers can concentrate on the preparation of materials and on time delivery.

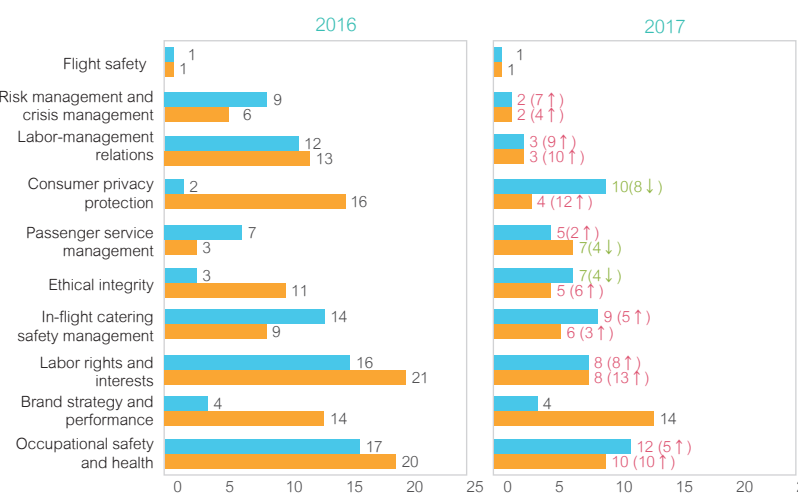
Subcategory	Significance & Importance to EVA Air	Issues of Concern/ Needs & Expectations	Communication Channel	Frequency	Content	Communication Effect
Mechanical and electrical maintenance contracting 	Maintain power supply and safety of related machinery and equipment in the Park to maintain the normal operation of the staff at work.	Comply with the regulations on power consumption of the Bureau of Energy, never fail to abide by the standards on regular maintenance of elevators and machinery of Ministry of Labor and the Construction and Planning Agency, with no power failure and safety as the highest standard.	Receive the reports of regular inspectors from public units Internal review meetings are held regularly Participate in the mechanical and electrical training camps	On demand	Subcontractors are assessed every year; coordinate with the government on energy-saving measures and follow the Company's requirements to improve the efficiency.	Enhance the operation efficiency of the related electrical and mechanical facilities in the Park
Weak - current communication contracting 	Maintain and coordinate the pipeline equipment to communicate with customers with revenue in mind	The communication equipment should maintain clear sound effect and ensure optimal sound quality and smooth telephone traffic.	Carry out customer satisfaction survey and telecommunication exchanges with Chunghwa Telecom and Taiwan Mobile; sound effect equipment is added to maintain the best sound quality.	On demand	Subcontractors are assessed every year. Phone digital upgrade function improves work efficiency and maintains the best sound effect without noise.	Enhance the operation efficiency of the communication equipment in the Park
Information software and hardware procurement 	Coordinating manufacturers providing hardware and software service in information operation	Understand the Company's business needs to seek business cooperation . Understand the status of the business implementation and coordinate business cooperation.	Telephone business meeting business visit	As needed As needed As per business need Quarterly to once every six months	The Company has a strict supplier selection system, which is open and transparent . The coordination of various businesses is controlled in an orderly manner according to the project management operating procedures.	The communication is smooth and active, and a good relationship is maintained.
Construction engineering repairs 	Renovation of exterior and new buildings to show the new era of EVA Air.	The projects are carried out smoothly and completed on time; besides energy conservation and carbon reduction, the projects widely adopt energy efficient devices to show a good image of the Company.	Fill out the Hazard Notification Form Meetings are held monthly . Markings of danger and signs of protection warning are posted at the construction site, specially - assigned persons are provided along the traffic routes in the construction area to safeguard personnel safety.	According to the requirements of the design period of the building	Subcontractors are assessed every year. In response to environmental protection and energy conservation, green environmental protection materials are selected.	The repair project is completed as per the schedule and quality
Engineering contractors 	Various outsourcing projects of contracting companies	The projects are carried out smoothly, and no disasters and accidents have occurred.	Expand the agreement and organize meetings Automatic inspection and patrol Notification of occupational accidents and near-miss events	Monthly Weekly Annually	Hold organizational meetings to discuss various items for attention concerning safety and health . Implement patrol and inspection and automatic check, notification of occupational accidents and near-miss events.	Implement the contracting operation according to occupational safety and health regulations
Fixed -term contract contractors 	Fixed-term outsourcing businesses of contracting companies	The businesses are carried out smoothly, and no disasters and accidents have occurred.	Expand the agreement and Organize meetings Automatic inspection and patrol Notification of occupational accidents and near-miss events	Monthly Weekly Annually	Hold organizational meetings to discuss various items for attention concerning the safety and health. Implement patrol and inspection and automatic check, notification of occupational accidents and near-miss events.	Implement the contracting operation according to occupational safety and health regulations
Cleaning companies 	Maintenance of clean environment	Compliance with laws and regulations, environmental protection	Charging bills	Monthly	Understand service processes, whether the waste disposal conforms to the regulations.	Enhance environmental protection performance
Cleaning contractors 	Maintenance of clean environment	It is required that cleaning projects follow procedures and standards, and that the tools are really clean. Recycling companies need to have permits issued by the government.	Customer satisfaction survey. Issue triplicate form according to the regulations of the Department of Environmental Protection to detect environmental waste amount, and implement the reduction plan. Irregular inspections are made, and meetings are held for communication. Internal official documents are released to convey the correct concepts.	On demand	Subcontractors are assessed every year. Advocate environmental protection concept, and cooperate with the energy-saving plan of the Corporate Safety, Security & Environment Div.	The cleaning and maintenance work in the Park is carried out according to the regulations, and employees are provided with clean and healthy working environment.

