

EVA AIR CORPORATE SOCIAL  
RESPONSIBILITY REPORT

2019



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# Message from the Executives

“Safety, service, and sustainability” is the core objectives of EVA Air’s operations. Under the premise of safety, high customer satisfaction is the key to sustainable operation. In 2020, EVA Air has ranked the 3<sup>rd</sup> place in “World’s Top 20 Safest Airlines”. Thus, to pursue higher safety performance, we set a higher target values, showing EVA Air’s determination of promoting safety management system.

The Company’s consolidated operating revenue reached NTD 181.3 billion in 2019, hitting new high in six years. We were also rated good results in “Corporate Governance Evaluation” by Taiwan Stock Exchange Corporation for five consecutive years; meanwhile, we were listed in “FTSE4Good TIP Taiwan ESG Index”, “Corporate Governance 100 Index”, “Taiwan Employment Creation 99 Index”, etc. For service quality, we were named as the “5-Star Airline” by SKYTRAX for four consecutive years, and ranked the 3<sup>rd</sup> place in “Top-10 World’s Best Airline Award” by TripAdvisor, the 4<sup>th</sup> place in “Top 100 Most Attractive Employer” by Cheers Magazine, etc. Moreover, EVA Air was awarded the Gold Quality Award for ranking the first in the evaluation of the “2019 Reward Program for Airlines on Disease Prevention, Preparedness and Response, and Emergency Management” by Taiwan Centers for Disease Control. Ground staff, flight crew and cabin crew also received various awards by the Civil Aeronautics Administration. In 2019, with the efforts of all colleagues, we came off a brilliant result.

Under the trend of climate change, the transportation industry has become an important promoter of future mitigation. EVA Air has strengthened its management in greenhouse gases, and follows relevant domestic and foreign regulations to improve the greenhouse gas reduction continuously.



EVA Air Chairman  
Steve Lin

*Steve Lin*

# Message from the Management

EVA Air has published the Corporate Social Responsibility Report for many years, and has been rewarded in “Taiwan Corporate Sustainability Awards” since 2015. The reports disclosed the measures we have taken, which were related to corporate governance, environment and society.

Apart from the insistence on our core values: “Safety, service, and sustainability”, we proactively respond to major issues the stakeholders care about to fulfill our goals of sustainable management. In order to strengthen our actions in corporate social responsibility, we have devised the Company’s sustainability strategies by referring to UN Sustainable Development Goals (SDGs). Also, we introduced the indicator regulations of “Dow Jones Sustainability Index (DJSI)” to serve as the guidelines and motivation for continuous effort in improving the work relating to corporate social responsibility.

In 2019, we have experienced various tests, still we remain united and competitive, face challenges without fear, continue to adhere to the flight safety, give our sincere appreciation to our beloved travelers, and strive towards one of the best airlines in the world. The global aviation industry continued to be affected by COVID-19 in early 2020; we uphold our corporate philosophy of “challenge, innovation, teamwork” in combination with social trends to keep abreast of the times, and to persevere in safety, high quality service and the core value of corporation sustainability. In the future, EVA Air will continue to improve corporate governance, fulfill social responsibilities, and create a professional and positive attitude to create the best interests of investors, employees, the public, and the stakeholders.



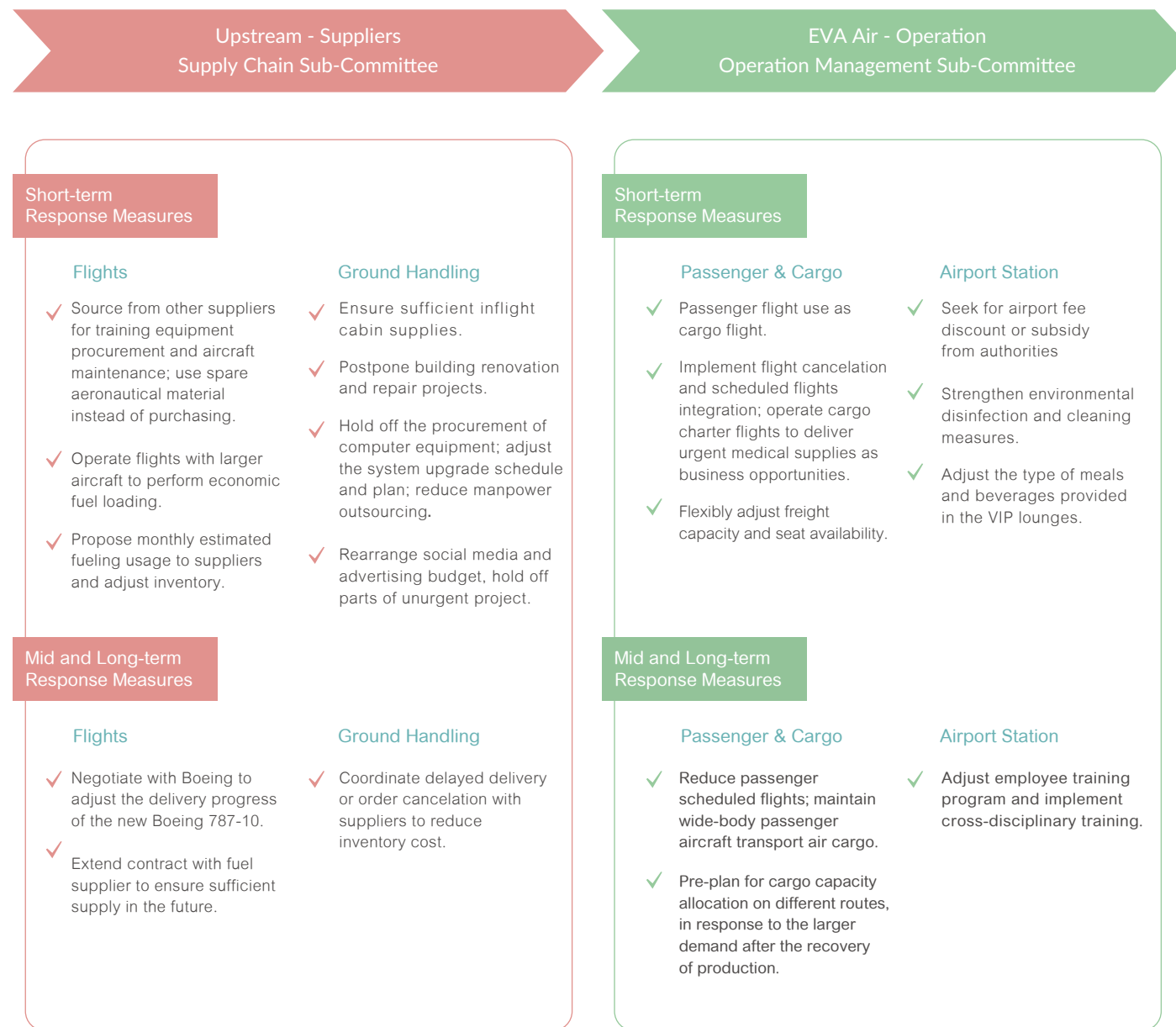
EVA Air President  
Clay Sun

A handwritten signature in black ink, appearing to read "Clay Sun". The signature is fluid and cursive, written over a white background.

## Our Risks and Opportunities under COVID-19

In 2020, the outbreak of COVID-19 has rapidly brought a significant impact on global society, economic and human health. Countries have closed their borders and strictly restricted travel and transit conditions, which resulted in a huge shrinkage in air transportation. In response to operational impacts on the aviation industry brought by COVID-19, EVA Air immediately formed an Epidemic Prevention and Response Committee, in which President serving as chairman, for identifying the potential risks in the value chain, and formulated our short and mid and long-term response measures. To strive for business continuity, we looked into capital expenditures and implemented actions, including holding off unurgent or unnecessary procurement, repair projects and advertisement. On the other hand, we actively negotiated with airport authorities for offering discount airport fee and coordinated with suppliers to adjust contract and payment terms.

As for opportunity aspect, EVA Air obtained approval from CAA to carry cargo in passenger aircrafts' cabin; on the other hand, the cargo transportation relied on cargo aircrafts and belly cargo cabin of passenger aircrafts in the past. To improve transportation efficiency, seats were unloaded from passenger aircraft, which was complied with flight safety requirements. It not only creates the maximum revenue under the pandemic, but also delivers medical and epidemic prevention materials to countries and regions in need at the right time; and we have fulfilled the social responsibility with our core value. In addition, we insisted on our service quality as usual. Infinity MileageLands members are guaranteed to keep their membership tiers as possible. At the same time, relevant trainings were held during the pandemic to keep improving our colleagues' professional skills and their efficiency.



EVA Air - Employee  
Employment Welfare Sub-Committee

Downstream - Customer  
Service Quality Committee

Short-term  
Response Measures

On Duty

- ✓ Provide masks, goggles, surgery gloves and water-proof isolation gowns for frontline staff.
- ✓ Set up an exclusive toilet in cabin for flight crew to reduce frequency of contact with passenger.

Human Resource

- ✓ Set up "Special Unpaid Leave Program", the annual assessment, seniority or any benefit of employees who applying for it will not be affected.
- ✓ Assist employees in applying for salary subsidy from local government when meeting the requirement.
- ✓ Implement working from home or working remotely.
- ✓ Arrange for expatriates to return to Taiwan for short-term work and subsidize quarantine expenses.

Mid and Long-term  
Response Measures

On Duty

- ✓ Provide disposal or antibiotics cabin supplies to reduce frequency of contact with others and reduce the risk of infection.

Human Resource

- ✓ Encourage employee to apply for annual special leave and Special Unpaid Leave; ease restrictions on taking unpaid leave.
- ✓ Arrange employees working in shifts to assist departments in need.

Short-term  
Response Measures

Passenger Transportation

- ✓ Make sure passenger wears a mask and gets body temperature measured before boarding.
- ✓ Arrange seat with additional distancing if there are seats available.
- ✓ Fully execute aircraft and arrival luggage sanitization.
- ✓ Take preventive measures on in-flight meal service and adjust cabin supplies.
- ✓ Update COVID-19 travel restriction on official website; use airport's FIDS to promote epidemic prevention precaution.
- ✓ Explain how to fill out the electronic Health Declaration Form to passenger before boarding.

Mid and Long-term  
Response Measures

Passenger Transportation

- ✓ Activate online customer E-mail system to provide reservation and ticketing service during COVID-19 pandemic.



# 01

EVA Air's sustainable development framework centers on our core value "Safety, service and sustainability". Based on the core value, we have developed short, mid, and long-term strategies. The short-term strategy is to share results and experiences with our subsidiaries and suppliers, based on which we draw up 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 to achieve the ultimate goal of becoming an iconic airline with global influence.





SUSTAINABLE  
VALUE CREATION

There is simply no substitute for experience in terms of aviation safety.

*Chesley Sullenberger*

2019

# 1-1 About EVA Air

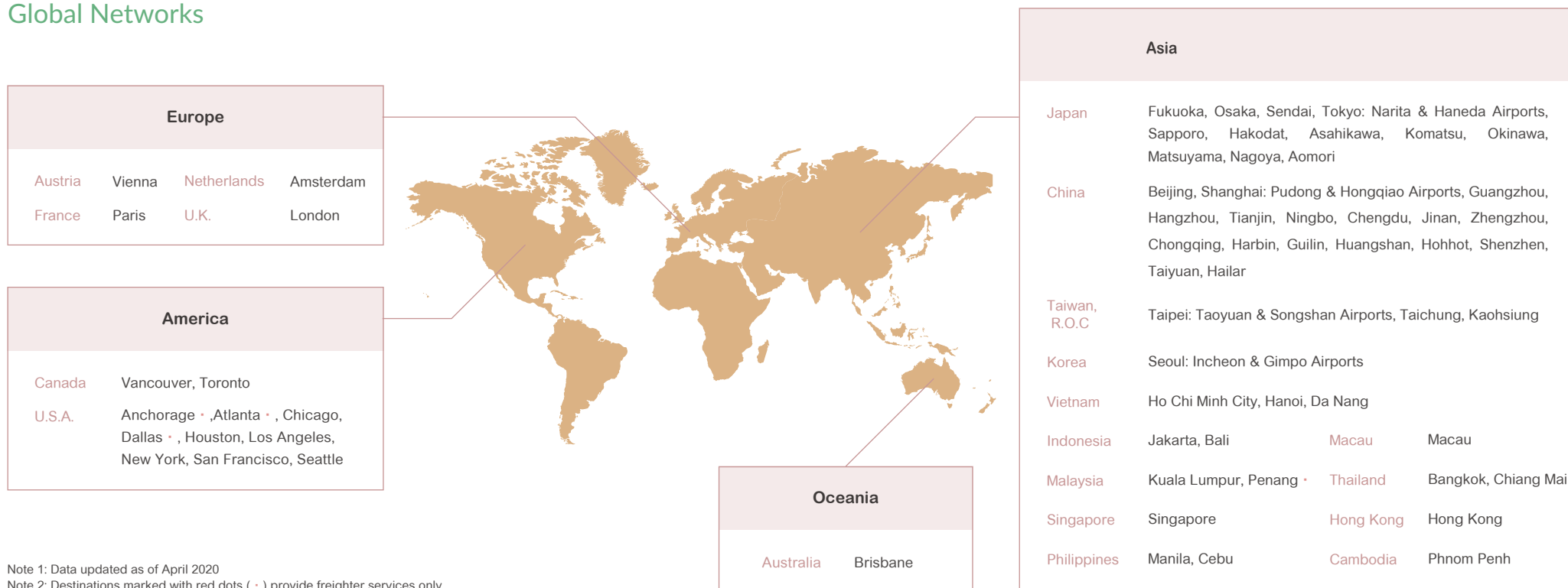
## The Growth of EVA Air

Since its establishment 30 years ago, EVA Air has upheld its corporate principles of “Challenge, Innovation and Teamwork”, insisting on rigorous flight safety, service quality and corporate sustainability. Today, EVA Air has a fleet of over 80 aircrafts; and through strategic alliances with the world’s leading airlines, EVA Air has created a globally network. As of April 2020, EVA Air has established 113 operating locations in 20 major countries around the world, as well as flight destinations across more than 66 major cities.

To become a more internationalized and competitive airline, EVA Air officially joined Star Alliance on June 18<sup>th</sup>, 2013. A close-knit global network was formed to provide more than 19,000 flights every day to 1,317 destinations in 195 countries.

In 2015, EVA Air signed a contract with the Boeing Company to introduce 24 Boeing 787 Dreamliner, and has been delivered successively since 2018. The 787-10 with the longest fuselage and passenger capacity in the Dreamliner series is also introduced in 2019. The Dreamliner adopted lightweight composite materials, which will not only reduce the aircraft body weight and aviation fuel consumption, but effectively control cabin pressure, providing passengers with comfortable flight experiences. EVA Air has once again upgraded its cabin designs, interiors and service quality to increase our competitiveness and flight service quality.

## Global Networks



Note 1: Data updated as of April 2020

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

## Fleet

(As of December 31<sup>st</sup>, 2019)

Average Age of Passenger Fleet	Average Age of Cargo Fleet	Number of Fleet	Average Age of the Fleet
5.57 years	1.36 years	84	5.32 years

EVA Air introduced 7 new aircraft in 2019 (2 Boeing 787-9, 4 Boeing 787-10 and 1 Boeing 777F). To enhance the competitiveness and the capacity of airfreight, EVA Air continues to expand its fleet. 5 Boeing 787-10 are planned to deliver in 2020 to deploy the new destinations in Asia, to enlarge aircraft type and to increase frequencies of existing routes.

## International Engagement

Organization Name	Role and Participation	Description
International Air Transport Association, IATA	Member	IATA is an association that coordinates and manages civil airline activities and issues such as flight operation, air cargo, safety, service and environmental protection. Joining IATA will help EVA Air keep abreast of the latest developments in the global airline industry, aviation law and regulations.
Association of Asia Pacific Airlines, AAPA	Member	AAPA comprises Security, Aeropolitical, Airline Service and Technical Committees, as well as various project teams, 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	<ul style="list-style-type: none"> <li>Board of Governors</li> <li>International Advisory Committee Member</li> <li>ICARUS (Think Tank) Committee Member</li> </ul>	FSF holds various kinds of flight safety seminars and releases the latest flight safety information.
Star Alliance	Member	Through Star Alliance, EVA Air strengthen the partnership with member airlines by joint purchasing, system co-development and resource sharing. Not only do we expand the network, but we provide mileage reward program, ticket product and global corporate customer sales mechanism.
Taipei Airlines Association, TAA	Chairman	To serve as a bridge for communication between the government and the local civil aviation; and to be entrusted by the government to provide relevant services. Funding for the operation of the "Airport Coordination Taipei". EVA Air acts as the Chair of the 11 <sup>th</sup> Board of Directors.
Flight Safety Foundation-Taiwan	Committee chair	Provide various flight and ground safety-related courses and publish quarterly flight safety magazines.
Chinese Society of Civil Aviation	Member of Board	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	Member of Board	As one of the board directors, EVA Air actively participates in the board activities; we exchange and share industry experience with various industries through this platform and keep up with the development trend of sustainability.

# 1-2 Sustainable Management

## Corporate Sustainability Policy

In order to fulfill corporate social responsibility and implement the sustainable management, the Board of Directors passed the “Corporate Social Responsibility Best Practice Principles” and the “Corporate Sustainability Policy” declaring our expectations and commitment to economic, environmental and social issues. To further keep abreast of the trends, we invite external experts 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 through the influence of EVA Air.



### Business Integrity: Protect shareholders’ rights and interests

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



### Care and Dedication: Promote social welfare

Help the disadvantaged, sponsor public welfare activities and actively contribute to society.



### Mutual Benefits: Grow with our partners

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



### Service Innovation: Exceed customers’ expectations

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



### Fair Trade: Say no to corruption and bribery

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



### Energy Saving and Carbon Reduction: Protect our Mother Earth

Implement the environmental sustainability development policy in conjunction with environmental regulations to maintain a green earth.



### Harmonious Teamwork: Look after employees’ welfare

Care for employees’ living, assist their career development, protect their rights and interests, and establish a friendly and fair working environment.



## Sustainable Development Strategies and Blueprint

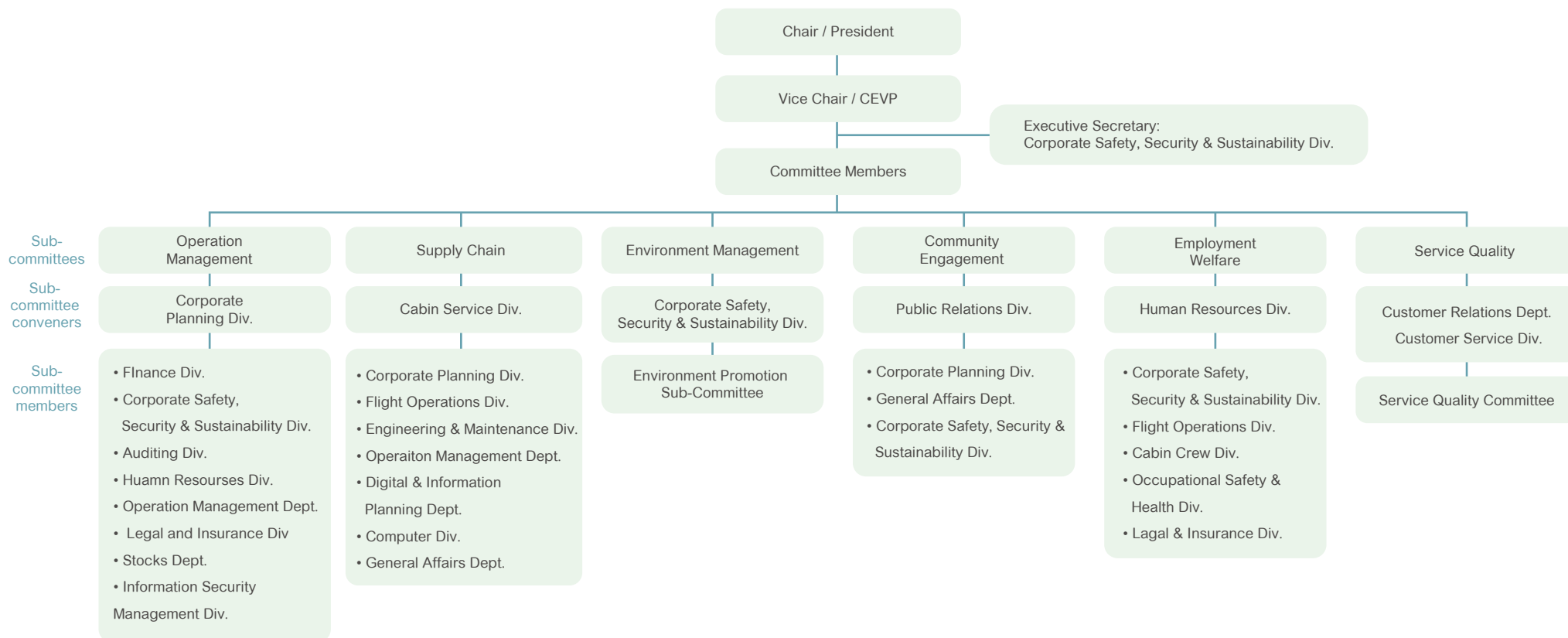
EVA Air’s vision of sustainability is built upon our commitment to establishing the sustainable management and service to provide safer flight, a greener environment and better customer service. We encourage our partners to work hand in hand with us to create sustainable aviation services and realize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

EVA Air’s sustainable development framework centers on our core value “flight safety, quality service and corporate sustainability.” Based on this core value, we have developed short-, mid-, and long-term strategies.

## Organization of Sustainable Governance

Realizing the importance of corporate social responsibility, in 2014, EVA Air established the “Corporate Social Responsibility Committee” in order to ingrain the sustainable operating philosophy and effectively implement sustainability-related actions. In 2020, it was renamed as “Corporate Sustainability Committee”, the CSC, to strengthen the implementation of corporate sustainable operations. The President serves as the chairman of the Committee, and is responsible for implementing the corporate social responsibility policies and plans. The CSC meeting is held once every season. A variety of issues are passed on to each relevant authorized team, which communicates with the stakeholders, and sets annual goals for the improvement projects. The implementation results of each project are tracked by the CSC and reported to the Board of Directors every year.

## Organizational Chart of EVA Corporate Sustainability Committee



## EVA Air Value Chain

EVA Air put our emphasis on customers' needs. With a series of service systems from the upstream aircraft parts manufacturing and pilot training, through the ground handling services and airline catering, to passenger and cargo transportation services and products sales, we construct a comprehensive aviation value chain.



Evergreen Aviation Technologies Corp.	Evergreen Airline Services Corp.	Evergreen Sky Catering Corp.	Evergreen Air Cargo Services Corp.	Hsiang Li Investment Corp.	Sky Castle Investment Ltd.	Evergreen Airways Service (Macau) Ltd.	PT Perdana Andalan Air Service	EVA Flight Training Academy
79.42%	56.33%	49.80%	60.625%	100%	100%	99%	51%	100%

## 1-3 Sustainable Procurement Management

### EVA Air's 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 one thousand and can be divided into 7 categories. Through close collaboration with these suppliers, we jointly strive to pursue sustainable management and create safe and wonderful flight experiences for the passengers.

### 2019 EVA Air Procurement Percentages by Categories



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

## Sustainable Supply Chain

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, EVA Air revised the internal procurement procedures with “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 we can encourage our suppliers to make joint efforts to fulfill corporate social responsibility.

Since 2015, we have requested our domestic and foreign suppliers to sign “Supplier Partnership Social Responsibility Policies for Sustainable Development - Letter of Commitment”. Between 2017 and 2018, we held the CSR awareness trainings for our supply chain sub-committee. We also formulated the supplier categories to identify key and regular suppliers. In 2019, the supplier categories were re-classified and divided into seven categories; and 18 key suppliers in Taiwan and 137 key suppliers abroad were identified.

## Rate of Signatures on the Letter of Commitment

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 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.

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- 2 Join EVA Air in our efforts to improve flight safety standards, and take actions to reduce flight safety risks.

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- 3 Adhere to honest and ethical management; never offer EVA Air employees and their relatives any rebates, bribes or other improper benefits.

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- 4 Strictly abide by laws and regulations; never offer products or services that do not comply with laws, regulations and safety requirements.

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- 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.

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- 6 Pay attention to environmental protection, energy saving and carbon reduction; give priority to local procurement, reduce energy and resource wastes, recycle and reuse, comply with environmental laws, and create environmentally sustainable businesses.

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- 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.

2015	2016	2017	2018	2019	2020 Target
20%	50%	58%	65%	66%	70%

## Selection Criteria and Reference for New Suppliers

Criteria Category	Management System
Environment	ISO 14001 Environmental Management System
Human Rights	SA 8000 Social Accountability Certification
Labor Practices	SA 8000 Social Accountability Certification, OHSAS 18001 and ISO 45001 Occupational Health and Safety Management System
Social Impact	SA 8000 Social Accountability Certification

## Percentage of Local Procurement

Procurement Area	2016	2017	2018	2019
Domestic	30.7	29.0	29.2	27.1
Foreign	69.3	71.0	70.8	72.9

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.

## EVA Air Procurement Guidelines

EVA Air aims to satisfy our suppliers' expectations by offering the appropriate prices, and to meet our customer needs with the best quality service. We adhere to the 3 requirements of "Safety, Quality and Price", as well as to other relevant laws and regulations; moreover, we formulated "Procurement Operating Procedures" to clearly state the responsibilities of each department and work out the procurement process details 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 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. The original auditors will then review their improvement results.





# 1-4 Sustainable Value and Performance

## EVA Air 6 Values and Management Approach

EVA Air has formulated a comprehensive management approach, including input resources, policies, commitments, and actions. By investing resources in internal sustainable management and service models, it creates maximum value for all major stakeholders. The resources invested are divided into manpower, material, financial and system aspects. In our business model, we have incorporated the policies and commitments in the management guidelines, and confirmed the complete action plan, which not only produces sustainable value for our seven major stakeholders (customers, employees, government, travel agencies or distributors, media, shareholders, suppliers or contractors), but also conforms to the UN's SDGs.