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 2017 to January 2018, 403 questionnaires were collected: among them, 148 questionnaires were filled in by customers, 97 by employees, and 6 by government officials; meanwhile, travel agencies, press/media, shareholders, and suppliers contributed 33, 12, 34 and 73 questionnaires, respectively. In addition to the analysis of the Stakeholders’ level of concern on sustainability issues, 33 members of the CSR Committee 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, 22 major issues and 1 extremely major issue were finally selected; these correspond to 35 material aspects of GRI G4, including 4 economic aspects, 7 environmental aspects, and 24 social aspects. As confirmed by members of the CSR Committee, the connection between these major issues and EVA Air’s operations and their importance have been identified, including revenue increase, cost reduction, brand trust uplift, decrease of reputation risk, increased cohesiveness of employees, and connection with the operating objectives.



Changes in Ranking of Top 10 Material Issues in 2017



Note 1: The smaller the number, the higher the ranking, meaning a higher level of concern or higher level of impact.

Material Issues	Material Aspects	Corresponding GRI G4 Aspects	Significance to the Company & Connection with Operations					
			Increase revenue	Reduce cost	Uplift brand trust	Reduce reputation risk	Increase employee cohesiveness	Connect with Operating Objectives
Sustainable Operations	Sustainability vision and goals	Anti -corruption, public policy, anti-competitive practices, social regulation compliance			✓			✓
	Corporate governance				✓	✓		✓
	Ethical integrity				✓	✓	✓	
	Risk management and crisis management				✓	✓		
	Supply chain management	Procurement practices, supplier environmental assessment, supplier assessment for labor practices, supplier human rights assessment, supplier social impact assessment, freedom of association and collective bargaining, child labor, forced and compulsory labor		✓		✓		✓
	Brand strategy and performance	Labeling of products and services, marketing communication, and compliance with product liability regulations	✓		✓			
Airline Industry	Flight safety	Customer health and safety, product and service labeling, marketing communications, compliance with product responsibility regulation			✓	✓	✓	✓
	Aviation fuel efficiency			✓				✓
	Fleet management and planning			✓	✓			✓
	In-flight catering safety management					✓		
	Passenger service quality management		✓		✓			
	Cargo service quality management				✓	✓		

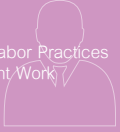
Material Issues	Material Aspects	Corresponding GRI G4 Aspects	Significance to the Company & Connection with Operations					
			Increase revenue	Reduce cost	Uplift brand trust	Reduce reputation risk	Increase employee cohesiveness	Connect with Operating Objectives
	Financial performance	Economic performance	✓	✓	✓	✓		✓
	Antitrust	Anti-competitive practices	✓		✓			✓
	Measurement and Evaluation on Operational impact	Indirect economic impacts	✓	✓				✓
	Environmental management system	Economic performance, energy, emissions, waste water and waste, products and services, and compliance with environmental regulations.			✓	✓		
	Risk and responsibilities in climate change					✓		✓
	Occupational safety and health	Economic performance, market presence, labor/management relations, occupational health and safety, training and education, diversity and equal opportunity, equal remuneration for women and men, labor practices grievance mechanisms, social impact grievance mechanisms			✓	✓		
	Labor-management relations				✓			
	Labor rights and interests			✓	✓			
	Career development and education training			✓	✓			
	Welfare and remuneration				✓			
	Recruitment and retention				✓			
	Community participation/social welfare						✓	
	Communication with stakeholders and grievance mechanism	Complaint mechanisms for environmental issues, labor practices, human rights issues and social impact					✓	
	Consumer privacy protection	Consumer privacy					✓	

7-4 Step 4 - Define Boundaries of Disclosure on Major Material Aspects and Management Approach

The selected 35 material aspects have been evaluated one by one by the members of the CSR Committee to identify the positions of each issue impacting the entities inside the organization (EVA Air and subsidiaries) and in the value chain outside the organization (suppliers, contractors, customers). In connection with the impact that occurs in EVA Air, this Report describes the management system, coping measures and performance results in various sections; as for the impact that occurs within the subsidiaries of the organization and on the value chain, the management practices of EVA Air are mainly introduced.

Aspect	Entity Name Material Aspect	Entity in the Organization						Value chain outside of the organization												
		EVA Air	Subsidiary					Supplier				Contractor					Customer			
			EGAS	EGAP	EGAT	EGSC	EGAC	Aircraft Mfg	Aeroengine Mfg	Ground equipment Mfg	Aircraft leasing	Petroleum	Aircraft maintenance	Ground service	Passenger/cargo transport	Sky catering	Cargo forwarders	Express delivery	Travel agencies	General public
	Economic Performance	✓			✓				✓					✓				✓		
	Market Presence	✓																		
	Indirect Economic Impacts	✓																		
	Procurement Practices	✓			✓															
	Energy	✓							✓											
	Emissions	✓							✓					✓						
	Waste water and waste	✓			✓									✓						

Aspect	Entity Name Material Aspect	Entity in the Organization						Value chain outside of the organization												
		EVA Air	Subsidiary					Supplier				Contractor					Customer			
			EGAS	EGAP	EGAT	EGSC	EGAC	Aircraft Mfg	Aeroengine Mfg	Ground equipment Mfg	Aircraft leasing	Petroleum	Aircraft maintenance	Ground service	Passenger/cargo transport	Sky catering	Cargo forwarders	Express delivery	Travel agencies	General public
Environmental Aspect	Products And Services	✓			✓				✓					✓						
	Compliance with laws and regulations	✓			✓									✓						
	Supplier Environmental Assessment	✓																		
	Environmental Grievance Mechanisms	✓												✓						
Social – Labor Practices and Decent Work	Labor/Management Relations	✓			✓														✓	
	Occupational Health And Safety	✓			✓				✓					✓					✓	
	Training And Education	✓			✓				✓					✓					✓	
	Diversity And Equal Opportunity	✓																		
	Equal Remuneration For Women And Men	✓																		
	Supplier Assessment For Labor Practices	✓																		
	Labor Practices Grievance Mechanisms	✓																		
Social – Human Rights	Freedom Of Association & Collective Bargaining	✓																		
	Child labor	✓																	✓	
	Forced / Compulsory Labor	✓			✓				✓					✓					✓	
	Supplier Human Rights Assessment	✓																		
	Human rights Grievance Mechanisms	✓																		
Social – Social	Local Community	✓												✓						
	Anti-Corruption	✓			✓				✓					✓					✓	
	Public Policy	✓																		
	Anti-Competitive Practices	✓			✓				✓					✓						
	Compliance With Law And Regulations	✓			✓															
	Supplier Social Impact Assessment	✓																		
	Social Impact Grievance Mechanism	✓																		
Social – Product Responsibility	Customer Health And Safety	✓			✓				✓					✓					✓	
	Product And Service Labeling	✓			✓				✓					✓					✓	
	Marketing Communications	✓																	✓	
	Customer Privacy	✓																	✓	
	Compliance with Laws And Regulations	✓			✓				✓					✓					✓	