### 6 Values

### Management Approach

### Output Values

### SDGs



#### Input Resources

- Aviation Safety Training and SMS Courses: 423 trainees
- SMS team: 125 members
- Safety Promotion Committee: 17 members
- Strengthen FORAS: approx. NTD 460,000
- Develop FORAC App: approx. NTD 1 million
- The Applications of AI to Flight Data Analysis: approx. NTD 1.428 million

#### Business Model

##### Policy

We aim to assure your safety whenever you are airborne. We never compromise safety in the air or on the ground.

##### Commitment

Regularly examine the effectiveness of various operations, and establish a positive safety culture.

##### Actions

1. Execute annual safety internal audit
2. Strengthen various operations of safety risk management.
3. Integrate safety databases, use big data analysis and import AI technology.



- "Zero Accidents" is the ultimate safety goal of EVA Air
- Flight safety performance: 2.56 times/one million flight hours
- Ground safety performance: 6.02 times/every 100,000 flight cycles
- Flight safety satisfaction: 4.5/5



#### Input Resources

- 113 operating locations in 20 countries on 4 continents and flight destinations across 66 cities
- Number of fleet: 84
- In-flight service product: approx. NTD 130 million
- Reinforce official website functions: approx. NTD 15.5 million
- Develop Mobile App new functions (passport scanning, saving boarding passes to Google pay, etc.): 45 man-day

#### Business Model

##### Policy

Constantly pursue better services.

##### Commitment

Implement our "Service Declaration".

##### Actions

Regularly hold Service Quality Committee to view each target achievement rate; and hold meetings to examine service status and causes of operation abnormalities, and draw up response measures.



- Number of passengers: 12,827,305
- Cargo volume: 610,411 tons
- Total flights: 65,000
- On-time Performance: 97.9%
- Passenger satisfaction: 4.41
- Cargo satisfaction: 4.42
- Growth rate of membership: 8.96%
- Growth rate of members taking the flight: 3.63%



6 Values

Management Approach

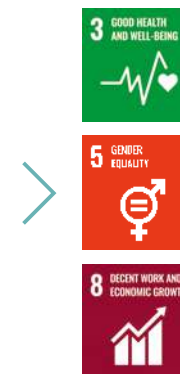
Output Values

SDGs



Input Resources	Business Model
<ul style="list-style-type: none"> <li>• Salary: NTD 14 billion</li> <li>• Labor and health insurances: NTD 810 million</li> <li>• Benefits: NTD 4.29 billion</li> <li>• Pension: NTD 730 million</li> <li>• Annual training expense: NTD 1 billion</li> </ul>	<p><b>Policy</b></p> <p>Equal employment opportunity.</p> <p><b>Commitment</b></p> <p>Comply with the "Employment Service Act" and "Personal Data Protection Act" for personnel recruitment.</p> <p><b>Actions</b></p> <ol style="list-style-type: none"> <li>1. Ground staff are recruited at least once a year, including the disabilities.</li> <li>2. Cabin crews are recruited 1 to 3 times per year according to the needs.</li> <li>3. Continue to recruit experienced flight crew every month; and recruit 4 batches of cadets every year.</li> </ol>

- 11,604 employees worldwide
- 1,004 new employees
- Employee retention rate: 98.97%
- Employee turnover rate: 5.8%
- The average training hours per permanent employee: 36.1 hours
- The average cadet training hours per flight crew: 709 hours
- The average training hours per cabin crew trainees: 464 hours



Input Resources	Business Model
<ul style="list-style-type: none"> <li>• Environment Promotion Sub-Committee: 18 members</li> <li>• Green product procurement: NTD 73.05 million</li> <li>• Environmental operating expenses: NTD 157.73 million</li> </ul>	<p><b>Policy</b></p> <p>Formulate and implement "Environment and Energy Policy".</p> <p><b>Commitment</b></p> <p>Comply with environmental regulations and respond to Green Purchase.</p> <p><b>Actions</b></p> <p>Operate ISO 14001 and ISO 50001, continuously improve and effectively implement the management of energy, resources, air pollutants and waste; control and reduce the impact on the environment.</p>

- Daily waste generation per capita: decrease by 15.2%
- Passenger aircraft fuel efficiency: improve by 1.4%
- Cargo aircraft fuel efficiency: improve by 8.2%

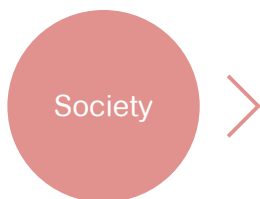


6 Values

Management Approach

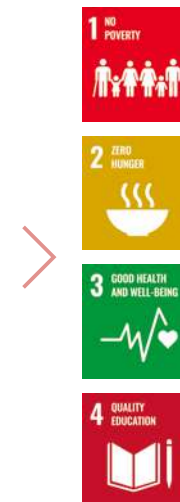
Output Values

SDGs



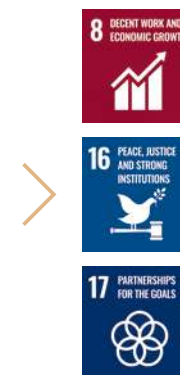
Input Resources	Business Model
<ul style="list-style-type: none"> <li>• Cash: approx. NTD 87.25 million</li> <li>• Ticket: approx. valued NTD 65 million</li> <li>• Others (donations, devoted manpower and time): approx. NTD 25 million</li> </ul>	<p><b>Policy</b></p> <p>In response to public welfare needs, we are committed to implementing corporate social responsibility.</p> <p><b>Commitment</b></p> <p>With the spirit of giving back to society and the joint efforts by various sectors, we continue to carry out public welfare and contribute to society.</p> <p><b>Actions</b></p> <ol style="list-style-type: none"> <li>1. Donate goods and materials to the disadvantaged through the Chang Yung-Fa Foundation.</li> <li>2. Sponsor tickets for organizers to introduce well-known overseas arts and cultural activities, and help athletes go abroad for training and competitions.</li> <li>3. Assist official and local units in organizing Taiwan local events.</li> <li>4. Combine with local tourism authorities to organize promotion activities overseas to stimulate business opportunities in Taiwan.</li> </ol>

- 14 arts and cultural activities projects, which benefited nearly 100,000 people
- 8 public welfare activities
- Donated materials: benefit 68 social welfare groups and schools
- 11 projects of giving back to local community
- Sponsored 9 sports events
- Sponsored 11 sports players
- Sponsored 5 sports teams



Input Resources	Business Model
<ul style="list-style-type: none"> <li>• The Company's total assets: NTD 321.9 billion</li> <li>• The Company's amount of capital: NTD 48.5 billion</li> </ul>	<p><b>Policy</b></p> <p>Business integrity, protect shareholders' rights and interests.</p> <p><b>Commitment</b></p> <p>Create maximum benefits for investors with professional operation, good faith and risk management.</p> <p><b>Actions</b></p> <p>The Company protects the interests of all stakeholders through periodically updating overview of the company and uploading financial statements, holding annual shareholders' meeting or investor conference and replying investors' questions by email or telephone.</p>

- The Company's total revenue: NTD 135.6 billion
- The Company's profit: NTD 4 billion
- Basic earnings per share (NTD): 0.83



## Flight Safety



### 2019 Highlight

EVA Air co-organized 2019 International Air Safety Summit; around 350 experts from more than 30 countries were invited to Taiwan. There were 11 seminars conducted.



### Achievement & Award

"World's Top 20 Safest Airlines 2020" by AirlineRatings.com - 3<sup>rd</sup> place  
"JACDEC Airline Safety Ranking 2020" – 9<sup>th</sup> place

Material Aspects	KPI	Short-term Objectives	2019 Achievement	Mid-term Objectives	Long-term Objectives	Chapter
Flight Safety	a. Flight safety performance (no. of times/one million flight hours) b. Ground safety performance (no. of times/every 100,000 flight cycles)	a. Performance $\leq 4$ b. Performance $\leq 3.8$	a. Actual value: 2.56, achievement rate: 136% b. Actual value: 6.02, achievement rate: 63%	a. Performance $\leq 4$ b. Performance $\leq 3.8$	a. Performance $\leq 4$ b. Performance $\leq 3.8$	2 Flight Safety

## Society



### 2019 Highlight

The total value of cash, tickets, and all sorts of resources for sponsorships is approx. NTD 177.77 million, accounting for 4.5% among net profit



### Achievement & Award

"The 12<sup>th</sup> Taiwan Corporate Sustainability Awards" Corporate Sustainability Report First Category - Platinum Award

Material Aspects	KPI	Short-term Objectives	2019 Achievement	Mid-term Objectives	Long-term Objectives	Chapter
Community Engagement and Social Welfare	a. Sponsor arts and culture activities b. Hold and sponsor sports events c. Sponsor local sports players to participate in international competitions d. Collaborate with local tourism authorities to hold tourist events	a. 3 activities b. 1 activity each c. 4 players d. 3 local tourism events and 2 overseas tourism promotion events.	Achievement rate: 100%	a. Continue to evaluate and implement welfare donations, sports event sponsorship, arts and cultural activities, giving back to local community projects and education promotion events b. Look for various matching channels to give the most substantial help to society	Implement corporate social responsibility and shape the company's international good public welfare image	6. Social Inclusion and Community Engagement

## Customer Service



### 2019 Highlight

Received "5-Star Airline" by SKYTRAX for four consecutive years



### Achievement & Award

"Best-Presented Business Class Wine List" by Business Traveler  
 "Top 10 World's Best Airline Award" by TripAdvisor - 3<sup>rd</sup> place  
 "Top 10 International Airlines 2019" by Travel + Leisure - 5<sup>th</sup> place  
 "5-Star Airline" by SKYTRAX  
 "Five Star Global Airline" by Airline Passenger Experience Association, APEX

Material Aspects	KPI	Short-term Objectives	2019 Achievement	Mid-term Objectives	Long-term Objectives	Chapter
Fleet Planning	Introduce Boeing 787	Up to 13 aircrafts in 2020	8 aircrafts, achievement rate: 61.5%	Up to 18 aircrafts in 2021	Up to 24 aircrafts in 2022	1.1 About EVA Air
In-flight Catering Management	a. Meal defect-free rate of business class b. Meal defect-free rate of premium economy & economy class c. Airline catering hygiene inspection rate	a. Target value: 99.992% b. Target value: 99.996% c. Target value: 100%	a. Actual value: 99.995%, achievement rate: 100% b. Actual value: 99.999%, achievement rate: 100% c. Actual value: 99.999%, achievement rate: 99.999%	a. Reach 99.992% b. Reach 99.996% c. Reach 100%	a. Reach 99.992% b. Reach 99.996% c. Reach 100%	3.1 Innovation with Heart
Service Innovation	AI-powered chatbot and live chat service	Provide Traditional Chinese and English version in 2020	Traditional Chinese version launched on official website and mobile app, achievement rate: 50%	Set up Traditional Chinese version chatbot on major social platform.	Answer matching rate of AI-powered chatbot >90%	3.1 Innovation with Heart
Customer Relationship	Passenger/Cargo service quality	Passenger satisfaction =4.35	Passenger satisfaction: 4.41, achievement rate: 101%	Passenger satisfaction ≥4.35	Passenger satisfaction ≥4.35	3.2 Customer Relationship

## Human Resource



### 2019 Highlight

“Top 100 Most Attractive Employer” by Cheers Magazine – 4<sup>th</sup> place  
 “2019 Happy Enterprise Award” Service industry - Sea & air transportation category by 1111 Job Bank - Top 15  
 The Gold Quality Award for ranking the first in the evaluation of the “2019 Reward Program for Airlines on Disease Prevention, Preparedness and Response, and Emergency Management” by Taiwan CDC



### Achievement & Award

“2019 National Airlines Outstanding Maintenance personnel” by CAA - one ground staff was awarded  
 “2019 National Airlines Outstanding Aircraft Pilot” by CAA - three captains were awarded  
 “2019 National Airlines Outstanding Flight Attendant” by CAA - two cabin crews were awarded

Material Aspects	KPI	Short-term Objectives	2019 Achievement	Mid-term Objectives	Long-term Objectives	Chapter
Workplace Diversity and Inclusion	Prevention of sexual harassment and discrimination, unlawful workplace violations, and maternal health protection	Hold at least one internal lecturer training course or required course for new recruits every year	Held one course, achievement rate: 100%	The internal lecturer conducts internal training courses in batches	All employees complete the training and have considerable knowledge	4.1 Diversity and Tolerance
Human Resources Development (Ground Staff)	Job competency conformity	100%	100%	100%	100%	4.3 Employee Development
Human Resources Development (Flight Crew)	a. On-the-job training b. Position upgrading c. Promotion evaluation	a. 100% completion rate of recurrent training b. 5% of SFO upgrade to PIC annually c. 5% flight crew is trained for aircrafts transition annually	a. A total of 2,140 completed the training, achievement rate: 100% b. Over 40 SFOs received upgrade training, achievement rate: 100% c. Over 70 flight crews received transition training, achievement rate: 100%	a. 100% completion rate of recurrent training b. Establish survey system to understand the willingness of the flight crew and establish rotation mechanism based on the manpower needs of the fleet	a. 100% completion rate of recurrent training b. Periodically conduct promotion evaluation (SFO to PIC) and promote accordingly c. Aircraft transition based on the manpower needs of the fleet and the willingness of the flight crew	4.3 Employee Development
Human Resources Development (Cabin Crew)	a. On-the-job training b. Promotion evaluation	a. Completion rate: 100% b. Reach 100%	a. Achievement rate: 100% b. Pass rate: 99.2%, achievement rate: 99.2%	a. Completion rate: 100% b. Conduct promotion evaluation based on the manpower needs	a. Completion rate: 100% b. Reach 100%	4.3 Employee Development
Occupational Safety and Health Management	Injury Frequency Rate (FR)	FR<7.4	FR=9.8, missed target.	FR<6.0	FR<5.0	4.4 Friendly Work Environment

Material Aspects	KPI	Short-term Objectives	2019 Achievement	Mid-term Objectives	Long-term Objectives	Chapter
Labor Relations and Human Rights Protection	Promote "Employee Assistance Programs" and maintain labor-management communication	a. Hold the communication and negotiation meeting with the union every six months b. Hold 5 forums on new employees' workplace adaptation and care c. Conduct one annual retraining for "care taker"	a. Held 2 meetings, achievement rate: 100% b. 5 forums, achievement rate: 100% c. one annual retraining, achievement rate: 100%	a. Hold the communication and negotiation meeting with the union quarterly b. Combine with the club subsidiaries of the "Employee Assistance Programs" and hold EVA Air Parent-Child/ Charity/ Environmental Protection/ Public Welfare Day once every 3 years	a. Hold the communication and negotiation meeting with the union monthly b. Combine "Employee Assistance Programs" with Work-life Balance Program to increase employees' willingness to stay employed	4.2 Retention of Talent

## Environment



### 2019 Highlight

Reviewed and improved the Environmental and Energy Policy operations, and set energy, resource and carbon emission reduction targets



### Achievement & Award

Scored to B level in the 2019 CDP questionnaire

Material Aspects	KPI	Short-term Objectives	2019 Achievement	Mid-term Objectives	Long-term Objectives	Chapter
Environmental Impact Management	a. Implement Environment and Energy Management System b. Water consumption (m <sup>3</sup> ) c. Daily waste generation per capita (kg)	a. EVA Air Nankan Park and Taipei Building obtain certification to ISO 14001 and ISO 50001 b. Reduce by 1.5% in 2020 compared with 2018 c. Reduce by 2% in 2020 compared with 2018	a. Achievement rate: 100% b. Increase by 8.3% compared with 2018 c. Decrease by 15% compared with 2018	a. Implement environmental risk investigation for outstations b. Reduce by 5% in 2025 compared with 2018 c. Reduce by 7% in 2025 compared with 2018	a. Increase ISO 14001 coverage by 100% b. Reduce by 7% in 2030 compared with 2018 c. Reduce by 12% in 2030 compared with 2018	5.1 Environmental Sustainability
Climate Change Management	Fuel efficiency	Annual average fuel efficiency increase 1.5%, the 2019 objectives: a. 4.4457 (L/100 RPK) for passenger aircraft b. 0.0773 (L/FTK) for cargo aircraft	Achievement rate: a. 99.2% b. 106.7%	Achieve carbon-neutral growth form 2020	Reduce carbon emissions to 50% of 2005 levels by 2050	5.2 Climate Change
	a. Power consumption (kWh) b. GHG emission for ground operation (ton)	Reduce by 2% in 2020 compared with 2018	a. Increase by 6.4% compared with 2018 b. Decreased by 0.2% compared with 2018	Reduce by 7% in 2025 compared with 2018	Reduce by 12% in 2030 compared with 2018	5.1 Environmental Sustainability

Note 1 : RPK = Revenue Passenger Kilometer

Note 2 : FTK = Freight Tonne Kilometer

## Economy



### 2019 Highlight

The consolidated revenue of EVA Air has grown year-by-year and reached NTD 181.3 billion in 2019, which set new record highs in six years



### Achievement & Award

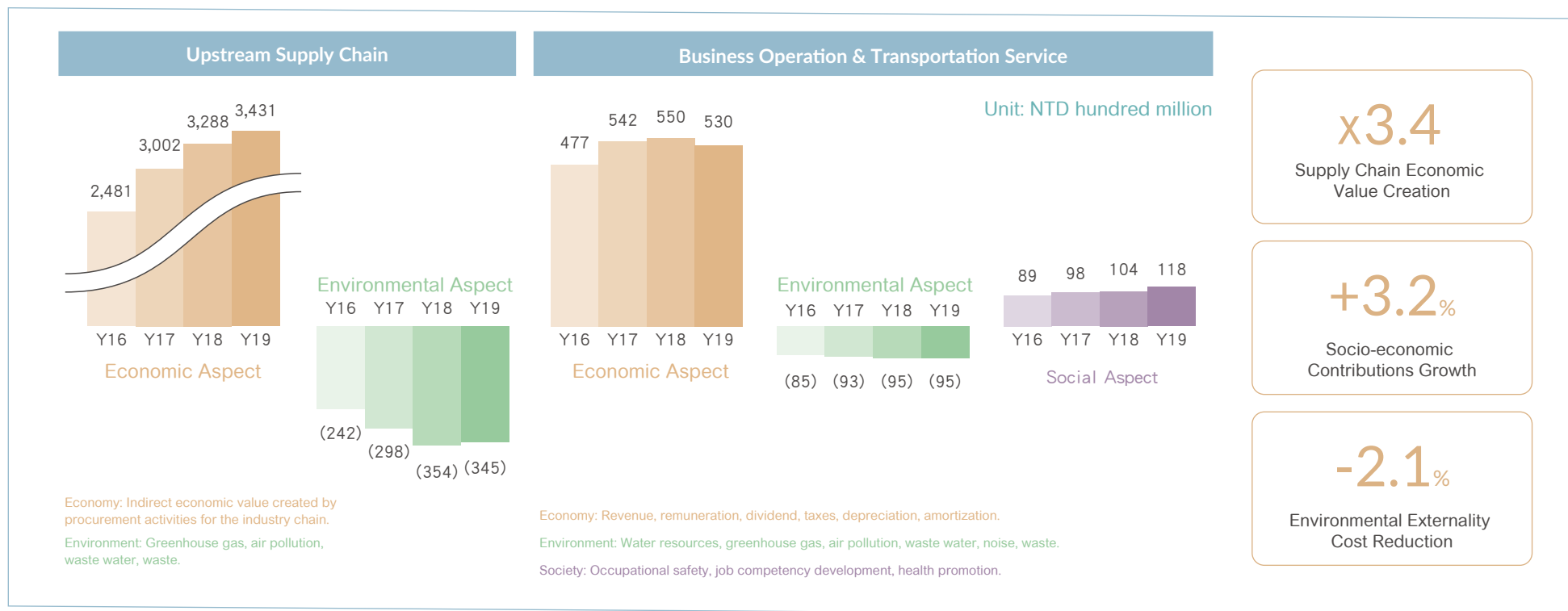
Listed in "Corporate Governance 100 Index", "Taiwan High Compensation 100 Index", "Taiwan Employment Creation 99 Index", "TIP Smart Multi-Factor 30 Index"

Material Aspects	KPI	Short-term Objectives	2019 Achievement	Mid-term Objectives	Long-term Objectives	Chapter
Business Integrity and Ethics	<ul style="list-style-type: none"> <li>a. Urge the directors to enhance their professional expertise and legal knowledge</li> <li>b. Assist the directors to develop their excellent qualities and decision-making abilities</li> <li>c. Lead the directors to step up exchanges of their experience and mutual communication and interaction</li> <li>d. Promote the effective implementation by directors of the corporate governance system</li> </ul>	<ul style="list-style-type: none"> <li>a. Integrate the sources of corporate governance and hold a regular 3-hour training course every six months</li> <li>b. The board attendance rate of all directors reaches an average of 80% or more</li> <li>c. Appoint the Corporate Governance Officer</li> <li>d. Assist the directors in obtaining appropriate and timely information</li> <li>e. Carry out the board performance evaluation continuously</li> </ul>	<ul style="list-style-type: none"> <li>a. Achievement rate: 100%</li> <li>b. Attendance rate averaged 88.89%, achievement rate: 100%</li> <li>c. Achievement rate: 100%</li> <li>d. Formulate "The Standard Operating Procedures for Handling Directors' Requests", achievement rate: 100%</li> <li>e. Implement the board performance evaluation comprehensively, achievement rate: 100%</li> </ul>	<ul style="list-style-type: none"> <li>a. Continue to hold training courses for the directors regularly</li> <li>b. Continue to carry out the board performance evaluation with the goal of achieving 100% of all indicators</li> <li>c. The board attendance rate of all directors reaches an average of 90% or more</li> <li>d. Appoint the Independent Directors Undertaking Public Welfare</li> </ul>	Raise the standards of corporate governance and ensure investors rights and interests	7.1 Ethical Management
Risk and Opportunity Management	Set up effective risk management, improve and maintain it; ensure the company's profit growing continuously	Identify the Company operational risks through Safety Promotion Committee and emerging risks through the CSC	Expected to be implemented in 2020	Ensure the company's overall risks and risk management measures are reported to the board of directors once a year		7.1 Ethical Management
Brand Strategy and Value	Create a positive brand image of the company's	Continue to implement domestic and foreign publicity strategies to increase brand awareness	16 Facebook fan pages, and the average reach of each post grows 3.2%. Released approx. 29 press releases through the Internet, digital and print media	Introduce innovative technology to strengthen the effectiveness of publicity and promote brand Identity	Actively promote the Company's positive image and strengthen customer engagement to increase revenue	1.2 Sustainable Management
Financial Performance	Annual consolidated revenue growth	Continue to make profits every year	Achievement rate: 100%	Continue to make profits every year	Continue to make profits every year	7.3 Financial Performance
Supply Chain Management	<ul style="list-style-type: none"> <li>a. Introduce DJSI Supply Chain Management procedure</li> <li>b. Improve response rate of "Supply Chain Code of Conduct"</li> <li>c. Improve response rate of "EVA Air Supply Chain Sustainability Assessment Questionnaire"</li> </ul>	<ul style="list-style-type: none"> <li>a. Achievement rate: 100%</li> <li>b. Achieved response rate: 70% for existing suppliers; 85% for new suppliers; 85% for key suppliers</li> <li>c. Response rate: 85%</li> </ul>	<ul style="list-style-type: none"> <li>a. Achievement rate: 80%</li> <li>b. Response rate: 66% for existing suppliers, accounting for 94.3% of achievement rate; 81% for new suppliers, accounting for 95.3% of achievement rate; 83% for key supplier, accounting for 97.6% of achievement rate.</li> <li>c. Response rate: 82%, achievement rate: 96.5%</li> </ul>	<ul style="list-style-type: none"> <li>a. Revise "EVA Air Supply Chain Sustainability Assessment Questionnaire"</li> <li>b. Revise sustainable supply chain management audit checklist</li> <li>c. Implement on-site audit for oversea supplier with high sustainability risk</li> <li>d. Implement procurement staff CSR training</li> <li>e. Convene annual supplier conference</li> </ul>		1.3 Sustainable Procurement Management



## Sustainability Impact Valuation

On the path of sustainable development, EVA Air always aims to become one of the world's best airlines. To promote more efficient management policies, we started to jointly develop the sustainability impact valuation with academic institutions from 2018, identifying the externality caused by value chain activities through the Impact Pathway Approach, transforming the external effects of different attributes into consistent and comparable monetary terms with logical thinking of profit and loss, and establishing a more flexible business model to cope with the potential business risks and opportunities in a timelier manner. In 2019, EVA Air had created a total of NTD 396.1 billion in socio-economic contributions, NTD 43.8 billion in environmental externality cost and NTD 11.8 billion in social externality benefit. Among all, the interdependence of the supply chain driven by procurement activities creates the most significant economic value of about 3.4 times. With respect to the business operation and air transportation services, the environmental externality mainly came from the emission of greenhouse gases and noise, which accounted for 99%. As for the social externality, the economic benefit created by employees' competence development was most significant. In the future, we will continuously participate in the development of methodology to expand the scope of valuation and aim to create the long-term sustainable value for the Company.



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

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

Note 3: The environmental externality of supply chain was estimated by referring to the annual Preparation Report on Green National Income Account issued by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, Republic of China.

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

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

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

Note 7: Currency value conversion takes into account the inflation coefficient based on 2018 and the exchange rate of the NTD to the foreign currency.



# 02

Safety, Service and Sustainability are not only our core value, 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. Our persistent efforts in the past have led to a perfect safety record, repeatedly recognized as being among the world's top safest airlines.



FLIGHT  
SAFETY

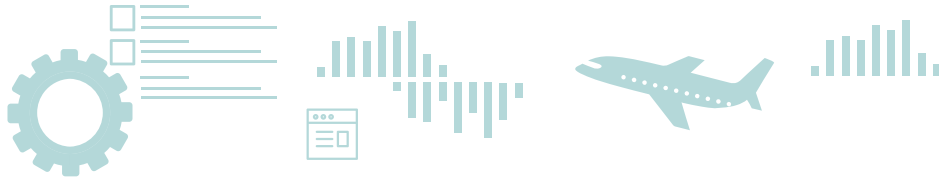
At the end of the day, the goals are simple:  
safety and security.