Category-subcategory	Material Aspect	CSR sub-Committee	Disclosure on Management Approach	Corresponding Chapter	Heading	Page
Economic Aspect 	Economic Performance	Operation Management	The financial data disclosed by the business performance refer to the data of financial reports audited by CPA, which are prepared by the Company by adopting International Financial Reporting Standards over the years.	6-3	Business Performance	93
	Market Presence	Employee Welfare	Job opportunities are given to local residents first to promote local employment and economic development.	3-1	Appointment and Retention of Talent	49
	Indirect Economic Impact	Community Engagement	Adhere to the philosophy of the founder to give back to society, invest resources to support disadvantaged groups, blend into the life of community residents, and sponsor public welfare activities in the long run.	5-2 5-3	Charitable Contribution Giving Back to Local Communities	83 84
	Procurement Practices	Supply Chain	The Purchasing Department performs the procurement practices according to the "Procurement Operating Procedures."	-	Sustainable Procurement Management	10
Environmental Aspect 	Energy	Sustainable Environment	ISO 50001 is introduced for energy inventory, and the company has passed the examination.	4-1	Environment and Climate Change Governance	73
	Emissions	Sustainable Environment	ISO 14064 -1 is introduced for GHG inventory, and the company has passed the verification each year; in addition, the fuel conservation and emission reduction program is implemented through the fuel conservation task force under the Sustainable Environment Promotion Sub - Committee.	4-1	Environment and Climate Change Governance	73
	Waste water and waste	Sustainable Environment	ISO 14001 is introduced to monitor waste water and waste.	4-2	Energy and Resources Management	76
	Products And Services	Sustainable Environment	To implement green purchasing and electronic operation.	2-2	Innovative Services	36
	Compliance With Laws And Regulations	Sustainable Environment	The external and internal audits of ISO 14001 are introduced, and the company has passed the verification each year.	4-1	Environment and Climate Change Governance	73
	Supplier Environmental Assessment	Supply Chain	ISO 14001 is regarded as a reference condition for screening new suppliers.	-	Sustainable Procurement Management	10
	Environmental Grievance Mechanisms	Sustainable Environment	Establish a mailbox for reporting environmental issues, and track communication effectiveness.	4-1	Environment and Climate Change Governance	73
Social – Labor Practices and Decent Work 	Labor /Management Relations	Employee Welfare	Labor-management meetings and department meetings are held regularly to communicate with employees, and irregularly held interviews show care for employees.	3-1	Appointment and Retention of Talent	49
	Occupation Health And Safety	Employee Welfare	Meetings of the "Occupational Safety and Health Committee" are held quarterly; they are responsible for reviewing, coordinating and recommending matters related to safety and health. The Company has special announcements on its website, and advocates the information related to occupational safety and health.	3-3	Workplace Safety	63
	Training And Education	Employee Welfare	Air and ground service training courses are planned to improve the technical skills of the staff according to various professional requirements and related regulations.	3-2	Employee Education and Training	60
	Diversity And Equal Opportunity	Employee Welfare	Through open recruiting channels, the Company provides employment opportunities to local residents in various places and employs disadvantaged groups in due time to provide equal and friendly working environment.	3-1	Appointment and Retention of Talent	49
	Equal Remuneration For Women And Men	Employee Welfare	Abide by local labor laws and regulations at various operating places; male and female employees enjoy equal pay at the same posts.	3-1	Appointment and Retention of Talent	49
	Supplier Assessment For Labor Practices	Supply Chain	SA 8000 and OHSAS 18001 are adopted as a reference condition for screening new suppliers.	-	Sustainable Procurement Management	10
	Labor Practices Grievance Mechanisms	Employee Welfare	Besides labor-management meetings, electronic Mailboxes for Reporting Grievances and Opinions are set up for the employees.	3-1	Appointment and Retention of Talent	49
Social – Human Rights 	Freedom Of Association & Collective Bargaining	Employee Welfare	Labor-management meetings are held regularly , while communication and negotiations are held irregularly. The wishes of the employees are respected, while all unions are equally treated.	3-1	Appointment and Retention of Talent	49
	Child labor	Employee Welfare	Recruitment is monitored to avoid the employment of child labor; no operation points are allowed to employ children.	3-1	Appointment and Retention of Talent	49
	Forced / Compulsory Labor	Employee Welfare	Working hours are inspected regularly so that manpower can be used effectively and reasonably.	3-1	Appointment and Retention of Talent	49
	Supplier Human Rights Assessment	Supply Chain	SA8000 is adopted as a reference condition for screening new suppliers.	-	Sustainable Procurement Management	10
	Human Rights Grievance Mechanisms	Employee Welfare	Besides labor-management meetings, an electronic Mailbox for Reporting Grievances and a Mailbox for Violation Reporting are also set up.	3-1	Appointment and Retention of Talent	49
Social - Social 	Local Community	Community Engagement	Adhere to the philosophy of the founder to give back to society, invest resources to support disadvantaged groups, blend into the life of community residents, and sponsor public welfare activities in the long run.	5-3	Giving Back to Local Communities	84
	Anti -Corruption	Operation Management	Auditing Div. examined 26 stations with regard to anti -corruption issues from 2013 to 2017, and no corruption cases were found; the anti -corruption examination ratio was 96%.	6-2	Ethical Management	90
	Public Policy	Operation Management	Various social welfare donations are made every year, but there is no political contribution		No such situation	
	Anti -Competitive Practices	Operation Management	"Antitrust Law Compliance Guidelines" have been formulated, announced to the entire staff, and posted on the internal website of the Company. Global employees have been advocated to abide by the Guidelines, which have been integrated into the education & training courses of new recruits.	6-2	Ethical Management	90
	Compliance With Laws And Regulations	Operation Management	"Internal Control System of EVA Air" and "Internal Audit Implementation Rules of EVA Air" have been formulated as the basis of internal audit.	6-2	Ethical Management	90
	Supplier Social Impact Assessment	Supply Chain	SA8000 is adopted as a reference condition for screening new suppliers.	-	Sustainable Procurement Management	10
	Social Impact Grievance Mechanism	Operation Management	A Mailbox is provided for stakeholders to file complaints about relevant problems.	7-2	Identification of Stakeholders and Engagement with Stakeholders	96
Social - Product Liability 	Customer Health And Safety	Operation Management	A cross - departmental "Safety Promotion Committee" has been established directly under the President with the purpose of continuously improving flight safety.	1-1	EVA Air Safety Management System	23
	Product And Service Labeling	Service Quality	To safeguard the rights, interests and health of passengers, all products and services provided by EVA Air all comply with government decrees and regulations.	2-2 2-3 2-4	Innovative Services Customer Relationship Cargo Service	36 43 44
	Marketing Communications	Service Quality	These products and services have been authorized to register according to decrees and regulations, and approved by the CAA, MOTC, ROC.	6-2	Ethical Management	90
	Customer Privacy	Service Quality	Information on data collection, use and privacy protection and security statement is all specified in the "Privacy Protection and Web Security Statement" on the website of EVA Air.	2-3	Customer Relationship	43
	Compliance With Laws And Regulations	Service Quality	Passenger and cargo services provided by EVA Air all comply with government decrees and regulations.	6-2	Ethical Management	90

APPENDIX

General Standard Disclosures

Category	Indicator	Description	Chapter	Heading	Page
STRATEGY AND ANALYSIS	G4-1*	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	-	Message from Management	3
	G4-2	Report a description of key impacts, risks and opportunities of the organization	6-2 4-1	Ethical Management Environment and Climate Change Governance	90 73
ORGANIZATION PROFILE	G4-3*	Report the name of the organization.	-	About EVA Air	7
	G4-4*	Report the primary brands, products and services.	-	About EVA Air	7
	G4-5*	Report the location of the organization's headquarters.	-	About EVA Air	7
	G4-6*	Report the number and names of countries where the organization operates.	-	About EVA Air	7
	G4-7*	Report the nature of ownership and legal form.	-	About EVA Air	7
	G4-8*	Report the markets for which the service is provided	-	About EVA Air	7
	G4-9*	Report the scale of the organization	-	About EVA Air	7
	G4-10*	Report the total number of employees	3-1	Appointment and retention of talent	49
	G4-11*	Report the percentage of total employees covered by collective bargaining agreements.	3-1	Appointment and retention of talent	49
	G4-12*	Describe the organization's supply chain.	-	EVA Air Value Chain	10
	G4-13*	Report any significant changes regarding the organization's size, structure, ownership or supply chain	-	About EVA Air	7
	G4-14*	Report whether and how the precautionary approach or principle is addressed by the organization.	4-1	Environment and Climate Change Governance	73
	G4-15*	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.		No relevant initiatives have been signed	
	G4-16*	List memberships of associations (such as industry associations) and national or international advocacy organizations	-	Participation in International Sustainability Initiatives	20
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES	G4-17*	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	-	About EVA Air	7
	G4-18*	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	7	Materiality analysis	96
	G4-19*	List all the material aspects identified in the process for defining report content.	7	Materiality analysis	96
	G4-20*	For each material aspect, report the aspect boundary within the organization.	7	Materiality analysis	96
	G4-21*	For each material aspect, report the aspect boundary outside the organization.	7	Materiality analysis	96
	G4-22*	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	-	About this Report	5
	G4-23*	Report significant changes from previous reporting periods in the scope and aspect boundaries.	-	About this Report	5