*Jodi Rell*

2019

## 2-1 Safety Management System

EVA Air has established a comprehensive flight safety management framework, and the primary goal 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.

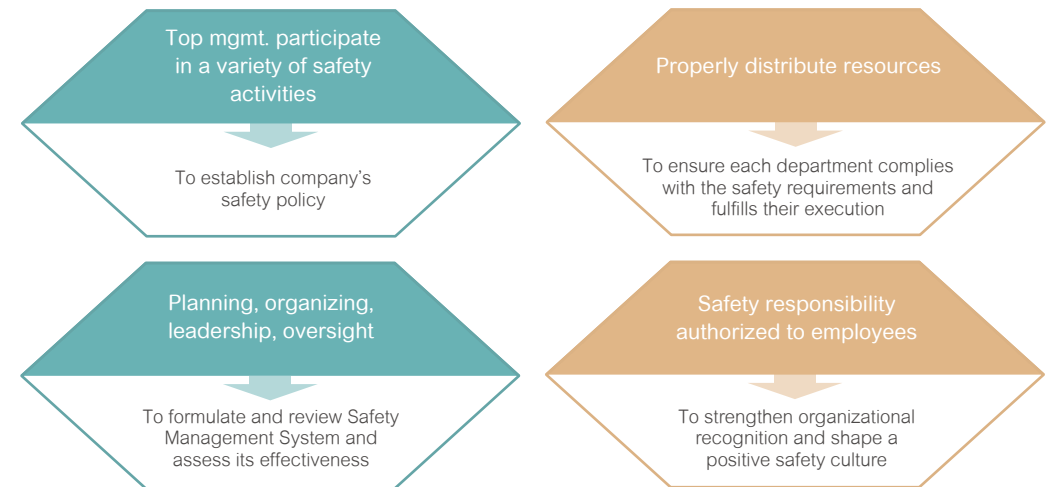


### 2-1-1 Concept and Goal

Through the declaration of safety policies by top management, we aim to enhance employees' values and identity regarding safety. "Use morals as the compass for developing teamwork in accuracy, diligence, consistency and creativity. We do things right the first time and aim for the greatest safety margin to secure passenger, crew and aircraft safety." Safety is a task that has a beginning but with no end, and is also something to be done well. It is the mission and responsibility of every member of EVA Air!

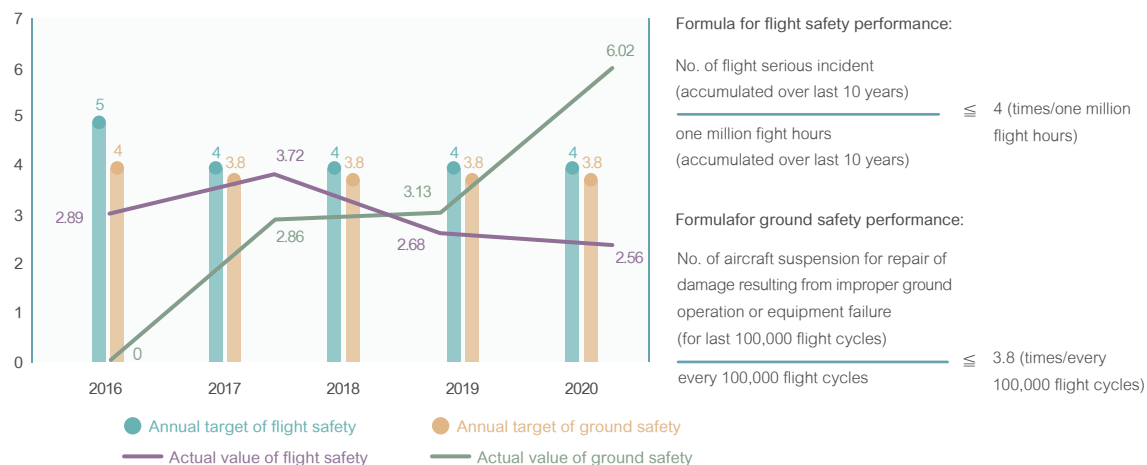
EVA Air compiles the achievement status of the previous year's safety quality objectives every January, sets the current year's safety quality target values, and has them reviewed quarterly, so as to fulfill and reinforce the Company's internal safety management. The current year's safety quality objectives 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.

### EVA Air's Safety Commitment to Customers



## Safety Performance Objectives & Actual Values

In 2019, the ground safety performance indicators did not reach the annual target value. A total of 4 ground safety incidents occurred in Taiwan (3 mechanical failures and 1 human error). EVA Air has conducted a comprehensive review of the ground handling agency, and all audit projects have been improved. The above operation and improvement measures have also been reported to the Safety Promotion Committee and have been included in the follow-up review.

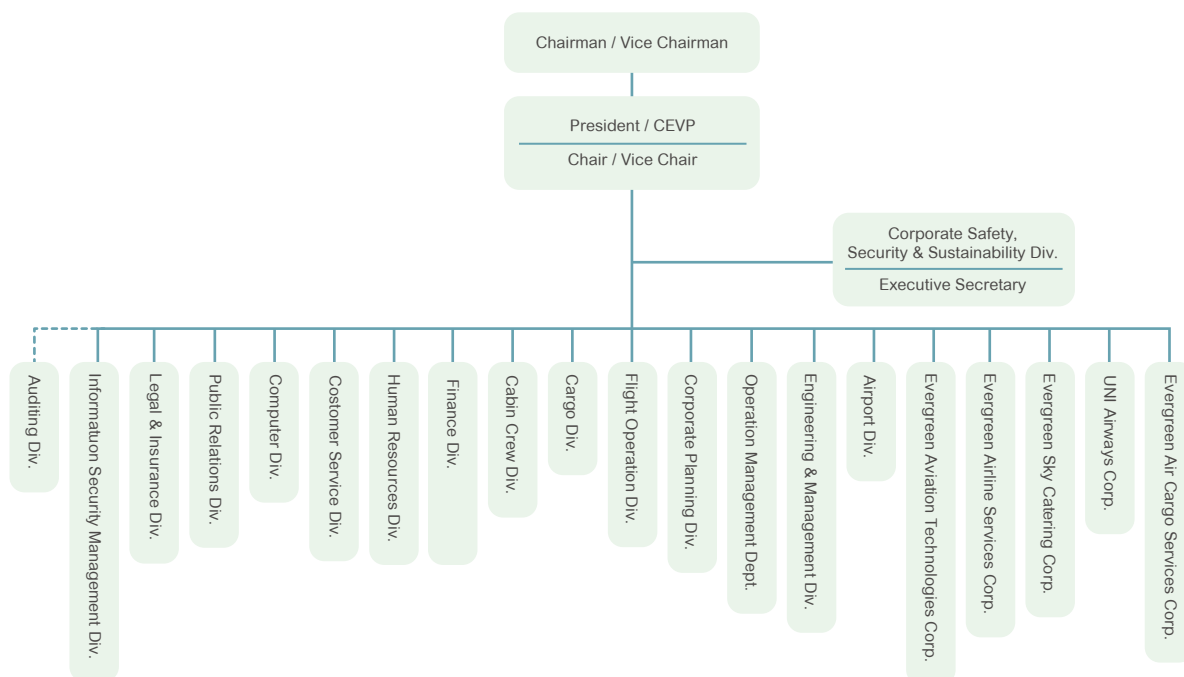


## 2-1-2 Safety Organization

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

The Committee integrates the SMS teams and Safety Coordination Meeting (SCM), and its main mission includes: collecting safety information, grasping operational risks, formulating and implementing improvement measures, 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 2019 the SPC, SCM and SMS team convened 16 meetings, where 9 improvement plans for safety proposal were passed for SPC, 36 for SCM and 13 for SMS.

## Organizational Chart of EVA Safety Promotion Committee



## 2-1-3 Safety Management System (SMS)

EVA Air has been promoting the SMS since 2006, and actively incorporating safety concepts into the management system. 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.



## 2-1-4 Concrete Measures

EVA Air applies risk management to flight operation by means of Safety & Security Reporting System to cultivate employees' keen observations and enhance information collection and application capabilities, thereby identifying 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.



## Safety Management System – Hazard Identification and Mitigation Actions

12 hazard items were identified from 8 teams in 2019 SMS Quarter meetings. To improve these items, there are 51 mitigation actions drawn up and completed except one is still waiting reply from manufacturers. The risk indexes were reduced to low consequently.

## Flight Operations Hazard Identification and Risk Management Chart

### Flight Operations Risk Assessment System, FORAS

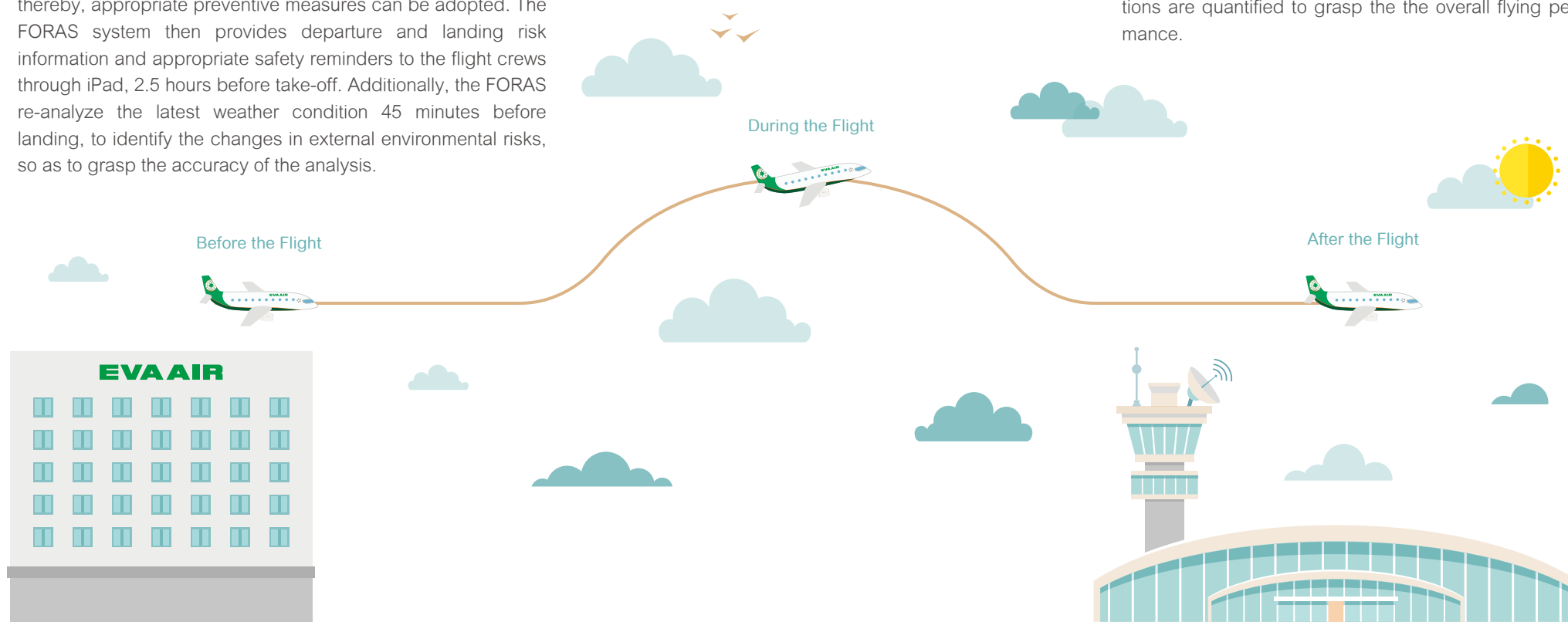
EVA Air uses the FORAS as a decision support tool, compiling relevant information, such as real-time weather information, crew information, airport facilities, aircraft system information, etc. Risk analysis is carried out on every flight so as to effectively grasp the risk factors that may affect the flight safety. The risk factors are used as the basis for pre-flight risk assessment; thereby, appropriate preventive measures can be adopted. The FORAS system then provides departure and landing risk information and appropriate safety reminders to the flight crews through iPad, 2.5 hours before take-off. Additionally, the FORAS re-analyzes the latest weather condition 45 minutes before landing, to identify the changes in external environmental risks, so as to grasp the accuracy of the analysis.

### Real Time Aircraft Condition Monitoring

The Aircraft Condition Monitoring System (ACMS) and the Aircraft Communications Addressing and Reporting System (ACARS) are used to grasp real-time aircraft status.

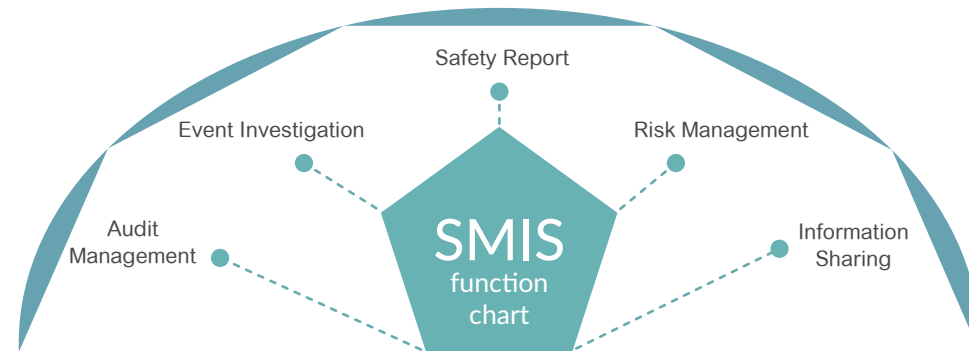
### Comprehensive Flight Data Analysis

The flight data management system ensures each flight's operation meets EVA Air's standards. EVA Air also established the Flight Operation Performance Assessment System (FOPAS) which applied the methodology of linear function and safety margin to quantify each flight's operation performance with 56 criteria; the results of flight operations are quantified to grasp the overall flying performance.



## 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 SMIS in 2010. The SMIS is a system integrating the functions of flight safety, ground safety, cabin safety, aviation security and dangerous goods events into a single platform; it summarizes the cause, tracking and operating improvements of the incidents and proposes necessary risk mitigation plan.



## 2-1-5 International Certification

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

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

## 2-2 Operation Monitoring and Aircraft Maintenance

### 2-2-1 Operation Monitoring Management

Flight Control Department works around the clock for flight dispatch and control. The Flight Information System (FIS) and Flight Trace System provide access to flight-related status, and tracks changes in the external environment (e.g. airport and weather).

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 of the system, a safe, fuel-saving and comfortable journey is made possible on every EVA Air flight.

EVA Air participates in European Free Route Airspace Work Group, FAA Cross Polar Work Group (CPWG) and Informal Pacific ATC Coordinating Group (IPACG) to improve the European, North America, Russian Far East, North Pacific and Japan region Air Traffic Service (ATS) efficiency of transit flights. In addition, it discuss and develop a fuel-saving and time-saving route to reduce CO<sub>2</sub> emissions with the air traffic controllers of various countries.



## 2-2-2 Aircraft Maintenance Management

Aircraft maintenance quality is an important basis of flight safety and requires compliance with the manufacturers' technical specifications and regulatory requirements, ensuring every single step is completed. Hence, the spirit of "strict discipline and zero negligence" is our rule of thumb. To ensure quality, specific work items upon completion shall undergo a second round of quality control inspection based on the requirements of the General Maintenance Manual, or test flight conducted to verify the result. The Precision Measurement Equipment 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 U.S. National Institute of Standards and Technology (NIST) or equivalent standards, to ensure compliance with process requirements and to fulfill the mission of flight safety.

EVA Air believes in preventive maintenance over subsequent correction, and insists on truly grasping the service life of every component. Life limited parts have to be replaced before their stipulated service life to reduce the probability of aircraft system failure. To maintain quality, dispatch target rates for the passenger fleet and the cargo 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 flight delays can be prevented.

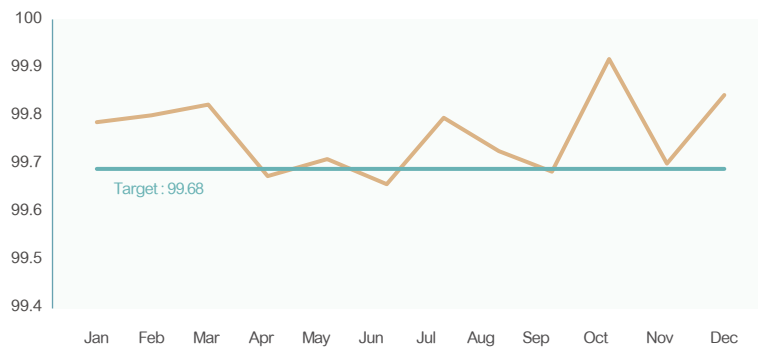
### Reliability Control Program

Various irregular information generated from routine aircraft operation is collected in accordance with the Reliability Control Program, and various types of alert standards are established. When the occurrence rate of irregularity exceeds the standards, the alert notice is sent to respective engineers for analysis. Improvement measures are established 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" is established as the basis for execution and management. For the various technical problem generated from routine aircraft operation, the reliability control system categorizes four major items for monitoring. Through monthly "Supporting Committees" and "Quality Review Board", monitoring for improvement is carried out for issues such as reliability of aircraft maintenance, technical corrective and preventive measures and human error.

### 2019 Fleet Reliability Control Trend Chart

Passenger Fleet Dispatch Rate



Cargo Fleet Dispatch Rate



## Modern Aircraft Maintenance Center

EVA Air's subsidiary, Evergreen Aviation Technologies Corp. (EGAT) 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 and two engine repair factories, satisfying the requirements for various aircraft models. EGAT has passed the certifications of civil aviation authorities from more than 10 countries, including Taiwan, U.S.A, Japan, China and the EU. It has been rated as Asia's best MRO by U.S.-based Aviation Week and U.K.-based UBM Aviation and has obtained ISO 14001 and AS9110 certifications. EGAT has been the long-term partner with Boeing and Airbus, signifying international recognition of its maintenance ability and quality.

## Aircraft Maintenance Technicians

The training of aircraft maintenance technicians is divided into basic and departmental specialized training and required to pass the training examinations to be qualified. The technicians have to pass the academic and technical certification, and obtain the CAA Aircraft Maintenance Engineer Certification. Besides, they will attend and complete the EGAT aircraft type training course to cultivate professional capabilities and become authorized to maintain and sign the release.

## 2-3 Safety Culture

### 2-3-1 Physiological and Psychological Management for Flight Crew

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





### Schedule Management

- Advance preparation for sufficient flight crew manpower is made according to the established operation plan and the seasonal operation requirements to allow the crew members to make reasonable arrangements for rest days.
- In order to establish the crew schedule for a greater safety margin, efficiency and friendly crew member participation (Bidding) and Real Time Tracking, EVA Air utilized the CMS, complementing the Flight Information System (FIS) and Crew Record Management.



### Stress and Health Management

- To perform flight duties with healthy body and mind, besides providing a friendly CMS/Bidding module for the flight crew to arrange schedule and leave with greater ease, EVA Air 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 better than the Labor Standards Act.
- EVA Air has an infirmary that offers the flight crew advice on health and stress management at all times.
- Whenever the flight crew suffers from any stress in their work or private life, they can seek the solution through the Company's employee consultation program.



### Fatigue Management

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



### Alcohol, Drugs and Others

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

## 2-3-2 Safety Training

Striving to be one of the safest airline in the world, EVA Air requires every employee to bear the responsibility of “flight safety” and participate in safety training. Since 1990, we have been promoting safety training, thereby eliminating the occurrence of human errors. Flight-related operators are requested to attend Safety Management System (SMS) training.

### Safety Training Statistics

Training	Trainee	Hours	Completion Rate (%)	2016 Trainee	2017 Trainee	2018 Trainee	2019 Trainee
Aviation Safety Training	All ground staff	8	100	322	244	307	273
SMS Basic Course	Assistant manager	8	100	83	80	83	82
SMS Management Course	Management level	8	100	74	76	81	68



## 2-3-3 Safety Culture

Since 1996, EVA Air has conducted Safety Week activities every year to build up safety awareness among all employees; the activities include propaganda competition, safety promotional video, holding seminars, 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 EVA Air to shape a positive and active safety culture.

### Safety Weeks Themes



### 2019 "Empathy, respect along with inclusion, safety comes from discipline and professionalism."



After facing the impact of strikes, industrial harmony is one of the necessary conditions for company to operate sustainably. Therefore, on the basis of empathy, we hope to resolve misunderstandings with communication, to reach consensus with respect, and to negotiate instead of confrontation. Every colleague has unique and different ideas, but we should carry out every flight mission with professionalism to achieve "Safety first, passenger first". Therefore, the safety week of 2019 takes "Unity, set out again" as the main theme. Not only did we shoot "Dreams, aspiration, commitments" videos, but invited psychologist to give lectures on "communication and healing" to heal as soon as possible.





# 03

Being the best airline in the world has always been EVA Air's goal. 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, sharing no-boundary service with our neighbors. Be enthusiastic in offering hospitality, treat customers as family, and establish a warm, friendly relationship. Through collecting information from diverse sources and referring to international trends, we care for passengers' needs and always strive to provide better service with "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.



## CUSTOMER SERVICE



We don't want to push our ideas on to customers, we simply want to make what they want.

*Laura Ashley*

2019

## 3-1 Innovation with Heart

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

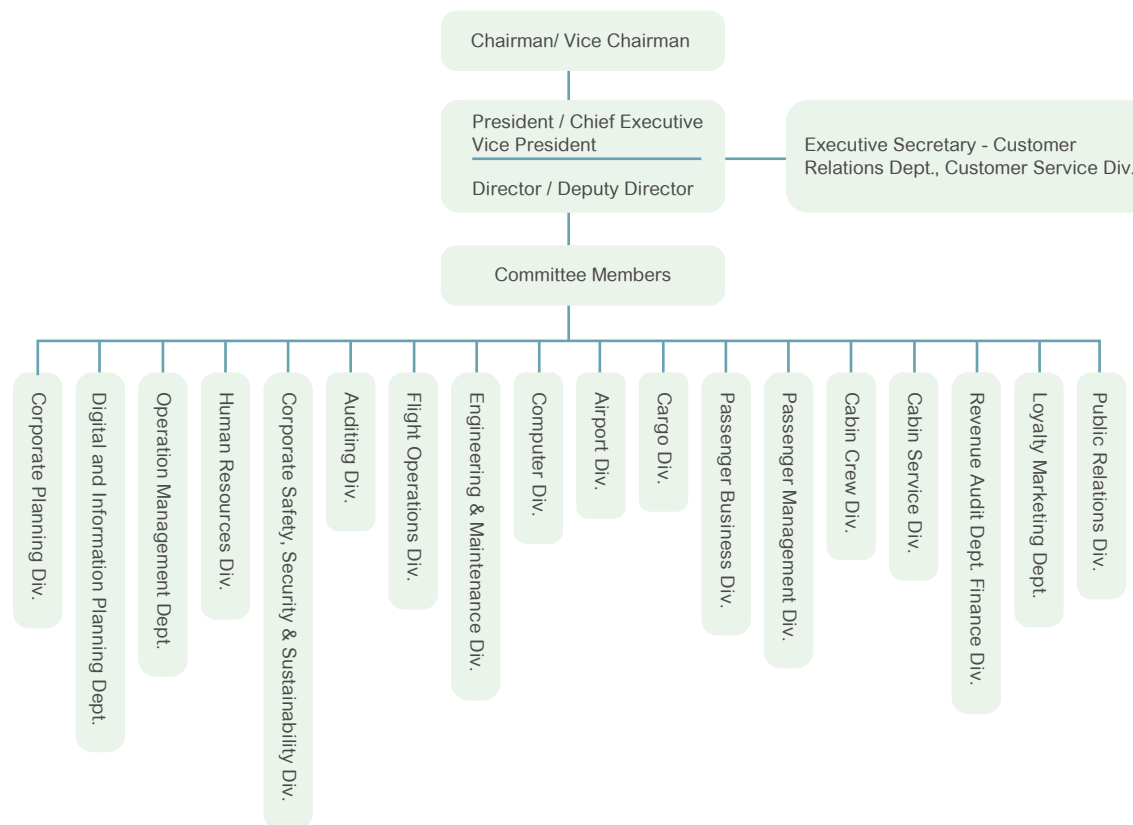
EVA Air starts to introduce Boeing 787 Dreamliners in 2018 and expects to introduce 24 787 aircraft by 2022. The Boeing 787 Dreamliners adopts the finest aerospace technology, including lighter carbon fiber and the latest engine which will reduce by 20% of fuel consumption and greenhouse gas emission compared with the previous wide-body aircraft. The Boeing 787 Dreamliners is equipped with the newest high-efficiency particulate air (HEPA) filter, which can improve the air quality in the cabin and also increase the cabin humidity by 3-4 times compared with the traditional aircraft type. As for the cabin pressure, it reduce the pressure from 8,000 feet to 6,000 feet to allow passengers to enjoy a more comfortable and high-quality journey.

### 3-1-1 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 to improve the Company's service quality through grasping customer satisfaction and opinions, and jointly examining the progress of the goals in each service area. Each member has to report the implementation progress in the meeting, and the Chairperson/Vice Chairperson supervises the results of the resolutions to execute improvement plans and provide better services for the passengers.



### Organizational Chart of the Service Quality Committee





### 3-1-2 Trustworthy Services

In order to constantly improve 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. EVA Air listens to the customers' advice and identify the reasons behind each customer complaint and the subsequent response measures, implement plans, and take preventive measures. At the same time, the Company continues to track the customer satisfaction and requires relevant departments to make improvements to meet the target, ensuring the accomplishment of the highest service quality.

#### Reliable and Trustworthy

To provide passengers with reliable service quality, EVA Air has set up the on-time performance target of 15 minutes (excluding uncontrollable factors such as weather and air traffic control). In 2019, the rate of on-time performance for all routes was 97.9%. In 2020, the long-term renovation of taxiways and aprons for Taiwan Taoyuan International Airport is expected to influence flight departures and the ground operations. Therefore, the 2020 on-time performance target of 15 minutes for all routes is set at 95.0%.



#### Care for Passengers' Rights and Health

All 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 regulations and approved by the CAA, so our passengers' interests are protected by an excellent governance system. 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. The tender invitation of in-flight products 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. In 2019, 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.

#### On-time Performance Rate

Year	2016	2017	2018	2019	2020 Target
	95.6%	96.2%	96.9%	97.9%	95.0%

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

Product category/ Procurement standards	% of Compliance	Total Number of Items			
		2016	2017	2018	2019
Children's toys (Safety Toy inspection mark is required)	100%	12	12	11	12
Plastic tableware (Certificate of inspection is required, e.g. test of plasticizer or heavy metal, etc.)	100%	50	46	47	45
Food (Certificate of inspection is required, e.g. test of Escherichia coli, etc.)	100%	37	44	45	41

## 3-1-3 Services Innovation

### Mobile service



#### EVA Mobile App :

EVA Mobile App supports 26 language settings and provides services such as Flight Booking/Changing, Special Offers, Flight Status, Itinerary Management, and Frequent Flyer Program (Infinity MileageLands). To provide passengers a more friendly and convenient user experience, we will keep focusing on developing and optimizing our app, including passport scanning and saving boarding pass to Google Pay.



#### EVA Sky Shop App :

EVA Sky Shop App is a convenient option for passengers to purchase in-flight duty free goods. Passengers may pre-order our exclusive in-flight duty free goods before their flight and pick up the goods on board.



#### EVA Home Delivery Shopping App :

EVA Air launched an online shopping mall, which customers can purchase EVA Air exclusive goods and other premium products online, then experienced the free delivery to the doorstep (home delivery service is limited to the Taiwan region only).



### AI-powered Chatbot and Live Chat Service

EVA Air introduced diversified customer service channels by tapping into AI-powered Chatbot and live chat service in December 24<sup>th</sup> 2019. The AI-powered Chatbot “EVA” can answer including reservation and ticketing, membership, flight schedule, airport service and nearly 500 questions. Therefore, customers can reach EVA Air any time through official website or App to get correct answers. If EVA is unable to answer, passengers can log in with membership and transfer to live chat service during office hours. With these help, it will effectively improve the service quality and provide multiple service channels for passengers.

Since the Chatbot was launched, it's able to answer over 90% of the question correctly. In the near future, we expect to provide more communication channels with different language, besides current traditional Chinese service on official website and App.

### Pepper

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. There are over 50,000 people had interacted with Pepper since it launched. Passengers are able to experience the brand new service at the VIP lounge of Taoyuan International Airport and the check-in counters of Songshan Airport. This year, besides introducing AI function to fluently answer various questions for passengers, the IoT technology is also used to provide guidance to assist passengers at the Songshan Airport check-in counter, providing a friendly service experience.

### Self Check-in Service

To help passengers save check-in queuing time at the airport counter, EVA Air launched the self check-in service in 2009. Currently, the departure halls at the following airports provide this service: Taoyuan International, Taipei Songshan, Taichung, Kaohsiung, London, Bangkok, Hong Kong, Osaka, Tokyo Narita, Tokyo Haneda, Fukuoka, Incheon, Toronto, Amsterdam, Los Angeles and Seattle. This service shall be progressively made available at other airports around the world. In 2019, the usage rate of the self and online check-in service was 27.61%, a 5.83% increase from 2018.



## Web Accessibility Design

The U.S. Department of Transportation (DOT) requires all airline companies with U.S.-bound flight 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 in 2015, to provide users with hearing or visual impairment, physical disabilities or learning disabilities with a user-friendly interface.

## Innovative VIP Lounge in Style

In order to make our passengers unwind before departure, EVA Air provides four lounges of unique styles at Taoyuan International Airport Terminal 2. Equipped with modern and thoughtful facilities including breastfeeding rooms, business center, accessible toilet and shower rooms, the lounges allow our passengers to experience the hospitality with a wide range of services. We’ve selected not only delicious but certificated cuisines to provide our passengers relaxing and privileged services before boarding. The four VIP lounges have very different and unique design, highlighting the diverse and high-quality design concepts:

### The Garden

Elegant and unique, with a high ceiling, bright skylights, and lush foliage, offering a relaxing getaway from the grind of business.

### The Infinity

Modern and futuristic, and was proudly awarded as the “Top 10 Best Business Class Lounges” by SKYTRAX in 2016.

### The Star

Surrounded by warm and bright starry sky, a perfect place with a great view to relax before boarding.

### The Club

Spacious and was designed as beautiful urban skyline representing a modern and simple style.

## 3-1-4 Cabin Cleanliness

Cabin cleanliness management is important to EVA Air. Before departure, the seats, tabletops, TV screens, aisles, toilets, overhead and front storage compartments are thoroughly cleaned. During the flight, our cabin crew check and clean the cabin periodically to maintain a clean and comfortable cabin environment. Our airport staff or supervisory management unit also assign staff to conduct re-checks from time to time to ensure the cabin cleanliness quality. Since 2015, EVA Air has won consecutive awards in the "World's Cleanest Aircraft Cabins" from SKYTRAX, and won the first place in 2019, which proves that EVA Air’s service quality is internationally recognition.

## 3-1-5 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, personnel 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.

## Defect-Free of EVA Air Meals over Years

Item	2016		2017		2018		2019		2020 Target
	Meal Defect-Free Rate	Target	Meal Defect-Free Rate	Target	Meal Defect-Free Rate	Target	Meal Defect-Free Rate	Target	Target
Business Class	99.995%	99.992%	99.995%	99.992%	99.995%	99.992%	99.995%	99.992%	99.992%
Premium Economy Class and Economy Class	99.999%	99.996%	99.999%	99.996%	99.999%	99.996%	99.999%	99.996%	99.997%

Note: The quarterly meal defect-free rate was calculated based on meal irregularity cases reflected by our passengers (such as extraneous material and food spoilage) and the yield rate.

## Airline Catering Hygiene Inspection

In order to provide hygiene in-flight meal, EVA Air formulate the hygiene standards assessment form for airline catering set by IFSA. Every year, all airline catering are inspected for hygiene, and the inspection rate is 100%. In 2019, there were 36 airline caterers providing in-flight meals for EVA Air. All caterers are qualified suppliers and acquired relevant certifications, including HACCP, ISO 22000, ISO 9001, ISO 14001, OHSAS 18001, ISO 50001 and Halal. 30 out of 36 (83%) have obtained the international certifications for food safety HACCP or ISO 22000. Also, in 2019, there was no violation of laws or voluntary standards by EVA Air which is related to food safety and health concerns.

## Types of Certification for EVA Air's Airline Catering Worldwide



## 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. There are 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.

## 3-1-6 In-flight Experiences

EVA Air cooperates with world-renowned brands. The intention of every design and plan is to innovate and to strive for perfection through the characteristics of both parties, bringing passengers a better flight experience. EVA Air regularly updates in-flight meals with fresh seasonal ingredients and collaborate with world-renowned chefs. In combination with all types of alcohol and beverages, our in-flight meals will make passengers feel at home during their journey. New generation of inflight entertainment is developed with the introduction of the 787 Dreamliner, and is equipped with a newly designed user interface.

## In-flight Products and Entertainment



Salvatore Ferragamo co-branded Amenity Kits



Luzerne - The world-renowned tableware brand



The 1<sup>st</sup> generation of Jason Wu co-branded pajamas



New in-flight entertainment system

## Kyo-Kaiseki Cuisine

Since 2015, Mr. Motokazu Nakamura, a 10-time 3 star Michelin chef, has been working on creating the highest quality Japanese food for EVA Air. Such exquisite meals are served in chinaware by Narumi, the world-leading Japanese porcelain manufacturer, exclusively for Royal Laurel, Premium Laurel and 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. The combination of both brings the in-flight dining experience to a new level.



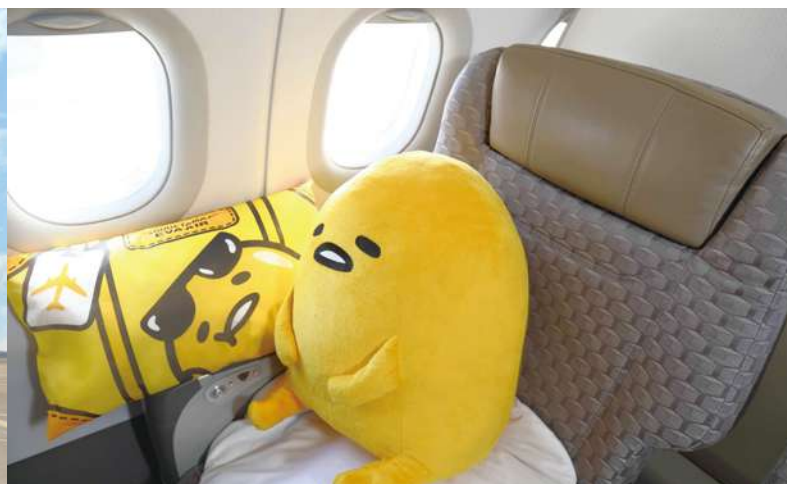
## Chishang Rice

Upholding the corporate social responsibility, 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. We hope passengers from around the world can explore the beauty of Taiwan and the dedication of the farmers in Chishang through a grain of rice and make a favorable impression on each traveler we encounter.

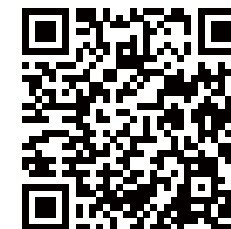


## 3-1-7 Joyful Aircraft Liveries

EVA Air launched the world's one and only Hello Kitty Jets together with Japan's Sanrio Co., Ltd. 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 which innovated over time. With the themed design inspiration, from naming to creative events experiences, Hello Kitty Jet will convey the happiness and expectation to passengers' right at the moment they start the journey.



For more flight  
experience, please  
visit Hello Kitty Jet  
official website:



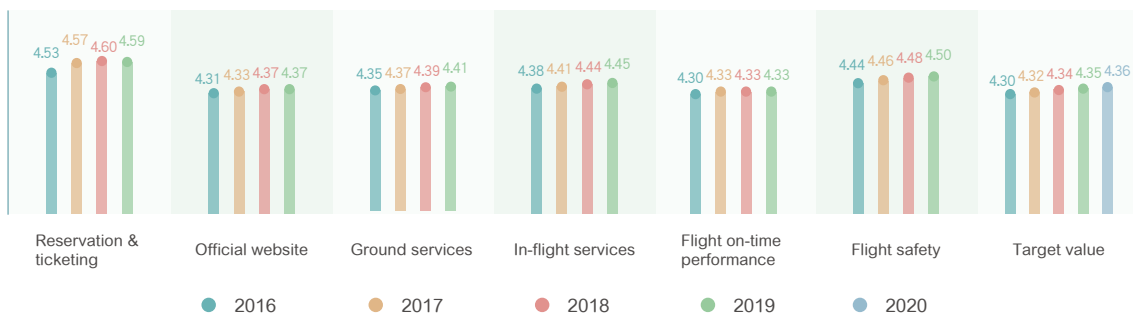
## 3-2 Customer Relationship

### 3-2-1 Passenger Satisfaction Survey

Customer opinion is essential to our improvements in service quality. To gain deeper insight into customer satisfaction, we inspect the questionnaire annually 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. By tracing the fulfillment status of customer satisfaction, EVA Air continues to improve and be innovative, offering services that fulfill customers’ needs. In 2019, total 539,996 questionnaires were sent to members who are willing to receive the survey and 75,399 responses were mailed back to us; the response rate was 13.96%. The statistics showed that the overall passenger satisfaction level for 2019 was 4.41 (5-point Likert Scale), which exceeded the target value of 4.35.

For services which have not reached the target satisfaction value, the related divisions of the respective services shall hold a service review meeting monthly. And to maintain our service quality, Service Quality Committee will report our operation review and improvement analysis at meetings every quarter.

#### Customer Satisfaction with Passenger Services



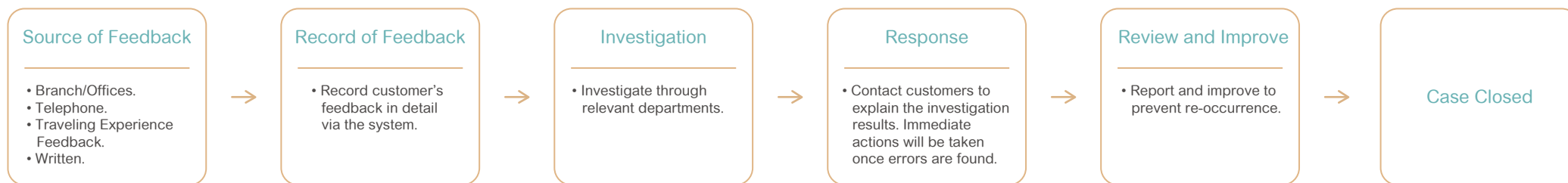
#### Overall Customer Satisfaction with Passenger Services



### 3-2-2 Listen and Communicate

EVA Air attaches great importance to customer’s feelings and responds to their needs proactively. When there is any abnormality in our services, we immediately fix the problems and grasp the “turning point of services” at the critical moment, 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, executing plans, examining the results of operations and taking preventive measures, we can effectively manage our service quality.

## Handling Process of Customer Feedback



In 2019, there were 43,752 entries of customer feedback, equivalent to 341 entries per 100 thousand customers. The customer opinions primarily involved airport and baggage (36.2%), cabin crew service (21.2%), flight schedule and official website (27.6%), reservation and ticketing (5.2%), and in-flight meal and beverage (2.7%), which accounted for 92.9 % of the total entries.

### Reasons for Increased Proportion of Customer Opinions

1. The number of feedback per 100 thousand customers and the percentage of flight schedule and official website feedback:  
 During the period from June 20<sup>th</sup> to July 19<sup>th</sup>, 2019, the TFAU called the strike, which resulted in the flight cancellation and schedule change. The number of flights and passengers is closely related to each other, so the number of feedback per 100 thousand customers increases relatively.
2. Reservation and ticketing:  
 Number of feedback upon chargeable seats selection of reservation service has increased due to the Fare Family was launched on March 5<sup>th</sup> 2019.

## Customer Service for Sky Shop and Home Delivery Shopping

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 board or EVA Air's exclusive website. The product service hotline had received a total of 12,564 calls in 2019. The calls consisted mainly of enquiries about the products, discounts or replacements and refunds.



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

**Opening Hours** Mon ~ Fri 9 AM ~ 12 PM  
 2 PM ~ 5 PM

**Customer Service Hotline** 0800-535678 (Taiwan only), +886-3-3515936

**E-mail** shopping@evaair.com

**Fax** +886-3-3510018

### 3-2-3 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 2019 for the violation of customers' privacy rights or the loss of customer information.

EVA Air provides our members with services, while making every effort to protect their information, privacy and interests. Information on personal data collection and application, and the privacy protection and security statements are clearly stated in the "Privacy Policy and Cookies" on EVA Air's website. When joining us as members, members must read and agree with EVA Air's Privacy Policy & Cookies Terms and Conditions. When we collect information, members may choose to "Accept" or "Reject", and the relevant department shall proceed with marketing accordingly. According to "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 recorded.

### 3-2-4 Membership Services

On March 5<sup>th</sup> 2019, EVA Air Infinity MileageLands released the new member award benefits, providing more ways to earn miles. The award miles, status miles and flight sectors of each member can earn depends on the purchased fare class; the business class "Up" type can earn up to 175% of miles. Moreover, we offer tier bonus for different tier members taking international flights operated by EVA Air/UNI Air: additional 25% for Diamond/Golden Card and 15% for Silver Card. Tier upgrade requirement for Green Card have been lowered to 4 flight sectors and 30,000 miles. Also, different fare type requires various miles for cabin upgrade; up to 11,500 miles less than before. Flexible seat selection. Greater baggage allowance. The more you fly, the more you earn. In 2019, we have also optimized the Mileage Statement. In addition to providing of member exclusive special offer, members can inquire details monthly such as traveling credits, tier upgrade and renewal, and notice of tier validity and mileage expiration. To maintain good interaction with our members continuously, we invited high-tier members to the musical "Notre-Dame de Paris" in June 2019, and also held the "A Night for EVA Air's Honored Guests-Resplendent Starlight Concert" at the end of 2019.

### Earning Mileage from Overseas Partners in 2019

Credit Card Singapore: American Express, Standard Chartered. Hong Kong: American Express. Thailand: Krungthai Card (KTC). China: China Citic Bank.

Travel Experience Collaborate with Wota Lifestyle, which focuses on high-end travel planning, so that members can earn miles while enjoying the journey.

Lifestyle In collaboration with well-known Chinese e-commerce JD, members can transfer JD Coins to Infinity MileageLands miles.

Hotel To meet the needs of more hotel booking websites for members, we collaborate with Trip.com to make it easy for members to earn miles when traveling.

### New Mileage Redemption Items in 2019

EHS Coin Use miles to redeem EHS Coins and enjoy the convenience of TV shopping.

Wealth Magazine Use miles to redeem finance magazine

Laithwaites Wine Set Provide selected red wine combinations for members to use miles to redeem

Farm Table Discount Coupon Let parents and children experience the fascinating taste from the place of origin to the table and seasonal ingredients.

Others Provide various travel related, management and design printed or digital magazine for members to redeem, so that members can enrich their minds at any time.



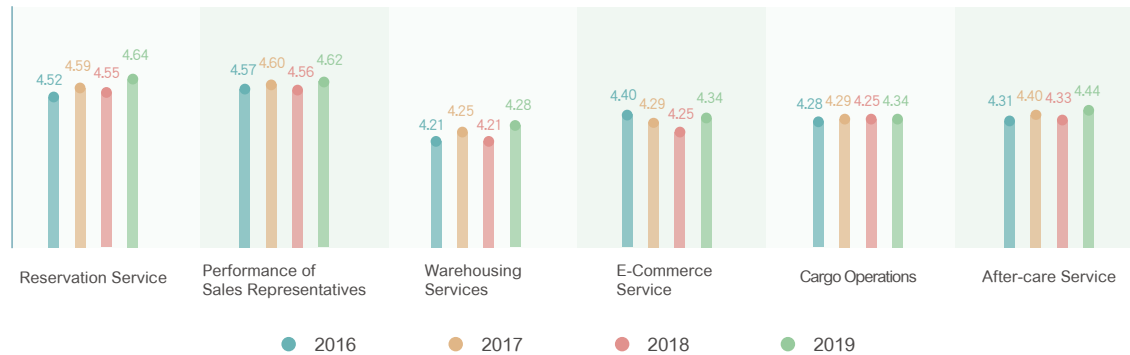
## 3-3 Cargo Service

EVA Air enjoys a reputation for outstanding flight safety records and professional cargo transport capacity in the cargo industry, and therefore has repeatedly won the “Air Cargo Excellence Award.” Over the past few years, EVA Air launched the cold chain cargo service and expanded its network, while reinforcing staff training and optimizing the process control and emergency response 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.

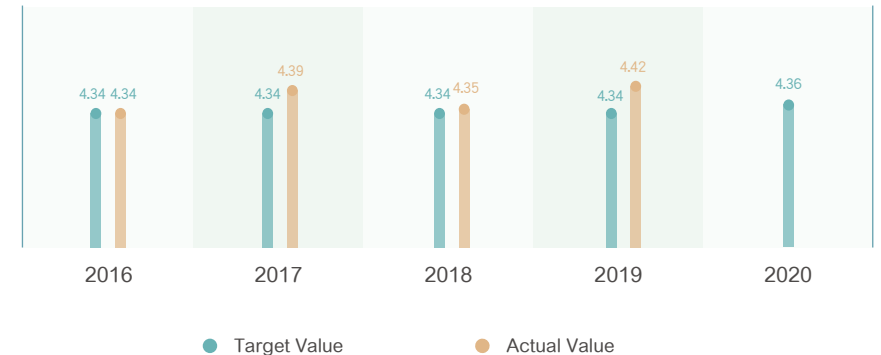
### 3-3-1 Cargo Satisfaction Survey

EVA Air attaches equal importance to customers using our cargo services and insists on providing excellent service quality. We constantly track the customer satisfaction, service requirements and other suggestions for improvements. Every year, we conduct a customer satisfaction survey on our main freight forwarders, which comprises 6 major categories.

#### Customer Satisfaction with Cargo Services



#### Overall Customer Satisfaction with Cargo Services



Comparing to last year, we have improved customer satisfaction in 6 major categories. Among all, reservation service has the highest satisfaction rate of 4.64, including “Phone manner and politeness”, “Promptness of phone pick-up” and “Efficiency of reservation confirmation” are all highly recognized.

Referring to the low rate of “Warehousing Services” and “Cargo Operations”, we will review customers’ feedback and suggestion and improve to identify their needs and give our customers the best service quality.

### 3-3-2 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 specific temperature during the transportation. Since the launch in 2015, EVA Air has been expanding the locations of cold chain service. Currently, there are 28 locations around the world that offer EVA Air's comprehensive cargo cold chain service.

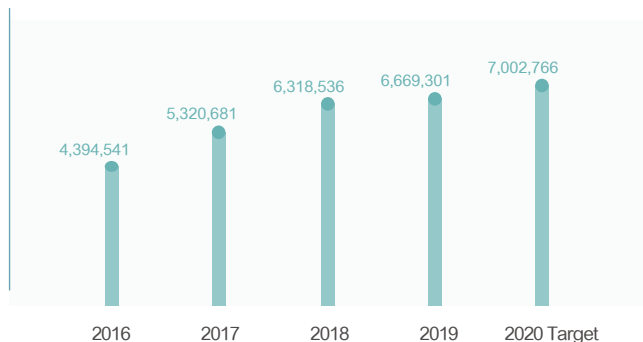
### 3-3-3 Cargo E-commerce

In response to the trend of automation, EVA Air provides the Cargo e-Commerce and Cargo App, allowing customers to keep track of the shipment status 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 saving and carbon reduction.

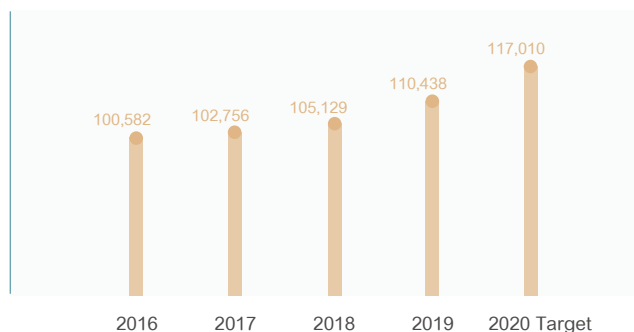
### Locations of Cold Chain Service in 2019



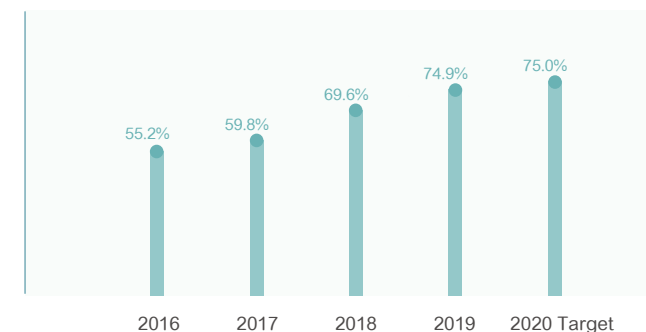
### Number of Visits Cargo e-Commerce for Shipment Tracking



### Number of Using Cargo App



### E-AWB Coverage Rate



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

## Establishment of New Cargo System: New CargoWing

Ever since the self-developed CargoWing was launched in 2001, EVA Air has been comprehensively expanding automation and digitalization of many cargo operations, including import/export operations and booking, cargo capacity monitoring and control, instant pricing management, transportation cost management, digitalized customs clearance, etc. Yet, the continuous development of advanced functions has encountered bottlenecks due to the limitations of the existing development tool (Goolgen). In addition, the process of downloading and installing is interfered by inevitable shut down when there is a new feature going online. Therefore, we have planned to develop a new web-based core cargo system by introducing the latest online technology, gathered the required information and integrated the system in stages. Also, through the new development tools and construction optimization, the overall operations of the system have been sped up to provide our customers with more quality services.

### Features



### 3-3-4 Customs AEO Certification

EVA Air worked with the Customs Administration, MOF to extend the AEO certification, and has established secure and convenient supply chain for trade. The Company obtained the certification of Customs AEO Certification on November 18<sup>th</sup>, 2011. As the certification must be renewed every three years, we had obtained the certification again on November 14<sup>th</sup>, 2017. This certification means that EVA Air has gained the Customs' trust and is able to provide a safe air cargo supply chain environment to ensure the safe transportation.

### 3-3-5 Multimodal Transportation: Sea, Air & Ground Shipping Services

EVA Air provides diversified multimodal transportation services, combining sea, air and ground shipping services to provide customers with sufficient space and fast transportation. Take the multimodal transportation service in Xiamen for instance, customers only need one day in advance for warehouse entry, and the merchandise will arrive at EGAC the next day evening to smoothly connect with flights departing from Taiwan Taoyuan or Taipei Songshan International Airport.

EVA Air values every employee and aims to create a safe and inspiring environment. In addition to comprehensive wage and benefit packages, educational training, and promotion channels, we also hope to cultivate employees' professional attitude and employment competence. We provide our employees with opportunities to switch their job fields. Through job rotation and overseas dispatch, employees are able to accumulate experience and become versatile. Meanwhile, EVA Air has been constantly investing more resources in creating a more well-rounded work environment. In so doing, employees will continue to work hand in hand with EVA Air to advance towards a better future.

# 04





HUMAN  
RESOURCES  
DEVELOPMENT

The strength people need to proceed along the path of human development can come only from the spiritual world.

*Rudolf Steiner*

2019

## Response to Major Events in 2019

Resolve misunderstandings with communication, reach consensus with respect, negotiate instead of confrontation, and create a win-win situation together.