Category	Indicator	Description	Chapter	Heading	Page
STAKEHOLDER ENGAGEMENT	G4-24*	Provide a list of stakeholder groups engaged by the organization.	7-2	Identification of stakeholders	96
	G4-25*	Report the basis for indemnification and selection with whom to engage.	7-2	Identification of stakeholders	96
	G4-26*	Report the organization 's approach to stakeholder engagement and frequency of engagement.	7-2	Identification of stakeholders	96
	G4-27*	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	7-2	Identification of stakeholders	96
REPORT PROFILE	G4-28*	Reporting period (such as fiscal or calendar year) for information provided.	-	About this Report	5
	G4-29*	Date of most recent previous report.	-	About this Report	5
	G4-30*	Reporting cycle.	-	About this Report	5
	G4-31*	Provide the contact person for questions regarding the report or its contents.	-	About this Report	5
	G4-32*	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option c. Report the reference to the External Assurance Report, if the report has been externally assured.	-	About this Report	5
	G4-33*	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in the process of seeking assurance for the organization's sustainability report.	-	About this Report	5
GOVERNANCE	G4-34*	Report the governance structure of the organization, including committees of the highest governance body.	6-1	Senior Operating Management	89
	G4-35	Report on the processes for the highest governance body's authorization of Senior Operating Management and other employees concerning economic, environmental and social issues	-	Sustainable Governance Organization	13
	G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	-	Sustainable Governance Organization	13
	G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	-	Sustainable Governance Organization	13
	G4-38	Report the composition of the highest governance body and its committees.	6-1	Senior Operating Management	89
	G4-39	Report whether the Chair of the highest governance body is also a member of the management team.	6-1	Senior Operating Management	89
	G4-40	Report on the processes for the nomination and selection of the highest governance body and its committees, and the rules for the nomination and selection of the members of the highest governance body.	6-1	Senior Operating Management	89
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	6-1	Senior Operating Management	89
	G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or vision, strategies, policies, and goals related to economic, environmental and social impacts.	6-1	Senior Operating Management	89
	G4-43	Report on the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	6-1	Senior Operating Management	89
	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered.	-	Sustainable Governance Organization	13
	G4-49	Report the process for communication critical concerns to the highest governance body.	6-1	Senior Operating Management	89
	G4-50	Report on the nature and the total number of critical concerns that were communicated to the highest governance body and the mechanism used to address and resolve them.	6-1	Senior Operating Management	89
	G4-52	Report the process for determining remuneration.	6-1	Senior Operating Management	89
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposal.	6-1	Senior Operating Management	89
ETHICS AND INTEGRITY	G4-56*	Describe the organization's values, principles, standards and norms of behavior.	6-2	Ethical Management	90
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to the organization's integrity.	6-2	Ethical Management	90
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to the organization's integrity.	6-2	Ethical Management	90

Category	Indicator	Description	Chapter	Heading	Page
Management approach on specific standard disclosures			7-4	Define boundaries of disclosure on material aspects and management approach	106

Specific Standard Disclosures: Economic

Aspects	Indicator	Description	Chapter	Heading	Page
ECONOMIC PERFORMANCE	G4-EC1	Direct economic value generated and distributed by the organization	6-3	Business performance	93
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	4-1	Environment and Climate Change Governance	73
	G4-EC3	Coverage of the organization's defined benefit plan obligations	3-1	Appointment and retention of talent	49
MARKET PRESENCE	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	3-1	Appointment and retention of talent	49
	G4-EC6	Proportion of senior management employed from the local community at significant locations of operation	3-1	Appointment and retention of talent	49
INDIRECT ECONOMIC IMPACTS	G4-EC7	Development and impact of infrastructure investments and services supported	5-2 5-3	Charitable contribution Giving back to local communities	83 84
PROCUREMENT PRACTICES	G4-EC9	Proportion of procurement spending on local suppliers at significant locations of operation	-	Sustainable procurement management	10