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

Taoyuan Flight Attendants Union EVA Air Branch (hereinafter referred to as the "TFAU") had collective bargaining meeting in past years and repeatedly mediation with EVA Air over the disputes. Although both parties reached certain consensus, however, the union's demands for "no free ride" terms that exclude non-union members, which EVA cannot compromise on. TFAU unilaterally ending the meeting and mediation then called the strike without providing prior notice. The disruption affected some 300,000 passengers; EVA Air found their actions unacceptable and regrettable. EVA is a 100% privately owned enterprise, fully responsible for sustaining our operations, safeguarding the rights and interests of 130 thousand shareholders and more than 20 thousand employees. We are facing this strike responsibly and will continue to make every effort to work with TFAU

In repeated negotiations with the TFAU, EVA have expressed good will and offered reasonable solutions such as more benefits and improved working condition. EVA Air and TFAU have reached consensus and signed an agreement on 6 July, 2019 to define stable future labor-management relations. Meanwhile, both sides agreed that the TFAU will not stage another walkout within 3 years and that future strikes should spare domestic flights under witnessed by Labor Minister and Taoyuan City Mayor.

It is hoped that the trade unions can express their demands through various communication channels in a rational manner. As long as it is a suggestion that contributes to positive growth, the company will actively listen and communicate to create a win-win situation for labor and management.

### ● The labor-management negotiation with the Taoyuan Pilots Union is described as follows:

On July 16<sup>th</sup>, 2018, the Taoyuan Pilots Union EVA Air Branch (hereinafter referred to as the "TUP") requested on 16 issues. Later, voted on whether to call a strike, since many issues couldn't be resolved shortly by the negotiation and dispute mediation. On August 7<sup>th</sup>, 2018, after announcing that it had obtained the right to strike, 4 negotiations had gone on under the mediation of the Ministry of Labor, Civil Aeronautics Administration and Taoyuan City Government's Department of Labor. Eva Air and the TUP achieved the consensus on core requests on August 30<sup>th</sup>, while giving other issues a year to be resolved by negotiations, and the TUP agreed to hold off the exercise of the disputed act during the negotiation. The Company agreed to gradually decrease the minimum service years; in addition, regarding flight safety and tiring flights, the Company agreed to allow pilots flying certain routes to rest overnight, increase the number of pilots for flights from Los Angeles to Taipei from December 1<sup>st</sup>, and grant the captains the authority to call off or delay a flight in the event of bad weather.

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

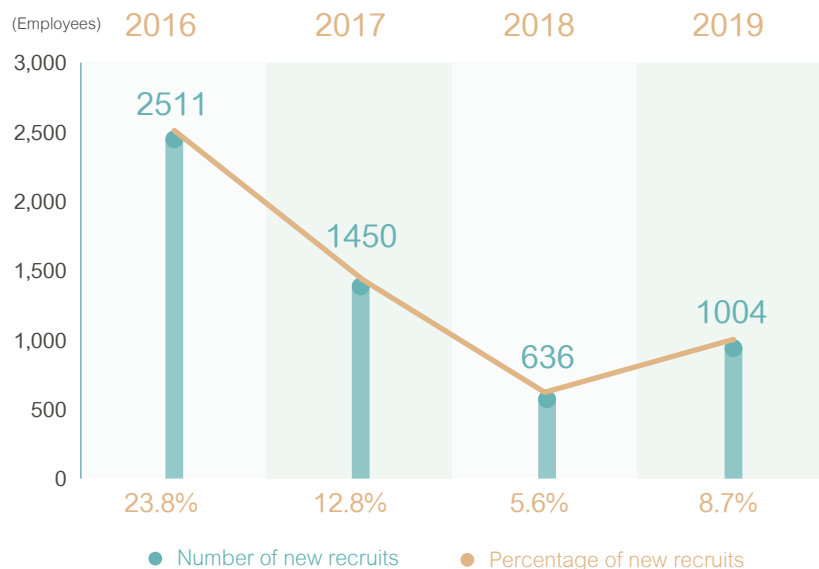
## 4-1 Diversity and Tolerance

### 4-1-1 Recruitment Policy

In addition to basic passenger and cargo transportation, the service quality has become increasingly important in this competitive market. Hence, employees' passion and devotion are emphasized more than ever. 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. Plus, we conduct adaptive career planning for employees so they can play their best roles and grow with us.

Our employees are 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 2019, there were 1,004 new recruits, whereas 672 employees resigned. Based on the premise of sustainable management, we will continue to examine the policies of remuneration, benefits, and training to improve the work environment.

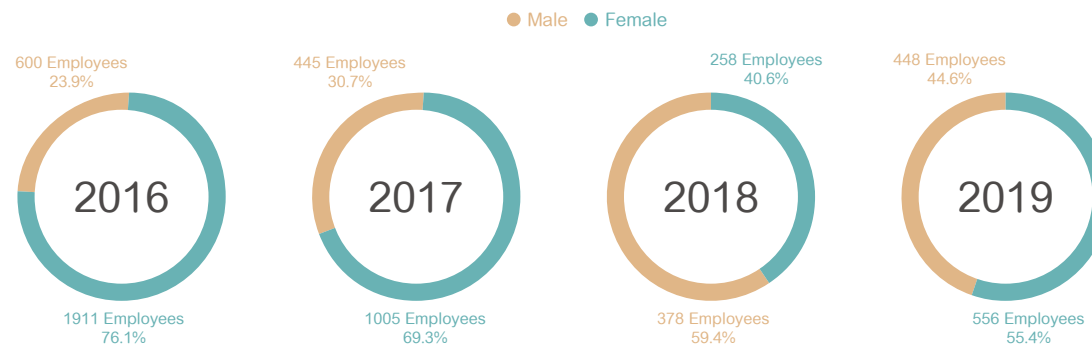
### Statistics on New Recruits



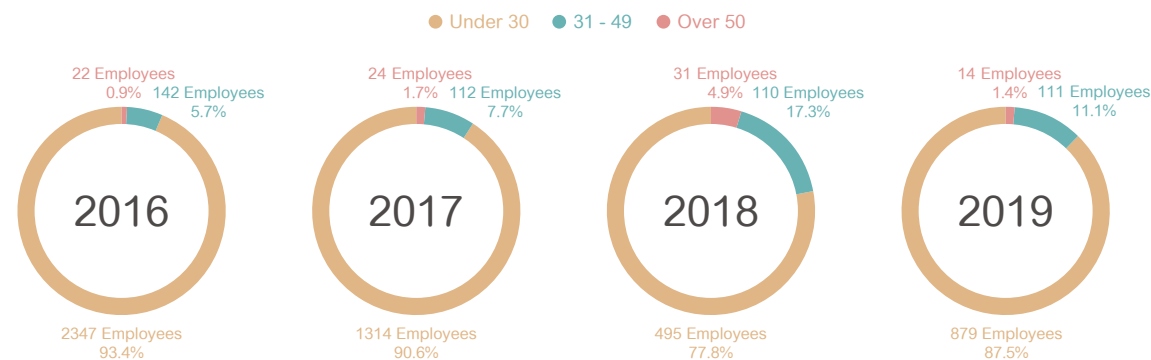
Note: The percentage of new recruits = The number of new recruits in the particular year/ Total employees at the end of the particular year.



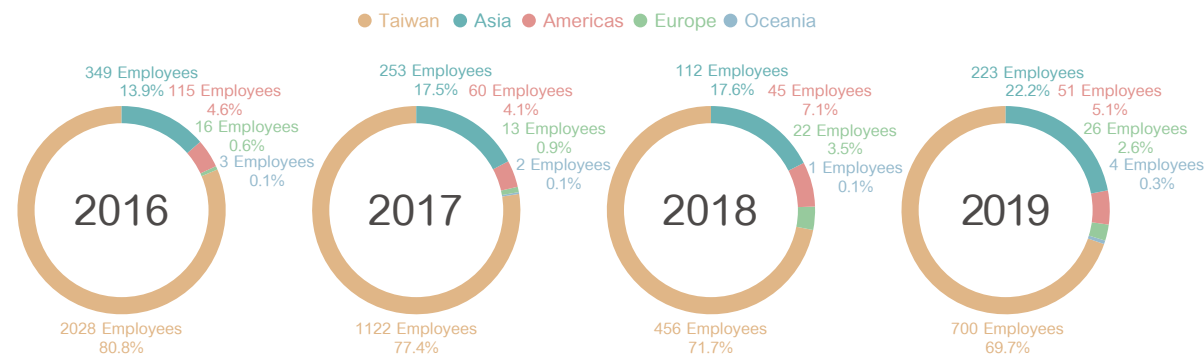
### Statistics on New Recruits (Gender)



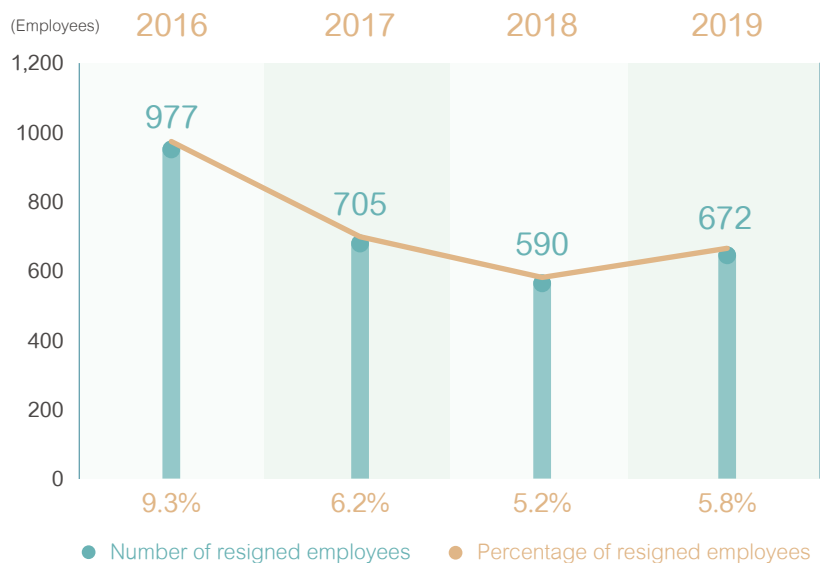
### Statistics on New Recruits (Age)



### Statistics on New Recruits (Region)



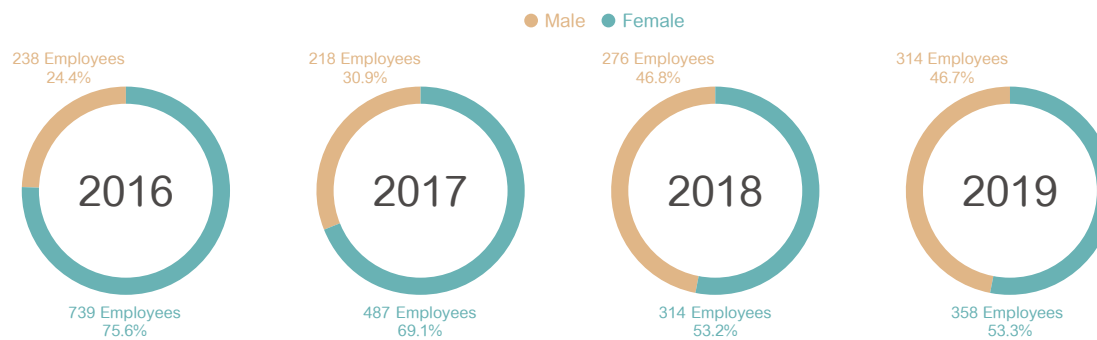
### Statistics on Resigned Employees



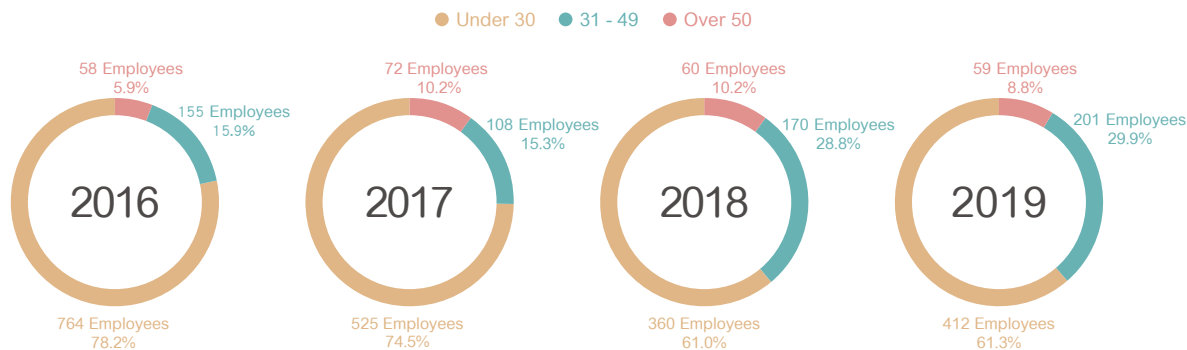
Note: The percentage of resigned employees = The number of resigned employees in the particular year/ Total employees at the end of the particular year.



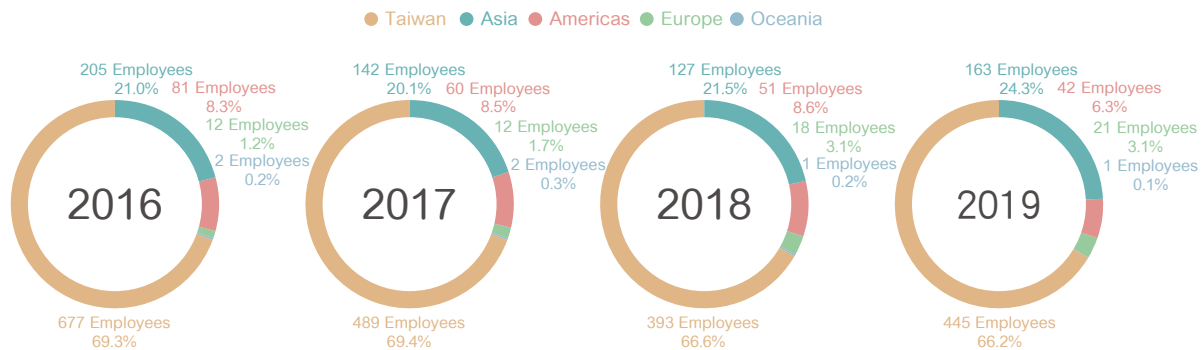
### Statistics on Resigned Employees (Gender)



### Statistics on Resigned Employees (Age)



### Statistics on Resigned Employees (Region)





## 4-1-2 Employee Structure and Distribution

In 2019, there were 11,604 employees worldwide, of which 7,469 were female (64.37%) and 4,135 were male (35.63%). The number of permanent employees was 11,195, including 25 with fixed-term contracts. The number of contingent employees was 409, including 83 interns and 326 inflight trainees. Meanwhile, a majority of employees were under 30 years old (47.95%). 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.

### Employee Composition (Age) ● Male ● Female

Age	2016					2017					2018					2019				
	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees
Under 30	1243	21.9%	4440	78.1%	53.94%	1354	21.9%	4828	78.1%	54.73%	1327	22.9%	4466	77.1%	51.24%	1354	24.3%	4210	75.7%	47.95%
31 - 49	1811	43.7%	2334	56.3%	39.35%	1897	44.2%	2391	55.8%	37.96%	1938	42.8%	2585	57.2%	40.01%	1978	40.8%	2871	59.2%	41.79%
Over 50	554	78.4%	153	21.6%	6.71%	620	75.1%	206	24.9%	7.31%	718	72.6%	271	27.4%	8.75%	803	67.4%	388	32.6%	10.26%

### Employee Composition (Category) ● Male ● Female

Category	2016					2017					2018					2019				
	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees
Inflight Service	1266	23.0%	4229	77.0%	52.16%	1361	22.6%	4661	53.31%	77.4%	1415	24.2%	4440	75.8%	51.79%	1531	25.3%	4509	74.7%	52.05%
Ground Service	2342	46.5%	2698	53.5%	47.84%	2510	47.6%	2764	52.4%	46.69%	2568	47.1%	2882	52.9%	48.21%	2604	46.8%	2960	53.2%	47.95%

### Employee Composition (Position) ● Male ● Female

Position	2016					2017					2018					2019				
	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees
Top mgmt.	49	81.7%	11	18.3%	0.57%	50	80.6%	12	19.4%	0.55%	51	78.5%	14	21.5%	0.57%	52	77.6%	15	22.4%	0.58%
Senior mgmt.	92	60.1%	61	39.9%	1.45%	99	61.9%	61	38.1%	1.42%	96	59.6%	65	40.4%	1.42%	101	60.1%	67	39.9%	1.45%
Junior mgmt.	359	52.5%	325	47.5%	6.49%	346	51.2%	330	48.8%	5.98%	371	51.9%	344	48.1%	6.32%	383	51.6%	359	48.4%	6.39%
Non-management	3108	32.2%	6530	67.8%	91.49%	3376	32.5%	7022	67.5%	92.05%	3465	33.4%	6899	66.6%	91.68%	3599	33.9%	7028	66.1%	91.58%

## Employee Composition (Education) ● Male ● Female

Education	2016					2017					2018					2019				
	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees
Doctor	2	66.7%	1	33.3%	0.03%	2	100.0%	0	0.0%	0.02%	2	66.7%	1	33.3%	0.03%	2	66.7%	1	33.3%	0.03%
Master	432	64.2%	241	35.8%	6.39%	444	64.1%	249	35.9%	6.13%	455	65.0%	245	35.0%	6.19%	481	65.4%	254	34.6%	6.33%
Bachelor	2467	30.6%	5589	69.4%	76.47%	2696	30.7%	6077	69.3%	77.66%	2812	31.9%	6003	68.1%	77.97%	2943	32.5%	6126	67.5%	78.15%
Junior college	435	33.6%	861	66.4%	12.30%	449	34.3%	860	65.7%	11.59%	441	34.5%	838	65.5%	11.31%	433	34.0%	841	66.0%	10.98%
High school (or under)	272	53.6%	235	46.4%	4.81%	280	53.9%	239	46.1%	4.59%	273	53.7%	235	46.3%	4.49%	276	52.8%	247	47.2%	4.51%

## Employee Composition (Region) ● Male ● Female

Region	2016					2017					2018					2019				
	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees
Taiwan	2951	34.4%	5638	65.6%	81.53%	3211	34.7%	6038	65.3%	81.88%	3322	35.8%	5960	64.2%	82.11%	3467	36.6%	6018	63.4%	81.74%
Asia	408	28.5%	1025	71.5%	13.60%	403	26.3%	1127	73.7%	13.54%	417	27.7%	1089	72.3%	13.32%	419	26.5%	1164	73.5%	13.64%
America	184	48.8%	193	51.2%	3.58%	188	49.6%	191	50.4%	3.36%	179	47.9%	195	52.1%	3.31%	181	47.5%	200	52.5%	3.28%
Europe	60	48.8%	63	51.2%	1.17%	64	51.2%	61	48.8%	1.11%	60	46.2%	70	53.8%	1.15%	60	43.2%	79	56.8%	1.20%
Oceania	5	38.5%	8	61.5%	0.12%	5	38.5%	8	61.5%	0.12%	5	38.5%	8	61.5%	0.11%	8	50.0%	8	50.0%	0.14%

## Employee Composition (Contract) ● Male ● Female

Contract	2016					2017					2018					2019				
	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees	Employees	%	Employees	%	% of all employees
Fixed-term contracts	12	100.0%	0	0.0%	0.11%	15	100.0%	0	0.0%	0.13%	17	94.4%	1	5.6%	0.16%	21	84.0%	4	16.0%	0.22%
Permanent employees	3444	34.3%	6597	65.7%	95.31%	3701	33.6%	7328	66.4%	97.64%	3800	34.4%	7253	65.6%	97.77%	3921	35.1%	7249	64.9%	96.26%
Contingent employees	152	31.5%	330	68.5%	4.58%	155	61.5%	97	38.5%	2.23%	166	70.9%	68	29.1%	2.07%	193	47.2%	216	52.8%	3.52%

Note 1: The position refers to ground service supervisory employees, including top mgmt. (rank of deputy senior vice president and above), senior mgmt. (rank of deputy junior vice president and junior vice president) and junior mgmt. (rank of deputy manager and manager); non-management comprises ground service non-supervisory employees and inflight service personnel.

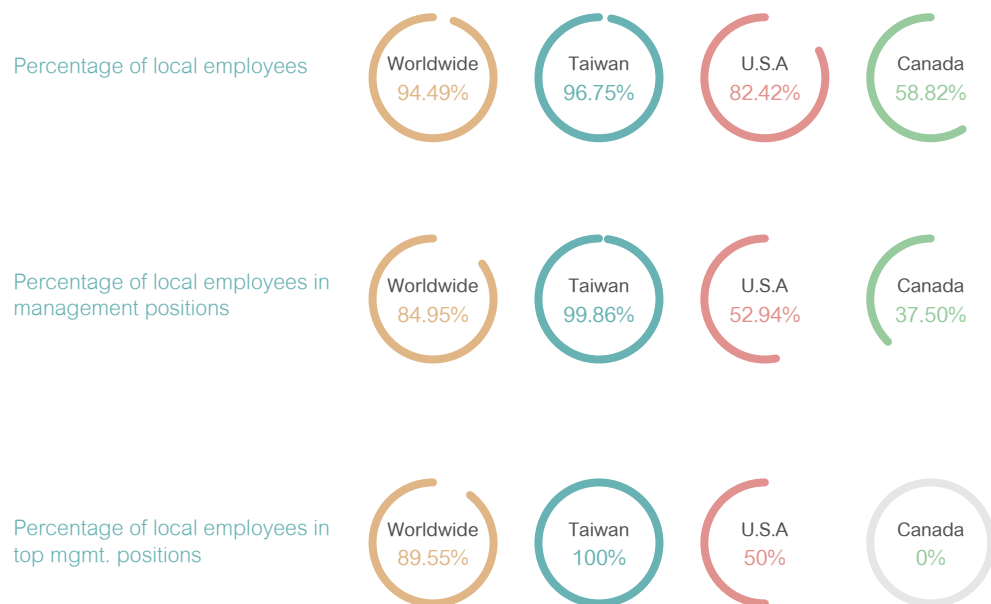
Note 2: Fixed-term employees include doctors, flight training consultants, senior specialists and massagist. Contingent employees include trainees and interns.

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

## 4-1-3 Diverse and Equal Work Environment

EVA Air's operating locations are distributed throughout the world. 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. Either in Taiwan or other countries, we provide a friendly and equal work environment for all employees and 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 2019



Note 1: The percentage of local employees = The no. of local employees / Total no. of employees in the region.

Note 2: The percentage of local employees holding management positions = The no. of local employees holding management positions / Total no. of management employees in the region

Note 3: The percentage of local employees holding top mgmt. positions = The no. of local employees holding top mgmt. positions / Total no. of top mgmt. employees in the region.

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

Note 5: Top mgmt. refers to ground service supervisory as deputy senior vice president and above.

EVA Air advocates the employment rights of people with disabilities by periodically publishing vacancies at the Employment Service Center of Workforce Development Agency, Ministry of Labor. In the meantime, we have evaluated the content of some administrative positions and redesigned the roles. With the assistance of other employees, we create a friendly work environment for our partners with disabilities. In recent years, since there has been more hiring, the weighted number of disabled employees reached 101 at the end of 2019, which was in compliance with the number required by law, creating employment opportunities for the disabled and building a diverse workplace.

### Number and percentage of employees with disabilities

	2016	2017	2018	2019
Number of employees	54	54	66	68
Weighted number of employees	76	76	96	101
Total number of employees	8537	8537	9562	9685
Percentage (%)	0.89	0.89	1.00	1.04

Note 1: Total number of employees: The employees who has joined labor insurance scheme on December 1<sup>st</sup> in the particular year.

Note 2: Percentage (%) = Weighted number of employees / Total no. of employees; statutory percentage is 1%.

## 4-2 Retention of Talent

### 4-2-1 Salary and Benefits

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

### The Salary of Permanent Employees in Non-management Position

	2018	2019	Differentials (%)
The number of permanent employees in non-management position	8,393	8,332	-0.73%
Average salary of permanent employees in non-management position	1,520,511	1,522,229	+0.11%
Median salary of permanent employees in non-management position	1,023,338	1,022,248	-0.11%

Note 1: Full-time employee are the average amount of hires in Taiwan exclude managers, part-time employees and employments under 6 months.  
 Note 2: The gross salaries include basic salary, overtime pay, employee reward and bonus, but exclude the expense of Share-based payment.  
 Note 3: Average Salary = Total salary of permanent employees in non-management position / Total no. of permanent employees  
 Note 4: Median salary refers to the middle of the list which in numerical order all the salaries for every permanent employee.  
 Note 5: Differentials (%) = (2019 data – 2018 data) / 2018 data

### Male/Female Average Wage Ratio - Employee

	2016	2017	2018	2019	
Basic salary ratio	Flight crew	1.60	1.23	1.17	1.14
	Cabin crew	1.10	1.26	1.16	0.92
	Ground staff	1.11	1.10	1.10	1.11
Remuneration ratio	Flight crew	1.56	1.26	1.21	1.11
	Cabin crew	1.29	1.27	1.17	1.07
	Ground staff	1.11	1.06	1.08	1.07
Basic salary ratio at major operating locations	Taiwan (Note 2)	2.57	3.11	3.06	2.63
	U.S.A.	1.18	1.18	1.18	1.12
	Canada	1.09	1.09	1.09	1.01
Remuneration ratio at major operating locations	Taiwan (Note 2)	1.91	1.76	1.76	1.63
	U.S.A.	1.13	1.11	1.11	1.09
	Canada	1.09	1.07	1.10	1.02

Note 1: Basic salary is defined as base salary + position allowance + overtime pay; remuneration is defined as basic salary + bonuses included in supplementary premium of health insurance.

Note 2: Employees in Taiwan region include inflight crew members; therefore, the male/female salary ratios according to operating locations are higher.

### Male/Female Average Salary Ratio - Management Level

Level	2016	2017	2018	2019
Top management	1.111	1.093	1.070	1.092
Senior management	1.046	1.029	1.007	0.983
Junior management	1.020	1.012	1.020	1.057

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

### Male/Female Average Remuneration Ratio - Management Level

Level	2016	2017	2018	2019
Top management	1.101	1.262	1.170	1.30
Senior management	0.988	1.020	1.019	1.00
Junior management	0.982	1.003	1.014	1.00

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

### Ratio of Standard Salary of Entry-level Employee at Major Operating Locations to Local Minimum Wages

Gender	Region	2016	2017	2018	2019
Male	Taiwan	1.75	1.76	1.68	1.65
	U.S.A.	1.09	1.20	1.05	1.30
	Canada	1.12	1.25	1.03	1.12
Female	Taiwan	1.75	1.76	1.68	1.65
	U.S.A.	1.09	1.20	1.05	1.30
	Canada	1.12	1.25	1.03	1.12

Note 1: The starting salary of female (male) entry-level employee / Local statutory minimum wage.

Note 2: Local statutory minimum wage: Monthly salary in the Taiwan region; hourly wage multiplied by the statutory standard working hours in America.

Note 3: The number of EVA Air's employees in Los Angeles is more than one-third of total employees in the U.S.A.. Hence, the statutory minimum wage in the U.S.A. takes Los Angeles as calculation basis.

Note 4: In Canada, as the number of employees does not vary much among locations; the highest statutory hourly wage, Toronto, is used as the calculation basis.

### Ratio of Average Salary of Management at Major Operating Locations to Average Salary of All Employees

Gender	Region	2016	2017	2018	2019
Male	Taiwan	1.78	1.73	1.74	1.74
	U.S.A.	1.40	1.34	1.32	1.27
	Canada	1.58	1.64	1.49	1.45
Female	Taiwan	1.69	1.67	1.67	1.66
	U.S.A.	1.67	1.53	1.49	1.43
	Canada	2.03	1.91	1.62	1.58

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

Note 2: The major operating locations in America include the U.S.A. and Canada.

## Sufficient Workers' Retirement Reserve Funds

With respect to employee retirement, EVA Air engages external accountants annually to calculate 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, 2019, the balance of EVA Air's Labor Retirement Reserve Fund Account with the Bank of Taiwan was NTD 4,977,472,472. As the balance increases every year, it is sufficient to meet the requirements of the employees eligible for retirement.

## Personnel Expenses and Percentage

Unit: NTD thousands

Item	2016	2017	2018	2019
Salary	11,993,169 (72%)	13,297,537 (71%)	14,050,888 (72%)	14,046,979 (71%)
Labor and Health Insurances	603,078 (4%)	723,951 (4%)	770,778 (4%)	813,145 (4%)
Benefits	3,480,019 (21%)	4,203,677 (22%)	4,113,438 (21%)	4,294,644 (22%)
Total Amount of Pension	546,112 (3%)	605,011 (3%)	635,257 (3%)	732,002 (3%)

## Balance of Labor Retirement Reserve Fund Account

Unit: NTD thousands

Item	2016	2017	2018	2019
The Account Balance	3,812,016	3,762,812	4,339,393	4,977,472

## Employee Benefits

With the same spirit of serving our customers, EVA Air provides employees with a 5-star work environment and wholehearted care. In addition to an employee leave system in accordance with the law, we also provide many benefits, such as a marriage subsidies, funeral subsidies, injury or sickness benefits, employee sport club activity subsidy, 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.

### Taiwan

#### Permanent Employees with Indefinite-term Contract

- Marriage subsidy
- Retirement system in compliance with the Labor Standards Act
- Group term life insurance preferential premium rate
- Funeral subsidy
- Overseas medical insurance for crew members / expatriate staff
- Year-end bonus
- Injury and sickness consolation benefit
- Group accident insurance, hospitalization and injury medical insurance for employees on overseas business trips
- Health check
- Annual leave
- Employee discount tickets
- Parental leave
- Sports club subsidy

#### Permanent Employees with Fixed-term Contracts

- Marriage subsidy
- Retirement system in compliance with the Labor Standards Act
- Year-end bonus
- Funeral subsidy
- Group accident insurance, hospitalization and injury medical insurance for employees on overseas business trips
- Health check
- Injury and sickness consolation money
- Group term life insurance preferential premium rat
- Employee discount tickets
- Annual leave
- Sports club subsidy
- Parental leave

### America (Note 1)

#### Permanent Employees

- Marriage subsidy
- Insurance (health/dental/vision/life insurance)
- Parental leave (Note 2)
- Funeral subsidy
- Year-end bonus
- Retirement benefits (401(k), discounted tickets for retired employees)
- Annual leave
- Employee discount tickets

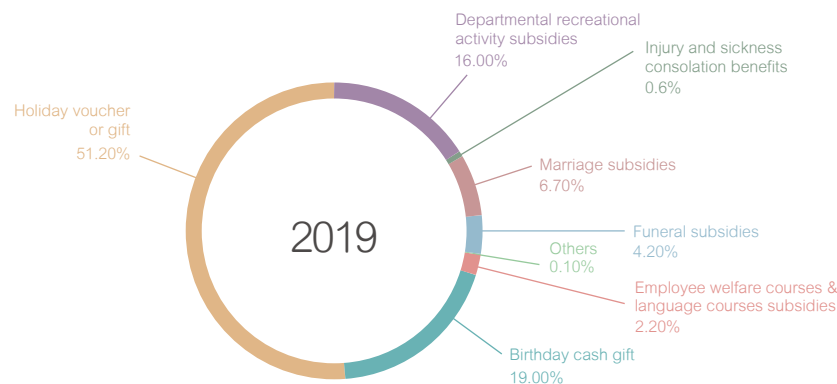
Note 1: America comprises the U.S.A. and Canada.

Note 2: Parental leave: The U.S.A. 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 and allowance. We also support our employees in attending language courses, and provide them with free language courses and/or subsidies. To help relieve stress from work, we arrange employee welfare courses every year, including cooking, baking, aerobics yoga, pop music, etc. In so doing, employees can maintain an exercise routine and stay healthy.

### Expenditure of Welfare Committee Benefits Ratio (%)



## Employee Care

EVA Air promotes its “Employee Assistance Programs” by organizing the staff in various units of the Company, playing the role of “care taker”. This program creates a caring network with Human Resource Division to timely discover, prevent and help employees to solve organizational or personal issues, in order to maintain the physical and mental health, and devote more energies to their jobs. The items in this service program include providing information beneficial to all aspects of the Company’s internal website, holding health and stress management workshops, tracking and managing the employees’ health examinations, advocating prohibition and prevention of sexual harassment, caring for employees’ working hours and working overtime, meals, legal and psychological counseling, medical consulting, stress relief massages, breastfeeding rooms, contracted kindergartens, subsidies for sports clubs and so on.

Female crew members may apply for transferring to ground services during pregnancy. Both Male and female employees can apply for unpaid parental leave, and will be given priority to be reinstated to their former department when they return to work. EVA Air is equipped with breastfeeding rooms and also signed agreements with excellent childcare facilities nearby to offer discounted services. In 2019, there are 126 female crew members temporarily transferred to ground staff; moreover, there are 319 employees applying for unpaid paternal leave, which males is accounted for 1.57% and female is 98.43%. There are 41.11% of employees who were eligible applied for unpaid parental leave, and all applications were approved; 98.97% of these applicants returned to their workplace after their leaves. We provide an excellent work environment which motivates our employees to return to work.

### Statistics of Employee Unpaid Parental Leave in Taiwan

	Female	Male	Total
2019 Number of people eligible for unpaid parental leave	531	245	776
2019 Number of people applying for unpaid parental leave	314	5	319
2019 Percentage of people applying for unpaid parental leave	59.13%	2.04%	41.11%
2019 Number of people who should be reinstated after unpaid parental leave	245	3	248
2019 Number of people applying to be reinstated	235	3	238
Reinstatement rate	95.92%	100%	95.97%
2018 Number of people reinstated	189	6	195
2018 Number of people applying to be reinstated and serving for more than 1 year	187	6	193
Retention rate	98.94%	100%	98.97%

Note 1: Formula of reinstatement rate: No. of people applying to be reinstated / No. of people who should be reinstated

Note 2: Formula of retention rate: No. of people applying to be reinstated in the previous year and serving for more than 1 year / No. of people reinstated in the previous year

## 4-2-2 Communication

### Communication and Complaint

EVA Air holds labor-management meetings according to the Regulations for Implementing Labor-Management Meeting. The management representatives comprise the (deputy) senior vice president or above. The term of the Meeting representatives which was elected in 2015 came to an end on 31<sup>st</sup> October, 2019. In accordance with the Article 5 of the Regulations for Implementing Labor-Management Meeting, the Company sent an official letter on July 31<sup>st</sup>, 2019 to notify EVA Air Union to conduct the labor representative election. However, the Union was subject to employees' petitions since the election process was flawed and was against the employees' right to vote and to be elected as representatives. When the Union failed to complete the election within 30 days after receiving the notification, the Company shall conduct the election according to the regulation. From October 11<sup>th</sup> to 15<sup>th</sup>, the Company conducted the re-election of 8 labor representatives (3 males and 5 females). The authority made a written acknowledgment that the rights and interests of both labor and management can be protected through legal proceedings, and the harmonious relations can also be promoted with projects. Apart from the Meeting, there are also channels, such as interviews and the Employee Welfare Committee, which allow the Company to communicate with employees. Employees can also voice their problems at work via diverse communication channels.

### Labor-management channels/frequency and main content

Communication Channel	Frequency	Main Content
Labor-management meeting	Quarterly	Complaints, coordination, communication and agreement regarding labor-management issues.
Departmental Meeting	Monthly	Convey the Company's future development, operation strategy, and significant information and measures so that employees can better understand and give their opinions.
Union Regular Communication Meeting	Every 2 months	The union puts forward labor-management issues for coordination, communication and agreement.
Cabin Crew Meeting	5 times/month	Convey the Company's internal and external information, exchange ideas and conduct mutual communication with related departments.
Chief Purser Meeting	1 time/month (first half of 2019) *Note	Convey the Company's internal and external information, exchange ideas and conduct mutual communication with related departments.
Flight Crew Seminar	3 times/half year	Convey the Company's internal and external information and latest international aviation news, and exchange ideas.
Employee Welfare Committee	Quarterly	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. The Company can convey our requirements and expectations clearly and provide timely guidance and assistance.

Note: During the second half year of 2019, Chief Pursers can have mutual communication with related departments through Cabin Crew Meeting.



To protect the rights and interests of employees, EVA Air has established guidelines for handling employees' complaints. Employees can file their complaints via official channels. We will then communicate and negotiate with the employees properly to achieve a mutual agreement between the labor and management sides. From 2015 to 2019, there were 47 cases of complaints about practical labor issues submitted officially. The new cases of complaints were about the controversies over Annual Leave arranging rights and salary distribution. In the future, we will strengthen communication regarding the terms of employment to prevent such controversies from happening again. As for the current complaints, we will try to resolve peacefully.

### Statistics of Employee Complaints

	2016	2017	2018	2019
Total case of complaints regarding labor practice issues submitted through the official complaint mechanism (for the current year)	3	8	17	19
Cases of complaints handled (incl. the previous year)	4	10	19	19
Cases of complaints resolved (incl. the previous year)	2	6	17	18
Cases of complaints in process (unresolved)	2	2	0	1

Note 1: The statistics above refer to the cases which employees filed with an external mediation unit or the court. Those cases were handled through an impar tial third party unit, which effectively protects the rights of both labor and management. EVA Air took appropriate actions according to the handling results.

Note 2: The calculation of the case of complaints handled and resolved is "the case of complaints handled and resolved during the reporting period, including complaints filed during the current year and previous year".

Note 3: The case of complaints in progress (unresolved) refers to the case filed formally during the current year which have not been resolved.

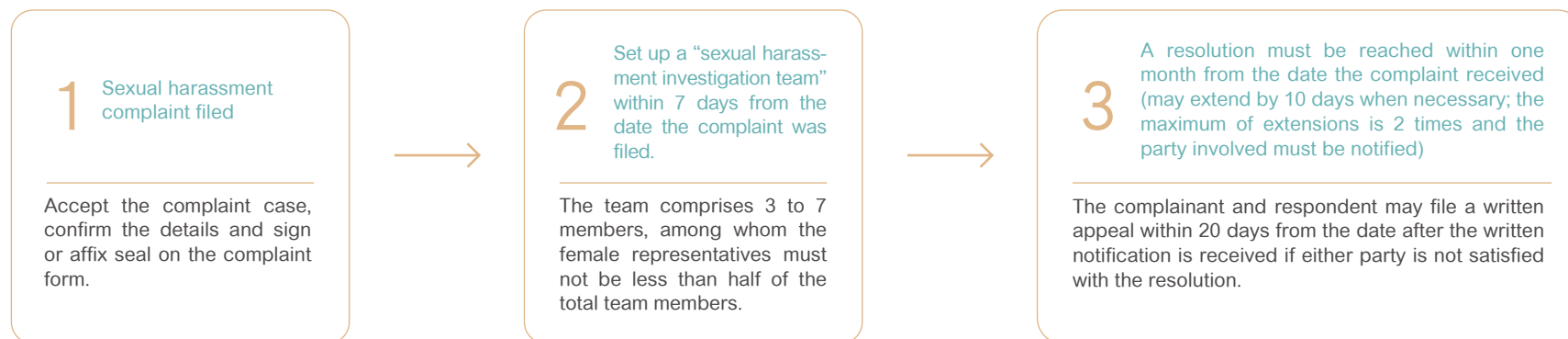
Note 4: The settlement rate for all of the complaints filed by employees within a year was 100%, except for one case filed in 2016 which is still in process.

Because of inevitable weather and air traffic factors, the employees' working hours are often not in keeping with the schedule. 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, 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. 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 in the Workplace” and inform the head of the Human Resources Division. Cases shall reach resolution within one month from the day a complaint received. In 2019, there was 1 case of complaint filed via the formal complaint channel, which was resolved by improving public equipment and holding sex equality courses to promote awareness of gender equality.

### Sexual Harassment Complaint Procedure



### Gender Discrimination/Sexual Harassment Complaint Channel



Ground Staff

Phone No. +886-3-351-5032  
+886-3-351-5035



Pilot

Phone No. +886-3-351-5916  
+886-3-351-5886



Flight Attendant

Phone No. +886-3-351-8805  
+886-3-351-8806

E-mail 134@evaair.com

### Course Implementation on Gender Equality and Human Rights Education

Item	2016	2017	2018	2019
Expected Number of Trainee	3567	4872	5648	4715
Actual Number of Trainee	3567	4872	5648	4715
Implementation Rate	100%	100%	100%	100%

Note 1: Depending on the participants, the gender equality training hours range from half an hour to 3 hours. In 2019, the total training time was 2,889 hours.

Note 2: The implementation rate = The actual number of trainees in the particular year / The expected number of trainees in the particular year. The equation has been adjusted since 2018 as stated.

## 4-2-3 Evaluation

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 2019, the implementation rate of performance evaluations 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. Our sound promotion channels are the key to attract professional talents. Starting from training for new recruits, the direct supervisor of each department will rotate employees according to the performance evaluation, 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. In so doing, we are able to keep our professional talents, creating a win-win situation for the Company and our employees.

### Performance Evaluation and 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 an interview, followed by assessing the progress of the employee's improvement.

#### Flight crew

Each year, there is an annual certification and two evaluations of administrative management. For those who score lower in the evaluation, the fleet management will have an evaluation interview to inform the employee what should be improved and to listen to 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 internal website. For those who score lower, we provide guidance or implement the "Enhancement project", in which the flight purser will comment on the details of the cabin crew's performance. The crew can check their service performance based on the evaluation comments and give feedback to improve themselves accordingly.

## 4-3 Employee Development

Cultivating talents is the foundation of the corporate sustainable development and an essential task to enhance service quality. EVA Air has established a training center, in which resources have been invested with latest training to keep up with 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. In 2019, every employee received an average of 36.1 training hours, 33.1 hours for female and 41.6 hours for male.

### Training

#### Flight Crew

- Cadet training
- New hired pilot training
- Aircraft transition training
- Upgrade training
- Requalification training
- Recurrent training

#### Cabin Crew

- Aircraft transition training
- Upgrade training
- Recurrent training

#### Ground Staff

- Competency training
- Annual training
- International civil aviation organization training

### Average Training Hours of All Job Categories

Unit: hour

Subject	2016	2017	2018	2019	
Each employee	38.4	40.0	34.3	36.1	
Each female employee	38.0	39.2	31.3	33.1	
Each male employee	39.0	41.4	39.9	41.6	
Employee of all categories	Flight crew	68.5	66.0	68.5	68.4
	Cabin crew	49.7	35.6	49.7	38.9
	Ground staff	24.5	25.4	24.5	25.7

Note 1: In 2018, EVA Air did not recruit any ground school trainees and thus reduced aircraft transition and upgrade training; the average yearly training hours was lower consequently.

Note 2: Since 2016, the CPL and MPL courses for the flight crew have been included in the cadet training. This is why the average of training hours of the flight crew saw a larger drop.

Note 3: The table above shows the average hours of training for permanent employees, and excludes those of contingent employees. The cadet training for flight crew is about 23 months (average training hours for each were 709 hours) and 2.5 months for cabin crew trainees (average training hours for each were 464 hours).

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

Note 5: In 2019, the average training hours of management-level employees were 2-15, the total training hours were 4,855, and the total number of trainees is 642.

## 4-3-1 Flight Crew

Flight safety and flight crew performance are closely related. Thus, in addition to continual purchase the highest certified level 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 compiles with the Company's standards. In 2019, the average rate for additional training of our fleets was between 2% to 5%. To fulfill EVA Air's safety mission statement, 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.

In year 2013, EVA Airways founded its subsidiary company, EVA Flight Training Academy, in California, the only flight school owned by an Asian Airline in the U.S. The flight school aims at providing high training quality and ensuring flight safety with its brand new 8 single-engine and 1 twin-engine training aircrafts. It has also been certified by FAA to provide training programs of Private Pilot License, Commercial Pilot License and Multi-Crew Pilot License. EVA Flight Training Academy has been continuously putting effort into its training facilities, including the office building and shade hangar completed in 2017, maintenance hangar opened in 2019 and student dormitory and café in the near future. With all these facilities in place, the flight school expects to provide training to 80 students per year, not only to their own airline student pilots but to those who would like to pursue their careers in aviation. As of 2019, EVA Flight Training Academy has trained 218 pilot students for its parent company. Through its own training system, EVA Airways believes that the quality of the basic flight training has been enhanced which ensures that every airline pilot is well-qualified and meets the highest safety standards required by the company.

### Course Category for New Flight Crew



### 4-3-2 Cabin Crew

To maintain cabin safety and service quality, EVA Air’s training courses make use of simulated real facilities on board and SOPs to conduct simulation training. The courses mainly focus on the operation of all sorts of emergency equipment on an aircraft, countermeasures during emergency situation, as well as learning the techniques and professional knowledge of all service procedures. At the same time, to improve the response operations and service competency of the cabin crew, we hire external teachers to help the crew understand customer attributes in order to provide the best service; the crew can naturally show their confidence and professional demeanor to satisfy the needs and expectations of our customers, making our customers feel well cared for and safe during their flights.

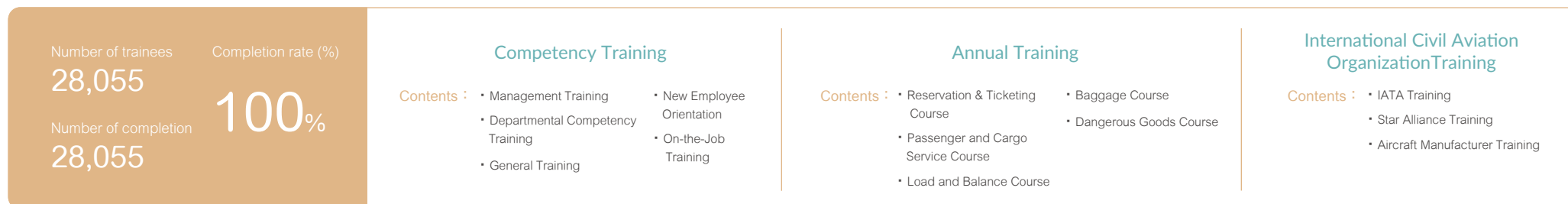
#### Course Category for New Cabin Crew



### 4-3-3 Ground Staff

There are three parts of ground staff training: competency training, annual training and international civil aviation organization training. 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.

#### Course Category for Ground Staff



## 4-4 Friendly Work Environment

### 4-4-1 Management System and Goal

EVA Air has established the “Occupational Safety & Health Committee”, which is responsible for reviewing and coordinating for health and safety. The committee members include 1 chairperson, 1 executive secretary, 1 occupational safety and health management staff members, 1 supervisory staff member related to occupational safety and health operations, 1 medical staff members, 11 departmental supervisors and 8 union representatives. The Committee convenes a meeting every 3 months, in which occupational safety and health policies and related recommendations are discussed and then submitted to EVA Air’s relevant departments for review and implementation. The Occupational Safety & Health Division will supervise and track the implementation progress and report the results to the Committee regularly.

EVA Air’s goal of occupational safety and health is zero violation, zero occurrence, and zero hazard. The hazards and risks of the work environment are reduced through the establishment of the Taiwan Occupational Safety and Health Management System (TOSHMS) and ISO 45001 Occupational Safety and Health Management System. Moreover, by strengthening staff involvement, occupational accident prevention, change management, procurement management, contractor management, and emergency response management, we are able to boost the performance of occupational health and safety management.

### Goal and Major Measures of Occupational Safety and Health

#### Goal



Employee Safety **Zero Occurrence**



Regulatory Compliance **Zero Violation**



Environmental Health **Zero Hazard**

#### Response Measures

##### Safety Management Tasks

- Implement safety and health inspections of workplace.
- Statistical analysis of occupational accidents and case study.
- Inspection and examination of mechanical equipment and vehicles.
- Hazard identification, risk evaluation and control in the workplace.
- Prevention of unlawful workplace violations and environmental health risk assessment on maternal health protection.

##### Health Management Tasks

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

##### Emergency Response Drills

- Self-defense and firefighting team trainings and drills are conducted twice a year.
- Emergency response drill review meetings to review and recommend future improvements.
- Hold infectious disease prevention and response drills.

## Organizational Chart of EVA Air Occupational Safety and Health Management



## Occupational Safety and Health Management



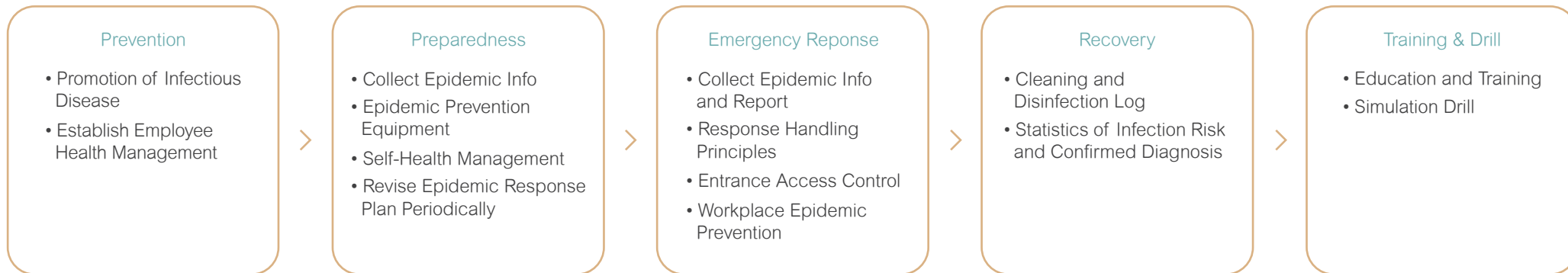
### 4-4-2 Prevention of Occupational Accidents and Health Protection

EVA Air conduct the occupational safety and health risk assessment every year to identify possible operational hazards regarding working environment, personnel qualifications, mechanical equipment, and chemical substances that may be contacted, and to assess the risk level. Although there is no high-risk operation in 2019, each department set management plans and targets for moderate-risk operations, and implement them accordingly. Each department monitor the progress of their target and check whether the targets have been reached. In addition, if an occupational accident occurs in the department, the risk level should be re-evaluated according to the possibility and severity of the occupational accident, and adjusted and improved at any time. We carry out safety control and set up warning signs at operational area. 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. 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.

The Epidemic Prevention and Response Committee is the company's decision-making and supervision unit for infectious disease epidemic prevention and response. In addition to the establishment of a complete employee epidemic prevention website and the COVID-19 information website, the company and the affiliated company also have an epidemic response plan, through prevention, preparation, emergency response, recovery, education and training, and simulation drills to prevent the impact of infectious diseases on the company's operations. On December 18, 2019, EVA Airway was awarded the Gold Quality Award for ranking the first in the evaluation of the "2019 Reward Program for Airlines on Disease Prevention, Preparedness and Response, and Emergency Management" by Taiwan Centers for Disease Control. Through unobstructed communication channels, we quickly provide information to the authorities, and carry out follow-up health management measures to our colleagues to maintain the safety and health of the workplace.

## Epidemic Response Plan

Epidemic Preparedness: Comprehensive and Specific, Epidemic Response: Immediately and Precisely.