Specific Standard Disclosures: Environmental Aspects

Aspects	Indicator	Description	Chapter	Heading	Page
ENERGY	G4-EN3	Energy consumption within the organization	4-2	Energy and Resources Management	76
	G4-EN6	Reduction of energy consumption	4-2	Energy and Resources Management	76
	G4-EN7	Reductions in energy requirements of products and services	4-2	Energy and Resources Management	76
WATER	G4-EN8 G4-EN9	Total water withdrawal by source Water sources significantly affected by withdrawal of water	4-2	Energy and Resources Management	76
EMISSIONS	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	4-2	Energy and Resources Management	76
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	4-2	Energy and Resources Management	76
	G4-EN18	Greenhouse gas (GHG) emissions intensity	4-2	Energy and Resources Management	76
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	4-2	Energy and Resources Management	76
	G4-EN21	Emissions of NOx, SOx and other significant gases	4-1	Energy and Resources Management	76
WASTE WATER AND WASTE	G4-EN23	Total weight of waste by type and disposal method	4-2	Energy and Resources Management	76
PRODUCTS AND SERVICES	G4-EN27	Extend of impact mitigation of environmental impacts of products and services	4-1	Environment and Climate Change Governance	73
COMPLIANCE	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No such situation		-
OVERALL SITUATION	G4-EN31	Total amount of environmental protection expenditure and investment by type	4-1	Environment and Climate Change Governance	73
SUPPLIER ENVIRONMENTAL ASSESSMENT	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	-	Sustainable Procurement Management	10
	G4-EN33	Significant actual or potential negative impacts of the supply chain on environment and the actions taken	No such situation		-
ENVIRONMENTAL GRIEVANCE MECHANISMS	G4-EN34	Number of complaints filed about environmental impacts, addressed, and resolved through formal complaint mechanisms	4-1	Environment and Climate Change Governance	73

Specific Standard Disclosures: Social – Labor Practices and Decent Work

Aspects	Indicator	Description	Chapter	Heading	Page
LABOR/MANAGEMENT RELATIONS	G4-LA1	Total numbers and proportions of new recruits and employee turnover by age group, gender and region	3-1	Appointment and retention of talent	49
	G4-LA2	Benefits provided only to full-time employees by significant locations of operation	3-1	Appointment and retention of talent	49
	G4-LA3	The proportions of return to work and retention after parental leave, by gender	3-1	Appointment and retention of talent	49
LABOR/MANAGEMENT RELATIONS	G4-LA4	Whether the minimum notice periods regarding material operational changes are specified in collective bargaining	Handled in accordance with the stipulation of Article 16 of the Labor Standards Act		-
OCCUPATIONAL HEALTH AND SAFETY	G4-LA5	Percentage of total workforce represented in formal joint management -worker health and safety committees that help supervise and advise on occupational health and safety programs	3-3	Workplace safety	63
	G4-LA6	Type of job -related injuries and rates of injuries, occupational diseases, lost days, and absence rate, and total number of work-related fatalities, by region and by gender	3-3	Workplace safety	63
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupations	3-3	Workplace safety	63
TRAINING AND EDUCATION	G4-LA9	Average hours of training per year per employee by gender, and by employee category	3-2	Employee education and training	60
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing retirement life	3-2	Employee education and training	60
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	3-1	Appointment and retention of talent	49
DIVERSITY AND EQUAL OPPORTUNITY	G4-LA12	Composition of governance bodies and constituent of various employee categories by gender, age group, minority group, and other indicators of diversity	3-1	Appointment and retention of talent	49
EQUAL RENUMERATION FOR WOMEN AND MEN	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category and by significant locations of operation	3-1	Appointment and retention of talent	49
SUPPLIER ASSESSMENT FOR LABOR PRACTICES	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	-	Sustainable Procurement Management	10
	G4-LA15	Significant actual or potential negative impacts of the supply chain on labor practices and the actions taken	No such situation		
LABOR PRACTICES GRIEVANCE MECHANISM	G4-LA16	Number of complaints about labor practices filed, addressed, and resolved through formal grievance mechanisms	3-1	Appointment and retention of talent	49