### Prevention

- Promotion of Infectious Disease
- Establish Employee Health Management

### Preparedness

- Collect Epidemic Info
- Epidemic Prevention Equipment
- Self-Health Management
- Revise Epidemic Response Plan Periodically

### Emergency Response

- Collect Epidemic Info and Report
- Response Handling Principles
- Entrance Access Control
- Workplace Epidemic Prevention

### Recovery

- Cleaning and Disinfection Log
- Statistics of Infection Risk and Confirmed Diagnosis

### Training & Drill

- Education and Training
- Simulation Drill

## Onsite Medical Personnel Service

Doctors and nurses come to our workplaces periodically and provide health consultations and health education to look 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 2019 Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate (SR) were higher than those in 2018. The occupational accidents of the cabin crew accounted for 88.46% of the total occupational accidents. To effectively reduce the occurrence of occupational accidents, we also promote case examples quarterly and increase 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 59.61% of occupational accidents happened in the cabin, the Occupational Safety & Health Division and the doctors from the Clinic Division provide simulated cabin services every half a year to offer medical counseling. Also, they carry out an on-site observation of the in-flight operations, and then provide suggestions for improvement



362  
times a year



## Occupational Safety & Health Training

Position	Training Course	Session	Attendance
New Recruits Employee	Safety and health educational training	12	728
	Fire safety training & Emergency response drill	2	210
	CPR & AED training	2	198
	Management personnel of occupational safety and health - Initial training	2	2
	Management personnel of occupational safety and health - Retraining	1	22
	First aid personnel trainings - Initial & retraining	3	119
	Internal auditor training for ISO 45001 Occupational health and safety management system	1	2
	Retraining for management personnel of fire safety	1	1
	Education and training for communication of hazard	1	2
Cabin Crew	Stress Relieve Lecture	8	158
Ground Staff	Stress Relieve Lecture	7	157
Flight Crew	Stress Relieve Lecture	1	2

## Stress Relieve Lecture

To comfort employees stress after strike called by TFAU, EVA Air held “Stress Relieve Lecture” to enhance emotion management and stress resistant and share communication skills. The lecture put emphasis on respect, tolerance, solidarity and anti-bullying in workplace. Since July 11<sup>th</sup>, 2019, EVA Air has held 16 lectures with total 317 participants in Taoyuan Nankan Workplace, Taipei EVA Air Building Workplace, Taipei Songshan Airport Workplace, Taiwan Taoyuan International Airport Workplace, Taichung Workplace, Kaohsiung Workplace.



## Number of Major Occupational Accident

	2016	2017	2018	2019
Falls	26	35	41	69
Commuting Accident	23	24	15	16
Contact with high or low temperature	22	19	24	22
Collision	25	15	22	20
Others	52	57	44	81
<b>Total</b>	<b>148</b>	<b>150</b>	<b>146</b>	<b>208</b>

## Health Protection Measures

### Protection Measures

#### Cabin crew

Since most occupational accidents happened in the cabin, in order to understand the in-flight operating environment and potential hazards, the Occupational Safety & Health Division and the doctors from the Clinic Division provide in-flight services every half a year to offer medical counseling for cabin crew. Also, they carry out an on-site observation of the in-flight operations, and then provide suggestions for improvement.

#### Apron personnel

Though the apron personnel do not work all the time on the apron, we still schedule hearing tests for these employees to enhance their health and protect their hearing. If any irregularity is found, the Clinic Division will provide them health education.

#### All employees

- Since cancers and cardiovascular diseases have become the leading killers threatening the health of people in Taiwan, we have already equipped with nine blood pressure monitors, with which the employees can measure 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 employees whose health examinations indicate abnormalities, we actively provide health management and consultations.
- Provide Employee Assistance Program (EAP) :

- Psychological Counseling
- Health Consultation
- Legal Counseling

### Statistics on the Use of Psychological Counseling

	2016	2017	2018	2019
<b>Number of Users</b>	<b>27</b>	<b>43</b>	<b>70</b>	<b>85</b>
<b>Hours of Use</b>	<b>73</b>	<b>111.5</b>	<b>203.5</b>	<b>225.5</b>

## The Statistics of Occupational Accident

● Male ● Female

Education	2016			2017			2018			2019		
	Male	Female	All	Male	Female	All	Male	Female	All	Male	Female	All
Number of Injury	11	137	148	10	140	150	8	138	146	10	198	208
Injury Frequency Rate (FR)	2.03	15.06	10.21	1.65	14.30	9.47	1.23	14.15	9.00	1.49	20.46	12.69
Injury Severity Rate (SR)	54	237	169	17	236	152	17	200	127	58	277	187
Number of Severe Occupational Injury	0	1	1	0	1	1	0	0	0	0	1	1
Severe Occupational Injury Rate	0	0.10	0.06	0	0.10	0.06	0	0	0	0	0.10	0.06
Absence Rate (AR) - Flight Crew	2.19%	4.58%	2.26%	1.58%	1.84%	1.59%	1.48%	5.94%	1.65%	1.58%	3.77%	1.66%
Absence Rate (AR) - Cabin Crew	0.21%	6.92%	6.90%	0.55%	5.42%	5.41%	0.79%	5.09%	5.08%	0.00%	6.20%	6.16%
Absence Rate (AR) - Domestic Ground Staff	0.62%	1.64%	1.16%	0.68%	2.02%	1.38%	0.87%	2.42%	1.68%	0.90%	2.87%	1.93%
Lost Workdays	295	2158	2453	104	2312	2416	111	1960	2071	395	2680	3075
Total Hours Worked by All Employees	5399456	9092993	14492449	6049112	9785008	15834120	6462024	9751513	16213537	6705864	9674032	16379896

Note 1: FR = Number of disabling injury  $\times 10^6$  / Total hours worked by all employees

Note 2: SR = Total lost workdays of disabling injury  $\times 10^6$  / Total hours worked by all employees (the workdays lost should be calculated in Calendar days, excluding the day that the injury happened and returning to work)

Note 3: AR = (Total absence hours / Total hours worked by all employees)  $\times 100\%$ . The total hours absent comprise the hours of sick leave (not restricted to the sick leave due to work-related injury) and leave with personal cause (excluding family care leave).

Note 4: The statistic on occupational injury includes cases involving more than one day of loss, including traffic accidents during commuting.

Note 5: Severe occupational injury refers to employees unable to recover their health condition within 6 months, excluding death.

Note 6: Severe Occupational Injury Rate = Number of severe occupational injury  $\times 10^6$  / Total hours worked by all employees



# 05

Reducing environmental impacts are an EVA Air's responsibility. EVA Air has adopted 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. We implemented proactive actions and set reduction targets for resource consumption and waste production, to promote efficiency on resource use and waste recycling. Our proactive actions include greenhouse gas (GHG) inventory, risk/opportunity identification, energy-saving projects, performance monitoring, etc. 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.



GREEN  
EARTH

Nature is painting for us, day after day,  
pictures of infinite beauty.

*John Ruskin*

2019

## 5-1 Environmental Sustainability

### 5-1-1 Environmental Policies and Management System

EVA Air's "Environment and Energy Policy" applies to all global operation sites, products, services, energy and resources management, waste management, and upstream and downstream of the value chain, including suppliers, joint ventures, transportation, warehousing and other business partners.

Our commitment	Measures
Comply with Environmental and Energy Laws and Regulations	Constantly pay attention to legal changes, evaluate possible impacts, and operate with complete legal compliance.
Promote the Concepts of Environmental Protection and Energy Conservation	Allow the staff to access environment management policies and relevant information through the Environment and Energy Blog, which is updated periodically.
Continue the Improvement of Environment and Energy Performance	Implement the environment and energy management system, regularly assess and review the environment and energy performance, and continue to improve.
Reduce the Environmental Impacts	Identify environmental aspects, control and monitor management performance.
Join the Green Procurement Movement	Issue environmental and energy procurement regulations, the procurement process shall follow this regulations.
Establish a Low – carbon Circular Economy	Use green products and create a culture of environment protection.
Improve Service Performance while Reducing Waste of Energy	Continuously renew equipment to reduce wasteful energy consumption.
Create EVA Air's Green Value	Implement greenhouse gas emission management to mitigate climate change.



### Organizational Chart



In 2015, EVA Air formed the "Environment Promotion Sub-Committee", which is the highest decision-making supervisory unit for environment management policy. The Sub-Committee is divided into four task groups: fuel conservation, environment, energy, and carbon rights; its members consist of the heads, or their authorized agents and relevant divisions. It 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.

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. 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. It has received no complaints of environmental issues from stakeholders in the past 5 years.

## 5-1-2 Environmental Investment

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.

	2016	2017	2018	2019
<b>Major Action</b>	<ul style="list-style-type: none"> <li>Continued to run the ISO 14001 and ISO 50001 to improve management performance</li> <li>Completed the ISO 14064 -1 verification</li> </ul>	<ul style="list-style-type: none"> <li>Started the "Green Travel" - EVA Carbon Offset Program</li> </ul>	<ul style="list-style-type: none"> <li>Recertification every three years of the ISO 14001 and ISO 50001, and the expansion of the certification range to the EVA Air Taipei Building.</li> </ul>	<ul style="list-style-type: none"> <li>Improved our Environmental Management Policy</li> <li>Required suppliers to comply with our new Supply Chain Code of Conduct regarding environmental protection regulations.</li> <li>Continued to run the ISO 14001 and ISO 50001 to improve management performance</li> </ul>
<b>Green Product Procurement (TWD thousands)</b>	12,816	15,687	38,254	73,054
<b>Environmental Operating Expenses (TWD thousands)</b>	149,887	153,906	152,542	157,312
<b>Benefits</b>	<ul style="list-style-type: none"> <li>The action plans resulted in a 1.29% energy-saving rate, and effectively reduced GHG emissions and the consumption of energy and resources.</li> <li>The annual GHG emissions were verified by third -party, which improved the accuracy of emission data, and shall be used for future management reference.</li> </ul>	<ul style="list-style-type: none"> <li>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".</li> </ul>	<ul style="list-style-type: none"> <li>The recertification process is an efficiency evaluation of the operation of the systems that sets performance indicators, improvement methods, and action plans, which will efficiently utilize energy and resources, reduce unnecessary waste.</li> </ul>	<ul style="list-style-type: none"> <li>Implemented power conservation measures effectively reducing power consumption.</li> </ul>

Note 1 : Green product procurement: general items, service supplies, and computer hardware with environmental protection or energy conservation labels.

Note 2 : Environmental operating expenses: Including waste disposal fees, aircraft noise prevention charge, EU carbon emission fee, environmental and energy management System implementing fees, and other relevant expenses on environmental projects (including carbon offset project and green power purchase, etc.).

## 5-1-3 Energy Consumption (Fuel and Power)

In 2019, the overall Energy Use Intensity (EUI) was 131.37 kWh/m<sup>2</sup>. The main power-saving measure has been the replacement of power equipment; from 2016 to 2019, 1,023,831 kWh of electricity had been saved, which is an equivalent of 553,038kg of CO<sub>2</sub>e. EVA Air monitors power consumption at its operating locations in Taiwan (EVA Nankan Park, EVA Air Taipei Building, Bonded Warehouse Building and New Bonded Warehouse Building) to implement energy-saving and carbon reduction measures more effectively, and to confirm the results of various energy conservation projects.

## Power Consumption and Intensity

Item	Unit	2016	2017	2018	2019
<b>Consumption</b>	kWh	23,065,142	23,175,751	25,233,298 *22,526,005(Note1)	26,787,377 *21,857,775(Note1)
<b>Energy Use Intensity</b>	kWh/m <sup>2</sup>	144.48	145.18	123.75 *141.11(Note1)	131.37 *136.92(Note1)

Note 1 : For the consistency of 2016 and 2017 statistical scope, the value excludes power consumption of New Bonded Warehouse Building, which was started operating since 2018.

Note 2 : The total energy consumption here includes the outsourced suppliers' energy consumption.

## Total Energy and Resources Consumption

	Heating Value	Unit	2016	2017	2018	2019
Aircraft Fuel	8000 kcal/L	gal	617,385,422	657,692,464	653,140,524	638,181,322
		MJ	78,225,763,589	83,332,863,670	82,756,110,527	80,860,706,202
Gasoline	7800 kcal/L	L	77,859	83,433	80,844	79,892
		MJ	2,540,939	2,722,862	2,638,345	2,607,295
Diesel	8400 kcal/L	L	45,434	43,486	50,032	55,996
		MJ	1,596,815	1,528,332	1,758,391	1,968,021
Natural Gas	8000 kcal /m <sup>3</sup>	m <sup>3</sup>	109,862	105,091	106,956	110,076
		MJ	3,677,301	3,517,606	3,580,031	3,684,464
Electricity (Note 1)	860 kcal/kWh	kWh	22,913,048	22,964,630	25,012,251 *22,304,958(Note2)	26,601,140 *21,671,538(Note2)
		MJ	82,446,644	82,632,251	90,000,082	95,717,287
<b>Total</b>		MJ	78,316,025,288	83,423,264,721	82,854,087,376	80,964,683,280

Note 1 : Since 2016, in accordance with GHG inventory, the outsourced supplier's power consumption at the Nankan Park has been deducted from the power value.

Note 2 : For the consistency of 2016 and 2017 statistical scope, the value excludes power consumption of New Bonded Warehouse Building, which was started using since 2018.

Note 3 : Energy conversion is calculated based on the Heating value chart of energy product announced by Bureau of Energy announced on OCT 15th, 2019: 1 kcal=4.184 KJ, 1 kWh = 3600 KJ.

## 5-1-4 Resources Consumption and Emission (Water, Waste and Air Pollution)

The water consumption 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.

## Main Power Conservation Measures and Performance

Resolution	Annual Power Saving (kWh)				
	2016	2017	2018	2019	
Lighting Equipment	LED lighting replaced traditional fluorescent lighting	97,937	114,975	-	-
Air Conditioning System	Reinforce air conditioning system operation management, control ice water machine output temperature	240,891	87,600	87,601	21,637
	Implementing Smart Energy Management System	-	-	-	250,712
Audio-visual Equipment	Replacements	759	759	-	-
Elevator Controlling	Adjusting elevators operation in proportion to the number of people in building	-	-	106,920	-
	Replacing cargo elevator with new one and equipping power regeneration device.	-	-	-	14,040
<b>Total Power Saving (kWh)</b>		339,587	203,334	194,521	286,389
<b>Total Reduction of GHG Emission (kg CO<sub>2</sub>e)</b>		179,981	112,647	107,764	152,645
<b>Accumulated Reduction of GHG Emissions (kg CO<sub>2</sub>e)</b>			553,038		

Note 1 : Scope 2 refers to purchased electricity, the emission factors being 0.530 (2016), 0.554 (2017), 0.533(2018-2019) kg CO<sub>2</sub>e/kWh.

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

## Total Water Consumption

Unit: m<sup>3</sup>

	2016	2017	2018	2019
Tap Water	161,525	150,132	147,331 *134,930(Note1)	159,498 *144,091(Note1)
Recycled Water	4,600	1,825	2,253	3,532

Note 1 : For the consistency of 2016 and 2017 statistical scope, the value excludes water consumption of New Bonded Warehouse Building, which was started operating since 2018.



Since the implementation of ISO 14001, the long-term collection and tracking of the quantity of the waste, hazardous industrial waste, and recycled resources has helped our self-management and eliminated the abnormal production of waste. In regards to waste management and reduction, the waste produced at operating locations in Taiwan 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.

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 at Nankan Park

Unit: kg

	2016	2017	2018	2019
<b>General Waste</b>	237,720	215,090	226,090	207,020
<b>Hazardous Industrial Waste</b>	49	58	72	77
<b>Recycled</b>	142,131	71,184	49,990	57,156
<b>Daily Waste Generation per Capita (*Note 4)</b>	0.577	0.506	0.715	0.606

Note 1 : 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 2 : All the hazardous commercial waste is medical waste.

Note 3 : In 2016, EVA Air conducted a major overhaul of the Park, added relevant training equipment and replaced old equipment in line with the introduction of energy-efficient aircraft. The equipment is all recyclable resources; thus, the amount of recycled resources had significantly increased compared to the recent two years.

Note 4 : Basis of calculation for waste generation, 1 day = 24 hrs.

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.

EVA complies with designated airport noise abatement procedures for flight operations to let the noise impact on surroundings reduce to minimum and achieve the goal of silent residence. ICAO and FAA FAR promulgates strict noise standard for all new aircraft models. The noise level of all EVA Air's fleets has complied with basic standard: Chapter 3 by ICAO Annex 16, Volume I and Stage 3 by 14 CFR part 36, Appendix B. Contemporary aircraft boast more silent takeoff and landing performance through optimized airframe and engine system designs. Actually, most of EVA fleets like 787-9/10, 777-300ER/F, A330-200/300, A321-200 have got higher noise standards of Chapter 4 by ICAO Annex 16 and Stage 4 by 14 CFR part 36, Appendix B.

## Estimated Aircraft SOx and NOx Emissions

Unit: ton

Item	2016	2017	2018	2019
<b>Total Aircraft SOx</b>	55.021	56.961	56.972	57.555
<b>Total Aircraft NOx</b>	573.553	593.773	593.893	599.968

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

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

Note 3 : LTO: Landing-Takeoff Cycle.

## 5-2 Climate Change

### 5-2-1 Introducing TCFD

Task Force on Climate-Related Financial Disclosures (TCFD) is a project task force founded by the Financial Stability Board (FSB). The task force mainly develops suggestions for more beneficial and efficient climate-related disclosures. EVA implements 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 management 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.

Level	Index	Our Actions
Governance	The Board of Directors supervises climate-related risks and opportunities	The Corporate Sustainability Committee (CSC) is responsible for implementing the corporate social responsibility policies and specific plans for sustainability governance. It is held quarterly to have general discussions on the aspects of economics, environment and society. A variety of issues are then passed on to each relevant team, which communicates with the stakeholders via various channels, and sets annual targets for the improvement projects. The specific implementation results of each improvement project are tracked by the CSC and reported to the Board twice every year.
	The function of the management level on the assessment and management of climate-related risks and opportunities	The CSC is responsible for the proposal and implementation of sustainability policies, related management guidelines, and specific plans. The President serves as the chair of CSC.
Strategy	The short-, mid-, and long-term climate-related risks and opportunities identified by the organization	Regulation and legal, market, technology, reputation, physical and other risks (as shown in the table below)
	Climate-related risks and opportunities which would have major impact on the organization's business, strategy, and financial plans	
Risk Management	Describe the resilience of the organization's strategy, while taking various climate change scenarios into consideration	The financial impact simulation of risks and opportunities was carried out in three scenarios of 2°C, NDC and BAU, which respectively represent the transitional and physical scenarios under the heating environment of 2°C, 4°C and 6°C.
	The processes of the organization's climate-related risks identification and evaluation	The CSC is responsible for identifying risks and opportunities of climate change, which have potential positive or negative impact on operation. The impact strength and possibility are converted into quantitative values. The level of the risk and opportunity are then evaluated by the product of impact strength and possibility.
	The organization's climate-related risk management process	Evaluate risk control level, control costs, and plan feasibility based on the risk evaluation results, and control risks by adopting one of the four different approaches: eliminating risks, reducing risks, diversifying risks, or bearing risks.
	Describe how the organization's climate-related risk identification, evaluation, and management processes are integrated into the overall risk management	Risk identification, evaluation, and management are based on the standard processes of ISO 14001 and ISO 50001, and the results are regularly reported to the CSC to be summarized, planned, and integrated into the Company's overall risk management strategies.
Metrics and Targets	The climate-related risk and opportunity evaluation index used by the organization in compliance with its strategies and risk management processes	Through requirements of international organization, regulations, and comparing with other airlines, we've developed different indicators to measure climate-related risks and opportunities, and management performance.
	Disclose the emissions of Scope 1, 2, and 3 and their related risks	The GHG emissions are disclosed in the annual CSR reports in accordance with the ISO 14064-1 standard. According to the 2019 GHG inventory results, Scope 1 emissions account for 99.75% of the overall organizational emissions; therefore, fossil fuel consumption and price fluctuations are major operational risks.
	The goals of the climate-related risk and opportunity management, and the performance of related goals	Comply with IATA's common targets for airlines

## Regulation and Legal Type

Item	European Union Emission Trading Scheme	Taiwan GHG Reduction and Management Policies	Carbon Offsetting and Reduction Scheme for International Aviation
<b>Description of Risks</b>	In 2012, the EU began to apply carbon emission control measures to all operating airlines inside the EU.	The nation's long-term GHG reduction target is to reduce the 2050 emissions by more than 50% of the 2005 emissions. The emissions exceeding the allowance will be charged penalty.	ICAO regulates that airlines should conduct carbon emissions monitoring according to the Emission Monitoring Plan starting from 2019, and comply with the relevant regulations of CORSIA.
<b>Negative Impact</b>	<ul style="list-style-type: none"> <li>Increase operation costs</li> <li>Reduce asset value</li> <li>Dispose assets early</li> </ul>	<ul style="list-style-type: none"> <li>Increase operation costs</li> <li>Reduce asset value</li> <li>Dispose assets early</li> </ul>	<ul style="list-style-type: none"> <li>Increase operation costs</li> <li>Reduce asset value</li> <li>Dispose assets early</li> </ul>
<b>Impact Subjects</b>	<ul style="list-style-type: none"> <li>Company's operation</li> </ul>	<ul style="list-style-type: none"> <li>Company's operation</li> </ul>	<ul style="list-style-type: none"> <li>Company's operation</li> </ul>
<b>Impact Strength</b>	Medium-high	High	Medium-high
<b>Response Measures and Opportunities</b>	<b>Highest Level of Management and Duties</b>	President / ensure no damage or loss to the Company operations	President / ensure no damage or loss to the Company operations
	<b>Strategic Plan</b>	Faithfully comply with the European Union Emission Trading Scheme	Purchase the latest Boeing 787, and continue to introduce energy-efficient passenger aircrafts such as Boeing 777-300ER, Airbus A321, etc.
	<b>Risk Management Action</b>	Have related departments to be in charge of this item	Monitor and control carbon emissions
	<b>Goal</b>	100% compliance with international regulations to ensure the Company's competitiveness	Control and reduce emissions according to the Act

## Market, Technology, Reputation and Other Type

Item	Energy Cost	Changes in Customer Preferences	Epidemic Diseases
<b>Description of Risks</b>	The aviation industry needs to operate with a large amount of fossil fuels. The market prices are greatly affected by international political and economic condition, in the face of rising raw material costs, the relative expenditure costs increase.	As customers' environmental awareness rises, they may choose airlines with better fuel efficiency.	Epidemic diseases such as COVID-19 may transmit widely through the movement of global travelers. The epidemic prevention measures and infection levels of various countries will have an impact on air transportation and tourism.
<b>Negative Impact</b>	<ul style="list-style-type: none"> <li>Increase operation costs</li> </ul>	<ul style="list-style-type: none"> <li>Reduce revenue</li> </ul>	<ul style="list-style-type: none"> <li>Reduce revenue</li> </ul>
<b>Impact Subjects</b>	<ul style="list-style-type: none"> <li>Operation</li> </ul>	<ul style="list-style-type: none"> <li>Upstream and downstream value chain</li> <li>Operation</li> </ul>	<ul style="list-style-type: none"> <li>Upstream and downstream value chain</li> <li>Operation</li> </ul>
<b>Impact Strength</b>	High	Medium	Medium-high
<b>Response Measures and Opportunities</b>	<b>Highest Level of Management and Duties</b>	President / ensure normal company operations	President / ensure the Company's operation are not affected
	<b>Strategic Plan</b>	Stay informed on international energy trends, maintain a stable energy supply, and adjust operations according to energy supply to reduce costs	Continue to introduce a modern fleet to promote a high-efficiency air transportation network
	<b>Risk Management Action</b>	Establish a dedicated fuel procurement department to stay informed on global energy trends and execute risk prevention measures	Continue to improve fuel conservation measures, and regularly monitor the performance and results.
	<b>Goal</b>	Maintain normal operations in times of an unstable energy market	Introduce 24 Boeing 787 by the end of 2022.

## Physical Type

Item	Typhoons and Torrential Rain	Ice and Snow Damage	Extreme Heat and Drought	
<b>Description of Risks</b>	Unpredictable strong gusts or intermittent torrential rains, which impact flight safety and operations.	The 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 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.	
<b>Negative Impact</b>	<ul style="list-style-type: none"> <li>Reduce revenue</li> <li>Increase operation costs</li> <li>Increase asset costs</li> </ul>	<ul style="list-style-type: none"> <li>Reduce revenue</li> <li>Increase operation costs</li> <li>Increase asset costs</li> </ul>	<ul style="list-style-type: none"> <li>Reduce revenue</li> <li>Increase operation costs</li> </ul>	
<b>Impact Subjects</b>	<ul style="list-style-type: none"> <li>Upstream and downstream value chain</li> <li>Operation</li> </ul>	<ul style="list-style-type: none"> <li>Upstream and downstream value chain</li> <li>Operation</li> </ul>	<ul style="list-style-type: none"> <li>Upstream and downstream value chain</li> <li>Operation</li> </ul>	
<b>Impact Strength</b>	Medium	Medium	Medium	
<b>Response Measures and Opportunities</b>	<b>Highest Level of Management and Duties</b>	President / ensure no damage or loss to the Company operations	President / ensure no damage or loss to the Company operations	President / ensure the operation's service quality meets client needs
	<b>Strategic Plan</b>	Correctly obtain global climate information and accurately analyze various risk values	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
	<b>Risk Management Action</b>	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
	<b>Goal</b>	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.

## 5-2-2 GHG Emission

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

### Airline Industry's Common Goal of Carbon Reduction



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

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

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 to 2019. 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 GHG emission status and trend. The yearly emission ratios of Scope 1 and Scope 2 indicate that due to the characteristics of the aviation industry, Scope 1 occupies over 99% of the overall emission. In recent years, the expansion of flight routes and the upscale of operations have caused a gradual increase in total GHG emissions annually. Despite the additional destinations, number of aircraft, and the new building in operation in 2018 and 2019, there was a slight reduction in the total emissions, which was indicative of the improved fuel and energy use efficiency of the Company's new fleet.

### GHG Emissions

Unit: ton CO<sub>2</sub>e

Item	2016	2017	2018	2019	
<b>Scope 1 for Aircraft Operations</b>	5,916,183	6,302,431	6,258,811	6,115,529	
<b>Ground Operation</b>	<b>Scope 1 for Non-aircraft Operations</b>	841	802	1,236	873
	<b>Scope 2</b>	12,144	12,722	13,856	14,178
<b>Total</b>	5,929,168	6,315,955	6,273,903	6,130,580	

Note 1 : The GHG inventory boundary of 2016 and 2017 includes Nankan Park, Bonded Warehouse Building and EVA Air Taipei Building. Since 2018, the New Bonded Warehouse Building was added to GHG inventory scope.

Note 2 : Scope 1 for aircraft operations are total aviation fuel consumption, including training flights, testing flights and maintenance.

Note 3 : The Global Warming Potential (GWP) defined in IPCC AR4 has been chosen and correctly referred by the Organization.