Specific Standard Disclosures: Social – Human Rights and the Society

Aspects	Indicator	Description	Chapter	Heading	Page
INVESTMENT	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	Sustainable procurement management	10
	G4-HR2	Total hours of employee training on human rights policies related to the operation and the percentage of employees trained	3-2	Employee education and training	60
NONDISCRIMINATION	G4-HR3	Total number of discrimination incidents and corrective actions taken by the organization	3-1	Appointment and retention of talent	49
FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING	G4-HR4	Operating locations or suppliers that have been identified to possibly violate or seriously endanger freedom of association & collective bargaining, and actions taken to protect these rights	3-1	Appointment and retention of talent	49
CHILD LABOR	G4-HR5	Operating locations and suppliers that have been found to entail risks of serious use of child labor, and actions taken to eliminate the use of child labor.	No such situation		-
FORCED AND COMPULSORY LABOR	G4-HR6	Operating locations and suppliers that have been found to have risks of seriously forced and compulsory labor incidents, and actions taken that help to reduce any forms of forced or compulsory labor	3-1	Appointment and retention of talent	49
SECURITY PRACTICES	G4-HR7	Percentage of security guards who have received training in human rights policies related to the operation	3-1	Appointment and retention of talent	49
HUMAN RIGHTS ASSESSMENT	G4-HR9	Total number and percentage of operating locations that have received human rights inspection and impact assessment	0%		-
SUPPLIER HUMAN RIGHTS ASSESSMENT	G4-HR10	Proportion of new suppliers that have been screened according to human rights criteria	-	Sustainable procurement management	10
	G4-HR11	Significant actual or potential negative impacts of the supply chain on human rights, and the actions taken	No such situation		-
HUMAN RIGHTS GRIEVANCE MECHANISMS	G4-HR12	Number of complaints about human rights filed, addressed and resolved through formal complaint mechanisms	3-1	Appointment and retention of talent	49

Specific Standard Disclosures: Social – Society

Aspects	Indicator	Description	Chapter	Heading	Page
LOCAL COMMUNITIES	G4-SO1	Percentage of operating locations that have implemented the engagement with local communities, impact assessments and development plans	5-3	Giving back to local communities	84
	G4-SO2	Operation with significant actual and potential negative impacts on local communities	No such situation		-
ANTI-CORRUPTION	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	6-2	Ethical Management	90
	G4-SO4	Communication and training on anti-corruption policies and procedures	6-2	Ethical Management	90
	G4-SO5	Confirmed incidents of corruption and actions taken	No such situation		-
PUBLIC POLICIES	G4-SO6	Total amount of political contributions classified according to countries and recipients/beneficiaries	No such situation		-
ANTI-COMPETITIVE BEHAVIOR	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	6-2	Ethical Management	90
REGULATORY COMPLIANCE	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	6-2	Ethical Management	90
			In 2017, there were two cases of violation of Article 32 of the Labor Standards Act, which were fined NTD 150 thousand in total.		
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY	G4-SO9	Percentage of new suppliers that were screened using criteria of social impacts	-	Sustainable procurement management	10
	G4-SO10	Significant actual or potential negative impacts of the supply chain on society and actions taken	No such situation		-
GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY	G4-SO11	Number of complaints about social impacts filed, addressed, and resolved through formal complaint mechanisms	3-1	Appointment and retention of talent	49

Specific Standard Disclosures: Social – Product Responsibility

Aspects	Indicator	Description	Chapter	Heading	Page
CUSTOMER HEALTH AND SAFETY	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	1-1	Sound safety management system	23
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No such situation		-
PRODUCT AND SERVICE LABELING	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	2-2	Innovative services	36
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No such situation		-
	G4-PR5	Results of surveys measuring customer satisfaction	2-3	Customer relationship	43
MARKETING COMMUNICATIONS	G4-PR6	Sale of banned or disputed products	No such situation		-
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	No such situation		-
CUSTOMER PRIVACY	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	2-3	Customer relationship	43
COMPLIANCE	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No such situation		-

Third Party Assurance Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE EVA AIRWAYS CORPORATION'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2017

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 2017 (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 2017 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 2017.

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 AIRWAYS's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013) 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 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 Global Reporting Initiative Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members 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, EICC, 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 2017 verified is accurate, reliable and provides a fair and balanced representation of EVA AIRWAYS sustainability activities in 01/01/2017 to 12/31/2017.

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 G4 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 customers, employees, governmental authorities, business partners, media, investors, and suppliers 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. The report responds to material issues in a timely and balanced way, the concerns and expectations of stakeholders were properly addressed.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, EVA AIRWAYS's CSR Report of 2017, is adequately in line with the GRI G4 Core Option. The material aspects 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 aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report. The role of the highest government body in sustainability management is recommended to be further described in future reports. Descriptions on management approaches components, such as the baseline for goals and targets, and the mechanisms for evaluating the effectiveness of management approaches are recommended to be strengthened in next report.

Signed:

For and on behalf of SGS Taiwan Ltd.

David Huang, Director
Taipei, Taiwan
04 June, 2018
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