Note 4 : Scope 2 refers to purchased electricity, the emission factors being 0.530 (2016), 0.554 (2017) , 0.533 (2018, 2019) kg CO<sub>2</sub>e /kWh.

### Fuel Efficiency and Emission Intensity

Item	Unit	2016	2017	2018	2019
<b>Passenger Aircraft</b>	L/RPK *100	4.6975	4.6815	4.5134	4.4492
<b>Cargo Aircraft</b>	L/FTK	0.1160	0.0925	0.0785	0.0721
<b>Scope 1 for Aircraft Operations</b>	Ton CO <sub>2</sub> e / thousand RTK	0.816	0.806	0.780	0.782

Note 1 : The fuel efficiency excludes fuel consumption of training flight, maintenance and testing flights.

Note 2 : Scope 1 for aircraft operations are total aviation fuel consumption, including training flights, testing flights and maintenance.











## 5-2-3 Fuel Conservation Measures and Performance

The various fuel conservation measures at EVA Air are planned and executed by the "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. In 2019, EVA Air saved a total of 17,677 tons of fuel, or an equivalent of emissions reduction of 55,683 tons of CO<sub>2</sub>e.

## Fuel Conservation Measures and Action Plans

<b>Fleet Modernization</b>	Purchase the Boeing 787
<b>Aircraft Weight Reduction</b>	Weight reduction of service items, new baggage and cargo container, water load, electronic flight bag
<b>Flight Operations</b>	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)
<b>Aircraft Maintenance</b>	Reinforce operational inspections of aircraft maintenance, maintenance for fuel conservation, regular aircraft cleaning

## Results of Major Fuel Conservation Measures

	Unit	2016	2017	2018	2019
 Flexible Adjustment of Water Load	Ton	854.0	909.4	903.6	1,000.3
 Fuel Policy Improvement	Ton	829.9	850.0	908.3	799.3
 Alternate Airport Selection	Ton	2,219.9	2,512.7	3,391.2	2,532.5
 New Baggage and Cargo Container	Ton	2,938.4	3,044.0	3,026.9	3,009.4
 Flight Plan Optimization	Ton	6,975.0	7,091.3	7,160.5	7,661.0
 APU Usage Reduction	Ton	3,094.3	4,305.5	4,999.4	2,504.0
 Electronic Flight Bag	Ton	136.8	143.9	142.6	142.3
 Aircraft Weight Reduction Plan	Ton	-	11.4	27.7	25.2
 Total Fuel Savings	MJ	714,994,191	791,319,568	862,280,906	741,361,445
 CO <sub>2</sub> e Emission Reduction	Ton	53,702	59,435	64,765	55,683

Note 1 : Basis of calculation for CO<sub>2</sub> emission reduction, 1 ton of aviation fuel = 3.15 tons CO<sub>2</sub>e.

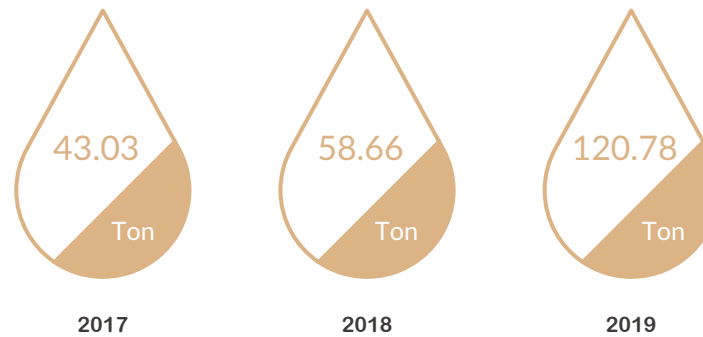
Note 2 : Projects with fuel conservation results related to aircraft weight reduction utilized actual fuel consumption/takeoff weight to calculate the fuel efficiency per unit weight.

## 5-2-4 Carbon Offset Program

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](http://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".

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. Since the system went live in May 2017 until the end of 2019, a total of 222.47 ton of CO<sub>2</sub>e had been offset.

### Carbon Offset



EVA Air adheres to the spirit of taking and using from the society, and actively participates in social welfare through diverse channels based on the characteristics of the aviation industry and own resources. We continue to promote the concept of flight safety education, and promote Taiwan's tourism overseas actively. In collaboration with the Chang Yung-Fa Foundation, we make the most effective use of the resources. In addition, EVA Air has also sponsored arts and sports events, so that Taiwanese activities can be geared to international standards. EVA Air will continue to advance towards the goal of a better social prosperity with practical actions.

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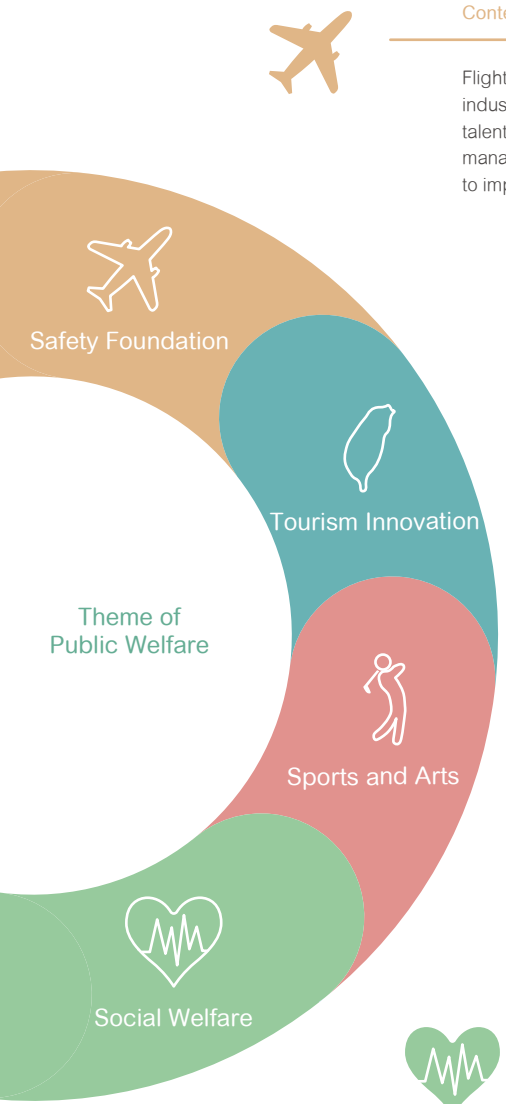


SOCIAL  
INCLUSION AND  
COMMUNITY  
ENGAGEMENT

Diversity and inclusion, which are the real grounds for creativity, must remain at the center of what we do.

*Marco Bizzarri*

2019



Contents

Flight safety is the core of the aviation industry; we invest in education and talent development, and share our management and practical experience to improve the flight safety culture.

Subject

- Aviation industry
- Employees
- Students
- Passengers

Input Method

- Establish the safety gallery as University lecturers
- Sponsorship for flight safety seminar
- Technology and experience sharing
- Compassionate doctors on board
- Cash: NTD 0.06 million
- 51 teachers
- Accumulated 711 teaching hours

Social Impact

- Enhance flight safety awareness
- Develop aviation talent
- Promote flight safety knowledge and technology
- Provide passenger medical assistance



Contents

The relationship between tourism and aviation is symbiotic. Through the tourism activities and overseas promotion, we discover Taiwan's culture and local characteristics to promote international tourism and community development, flipping the economy.

Subject

- Organizers
- the community
- the government

Input Method

- Sponsorship for sightseeing activities
- Overseas tourism promotion
- Cash: NTD 11.82 million
- 82 free tickets
- EVA Air own publicity resources: approx. valued NTD 2.59 million
- Barter tickets: approx. valued NTD 1.5 million.

Social Impact

- Boost local economic development
- Invigorate Taiwan's tourism
- Youth entrepreneurs returning hometown



Contents

Sports is an important foundation for the country development. We sponsor international events and sports players, and assist foreign performance groups to Taiwan to let arts and culture enrich the soul and spirit of the Taiwanese.

Subject

- Organizers
- Athletes
- Sports teams
- the general public

Input Method

- Sponsorship for international competition
- Sponsor sports players to participate in international competitions
- Assist foreign arts and cultural groups
- Hold "EVA Air Half Marathon"
- Support literary creation
- Cash: NTD 66.68 million
- 477 free tickets
- Ticket exchange voucher: approx. valued NTD 19.77 million

Social Impact

- Enhance art and culture accomplishment
- Train sports players
- Invigorate sports atmosphere
- Popularize city tourism
- Advance public knowledge



Contents

In collaboration with the Chang Yung-Fa Foundation, through donating items to continue their value. We also actively promote tourism, knowledge and literature education, and assist the disadvantaged and communities development.

Subject

- Chang Yung-Fa Foundation
- the fireman
- Community and media
- Disadvantaged groups

Input Method

- Donate computers
- Sponsor educational lectures and events
- the disadvantaged caring and emergency relief
- Transport the equipment for fire brigade
- Cash: NTD 8.69 million
- 5 free tickets
- 6 upgrade certificates

Social Impact

- Improve social welfare
- Knowledge Diffusion
- Assist community development

Note: The total value of cash, tickets, and all sorts of resources for sponsorships is approx. NTD 177.77 million.

## 6-1 Safety Foundation

### 6-1-1 EVA Air Safety Gallery

Internally, EVA Air continues to carry out safety training for our employees to ensure that our colleagues will diligently find problems, carefully look into the reasons behind them, and determinedly adopt effective improvement measures, in addition to adhering to the standard operating procedure when performing their tasks so as to ensure passenger and flight safety. Externally, EVA Air ought to be more proactive in terms of providing social education. We not only establish a safety gallery, but also consistently promote our safety philosophy.

### 6-1-2 Talent Development

#### National Cheng Kung University, NCKU

In 2013, EVA Air unveiled the Civil Aviation Engineering Program in a corporate-academic partnership with the NCKU, to help advance the education of aviation professionals and nurture aviation engineering talents. 2019 marked the seventh year of the program, and EVA Air has appointed professionals in flight operation, dispatch, flight safety, and maintenance with 156 hours of lectures given. The students also took 345 hours of internship with EVA Air and EGAT during the winter and summer breaks; the total hours of the program in 2019 were 501 hours with a 25-member faculty.

Besides offering annual scholarships for well-performing students, we also give those who have completed the program priority in hiring.

#### Civil Aviation University of China, CAUC

To promote communication of cross-strait air control and maintenance, EVA Air has signed a collaboration agreement with CAUC since 2006. The CAUC assigns teachers and students to Taiwan to exchange experience on maintenance, flight safety, dispatch and other fields. In 2019, the CAUC assigned teachers and students from College of Air Traffic Management and SIAE to EVA Air for 3 weeks each.

#### Civil Aviation Engineering Program

##### Aircraft Subsystems and Operations

Understanding the basic aircraft systems and practical maintenance training

##### Aviation Safety Management

Understanding aviation safety theories and applications from individual and overall perspectives

##### Basic Flight Operation

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



### 6-1-3 Compassionate Doctors on Board

EVA Air launched the "Compassionate Doctors on Board" program to enhance the flight safety of passengers, and invited the physician to join the program. When passengers have unexpected medical needs on board, the physician can provide professional medical assistance immediately. The flight information of physicians joining this program will be provided to the flight attendants on duty, and the flight attendants may consult with them if necessary to assist EVA Air and MedLink in providing medical advice to passengers. This program is also supported by Taiwan Medical Association, which jointly reviewed a total of 402 physicians joining the program in 2019.



### 6-1-4 Sharing Safety Experience

#### Flight Operations Risk Assessment System, FORAS

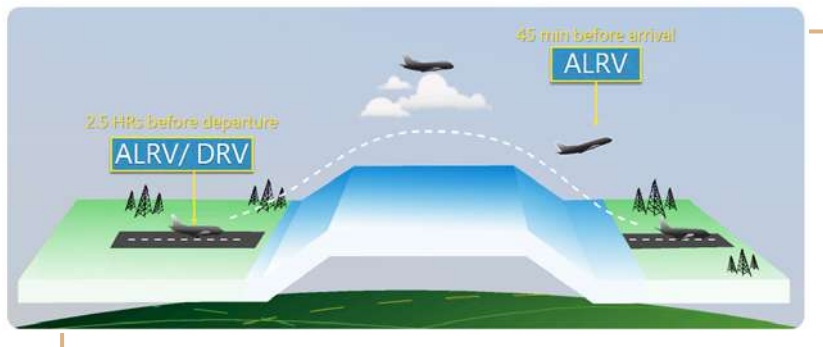
Since 2005, EVA Air has worked with United States Naval Research Laboratory in developing the FORAS. The system uses information on instant crew, weather, navigating facilities and aircraft equipment to conduct risk assessment on every flight to provide the crew with current information about the flight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

EVA Air has put forward the concept of FORAS in the past flight safety meetings and shared its own practical experience, attracting tremendous attention from the industry. We promote FORAS, which has been invested with a large quantity of resources, to the global aviation industry with non-commercial approach. EVA Air worked with the Flight Safety Foundation in 2016 to introduce the FORAS structure and present our implementation results on the Workshop. In 2019, EVA Air work with Flight Safety Foundation-Taiwan and 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. As of 2019, we have assisted two airlines in promoting the construction of the FORAS system.

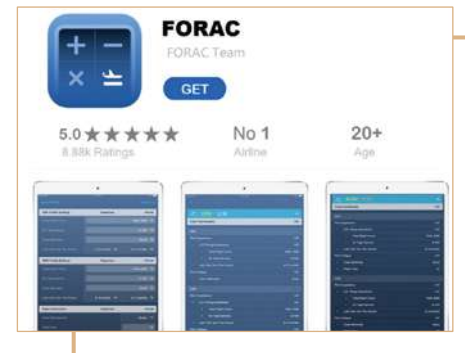
#### Flight Operations Risk Assessment Calculator, FORAC

In addition to sharing the FORAS system, EVA Air also developed the downloadable FORAC App for global pilots to analyze the operational risks of their flights. EVA Air also introduced this App at the International Air Safety Summit on November 4-6<sup>th</sup>, 2019.

#### Schematic diagram of FORAS parameter structure



#### FORAC App



## International Air Safety Summit, IASS

The 72<sup>nd</sup> annual IASS was held on Nov. 4-6<sup>th</sup> 2019, organized by the China Aviation Development Foundation, CADF, and the U.S Flight Safety Foundation, FSF. Conor Nolan, chairman of FSF's board of governors, Hassan Shahidi, CEO of FSF, and Wang Kwo-Tsai, chairman of CADF, welcomed around 350 experts from more than 30 countries to Taiwan. This international convention has ended successfully with nearly two years of hard work. EVA Air co-organized and sponsored NTD 700 thousands and two stands, and more than 20 supervisors attended the meeting.

There were 11 seminars conducted during the three-day convention including international aviation safety assessment, the safety culture from an Oriental perspective, future unmanned aerial vehicles, technology development of aircraft cockpit, aviation safety analysis data sharing, repair/maintenance safety culture, flight crew training, physical and mental health of flight crew, etc.

The papers published by EVA Air:

1. "The Application of Artificial Intelligence to Causal Analysis of Firm Landing Event-EVA Perspective and Practice"
2. "FORAC (Flight Operation Risk Assessment Calculator)-An App for pilots".



## Military Visit

In order to let the Prosecutors Office understand pilot training and incident investigation and to let the NCSIST understand pilot training content of civil aviation and practical practices of safety management, both of them were invited to visit EVA Air. We also invited persons in charge in various fields to elaborate and make every effort to improve flight safety. Furthermore, EVA Air assists the military in providing emergency evacuation training for the flight crew and flight observation for pilots, in the hope of contributing to the flight safety in military aviation.



## 6-2 Tourism Innovation

### 6-2-1 Boost Local Tourism

EVA Air commits to giving back to the country and local communities, and reinforcing neighborhood relations. In 2019, we sponsored many local events in Taiwan. In a bid to raise Taiwan's global profile as a beautiful and enthusiastic 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.



#### Sponsored Projects and Events

- 2019 Taiwan Lantern Festival in Pingtung
- Taiwan International Balloon Festival
- 2019 Taipei Lantern Festival
- 2019 Christmasland in New Taipei City
- Chihshang Autumn Harvest Arts Festival
- 2019 Taoyuan Countdown Party
- 2019 Taoyuan Shihmen Reservoir Hot Air Balloon Fiesta
- 2019 Kaohsiung Countdown Party
- The National Day Gala in 2019
- Raising Takeshi Kaneshiro Tree in Taitung



### 6-2-2 Overseas Tourism Promotion

#### Taiwan Tourism

EVA Air has been promoting the Taiwanese tourism in a long-term partnership with local tourism authorities. In 2019, EVA worked with New Taipei City's Tourism & Travel Department to hold a tourism exhibition and promotional event in Malaysia, aiming to attract tourists in Asia to visit Taiwan. In 2020, EVA will continue to collaborate with relevant tourism bureaus to attract tourists to Taiwan from northeast and southeast Asia.



## 6-3 Sports and Arts

### 6-3-1 Sponsorship for Sports Events

EVA Air provides Taiwanese athletes with airline tickets when they travel abroad for competitions to alleviate their financial burden. EVA Air also pay efforts to support local teams through its global branches, strengthen the connection between the brand, local communities, and consumers, thereby letting everyone knows EVA Air, the airline from Taiwan.

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 and build a sound environment for nurturing future sports talents.

### 6-3-2 Sponsorship for Sports Players

#### Badminton

Tai Tzu-Ying, the world No.1 record holder of female badminton player, is sponsored by EVA Air. In recent years, she has been triumphant on the court with her outstanding performances. Besides Tai, EVA Air has also been sponsoring another badminton player, Wang Tzu-Wei, who has shown considerable potential. EVA Air will continuously provide sponsorships for the athletes, hoping that these Taiwanese athletes will keep delivering outstanding performances in the future.

#### Golf

The excellent golf player, Pan Cheng-Tsung, is one of EVA Air's sponsored athletes, and the first Taiwanese golfer to win the PGA Tour since 1987. He has earned many impressive achievements at the international tournaments in recent years. Since 2017, EVA Air also started to sponsor three potential golf players selected by the Swinging Skirts Golf Foundation. The stars of 2019 are Hsu Wei-Ling, Lee Min, and Chien Pei-Yun.

#### Sponsored Projects and Events

- 2017-2022 Houston Texans
- 2018-2022 English professional football club - West Ham United Football Club
- 2018-2022 Los Angeles Angels
- 2019-2022 Oakland Athletics
- ANA Open Golf Tournament 2019
- LPGA HSBC Singapore Women's World Championship 2019
- YONEX Chinese Taipei Open 2019
- 2019 Taiwan Swinging Skirts LPGA Championship
- OEC Open Series 2019
- 2019 Taiwan Women's Golf Open
- LPGA Honda Thailand Women Golf Tournament 2019
- Brisbane Racing Club Sponsoring 2019
- 2019-2020 Ligue 1 football club in French- Stade de Reims

#### Marathon Runners

Road Running has been a trend in recent years. Following the first ever EVA Air Marathon held in 2018, EVA Air has started sponsored Hsieh Chien-Ho and Chou Ting-Yin, two top marathon runners in Taiwan. The Sponsorship is expected to strengthen the connection between the brand and marathon event.

#### Tennis

EVA Air has been sponsoring Chan Yung-Jan since 2008, Chan Hao-Ching since 2012, and male tennis players Lu Yen-Hsun since 2015. With the support of EVA Air, talented Taiwan athletes can gain experience at international sporting events without financial worries. In recent year, the outstanding performance of these players also help increase Taiwan's global presence.



## 2019 EVA Air Half Marathon

EVA Air is committed to promoting sports activities. In addition to sponsoring sports players and events, EVA Air held "Half Marathon" since 2018, in collaboration with the Taipei City Government, the Tourism Bureau of MOTC, Taipei City's Department of Sports, Nike, and the Chinese Taipei Road Running Association. To promote tourism in Taiwan and to increase the exposure, international media was invited to participate in and to interview the event in past two years. In addition, the concept of "Race to the World" was first launched in 2019. It is hoped that foreign runners can come to Taiwan for sightseeing through this event, and domestic runners can continue to participate in international marathon around the world. In the past two years, EVA Air donated part of the application fee to the Child Welfare League Foundation and Little happiness link Social Welfare Foundation to fulfill corporate social responsibilities.



## 6-3-3 Arts and Culture Activities

### Support Musical and Cultural Events

EVA Air continue to assist the organizer to invite excellent foreign performance groups to Taiwan, by offering discount tickets and extra baggage allowance. 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 the global perspective.

### An Excellent TV and Film Culture

Quality TV or film projects are typically labor-intensive and costly. EVA Air continues to sponsor Taiwan's film and TV production by sponsoring cash, tickets and free excess baggage, and co-organized the 56<sup>th</sup> Golden Horse Awards, the 54<sup>th</sup> Radio Broadcast Golden Bell Awards and the 30<sup>th</sup> Golden Melody Awards. We hope to make a positive impact to the society by encouraging creative works.

## 6-3-4 Literary Creation

EVA Air supports United Daily News, China Times and other media to promote high-quality columns and disperse knowledge. Through different domestic and foreign subjects, more readers can discover the vigorous vitality of Taiwan and expand their horizons.



### Sponsored Projects and Events

- United Daily News Column "a Crash Course on Global Affairs"
- The Tourism Consumers Forum Held by Consumers' Foundation
- Sponsorship of China Times Column "Taiwan 368 - Rediscover the fascinating hometown"
- Common Wealth Magazine special edition "Ocean Dream"
- Economic Daily News "Prosperity Kaohsiung Forum"
- The 40<sup>th</sup> "Want Want Times Literature Award"



### Sponsored Projects and Events

- |  |   |   |
|--|---|---|
| ○ Blue Man Group, DUO BALDO, b Vocal Concerts                | ○ Beauty and the Beast in Concert         | ○ Rudolf Buchbinder Piano Recital                                 |
| ○ The Musical "Notre Dame de Paris"                          | ○ Star Wars: A New Hope Film in Concert   | ○ 2019 Taipei Music Academy & Festival                            |
| ○ "What Circus!" An Exhibition/ Workshop on Alexander Calder | ○ PIXAR in Concert                        | ○ 8 <sup>th</sup> Eelin Star Model and Talent Search              |
| ○ Disney the Little Mermaid in Concert                       | ○ COCO in Concert                         | ○ 5 <sup>th</sup> National Geographic international photo contest |
| ○ Harry Potter IV & V in Concert                             | ○ Star Organist Cameron Carpenter Concert | ○ Evergreen Symphony Orchestra Vietnamese Debut                   |
| ○ LA LA LAND In Concert                                      | ○ Seong-Jin Cho Piano Recital             | ○ Evergreen Symphony Orchestra "Classical Music Feasts"           |



## 6-4 Social Welfare

### 6-4-1 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 donating resources to those in need of help. The Foundation also manages a symphonic orchestra and developing music talents, spreading Taiwan's art and culture to the world; moreover, the Evergreen Maritime Museum was established to promote naval educational programs. The Foundation's 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.

EVA Air donated 320 pieces of secondhand wardrobes, 22 pieces of couches and 150 used computers (with monitors) in 2019. Upholding the idea of cherishing resources, we donated the reusable materials to the schools and organizations through the professional charitable services provided by the Chang Yung-Fa Foundation. The resources could be further reused, helping to improve students' living quality, as well as the learning environment.

### Voting Event for the Biggest News Story of 2019

EVA Air sponsored Voting Event for the Biggest News Story of 2019 hosted by United Daily News and Chang Yung-Fa Foundation; it has striking a chord with many viewers for years. The voting result was published at the press conference in the end of the year and attracted the masses concern to public issues in 2019.

### 6-4-2 Neighborhood Relations

#### Adopt Highway side slope (Land serial No. 504-1)

To make the living environment more comfortable, EVA Air has signed 3-year contracts to adopt the trees on the road with Taiwan Area National Freeway Bureau since 2013. EVA Air budgets for landscaping side slopes every year. In 2019, the contract was renewed for three more years till 2022, in which EVA Air promised to grow flowering plants. The flowers bloom all year round, making the surroundings beautiful and providing excellent roadside landscape for road users.

#### Support the Fire Brigades

Since 2015, EVA Air has sponsored free excess baggage for the fire brigades that participated in Belgium's Grimptday, a world-class rope rescue contest, in which the contestants join with own expense. As the rescue equipment is numerous and bulky, EVA Air fully sponsors the transportation of the equipment to encourage fire brigade to compete in this international event. In 2019, we sponsored a total of 300 kg of free excess baggage for the fire bureaus of Yunlin to participate CMC GRIMP at the U.S.A.

### 6-4-3 Care for the Disadvantaged

EVA Air has spared no effort in social welfare, and has been dedicated to the charity activities of non-governmental foundations. Upholding the corporate social responsibility, we subscribes "Premium Grade Rice" from the Chi-shang Farmers' Association every year for the in-flight meals. EVA Air hopes to attract more companies to promote Taiwanese delicious food internationally together.



#### Sponsored Projects and Events

- Ronald McDonald House Charity Dinners
- Sponsorship of 2019 The Anue Group Charity Event
- 16<sup>th</sup> Annual TAS Gala Ball
- Purchase Chi-shang Premium Grade Rice
- Sponsorship to Chou Ta-Kuan Cultural & Educational Foundation

EVA Air continues to promote Corporate Governance with upholding the principle of ethical management. The Company had been ranked among the top 5% of the best listed companies for three consecutive years with extraordinary performance through the “2<sup>nd</sup> to 4<sup>th</sup> “Corporate Governance Evaluation” organized by Taiwan Stock Exchange Corporation (TWSE). As for the 5<sup>th</sup> and 6<sup>th</sup> “Corporate Governance Evaluation”, the Company was ranked in the range of 6% to 20% of all selected listed companies, representing EVA Air’s excellent implementation of Corporate Governance.

07





## CORPORATE GOVERNANCE

The real mechanism for corporate governance is the active involvement of the owners.

*Louis V. Gerstner*

2019

## 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.
- Took out liability insurance for directors, supervisors and key staff members.

### Protecting Investor Rights and Interests

The electronic voting system has been implemented in the shareholders' meetings, the candidate nomination system was 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 were allowed to make independent judgments and provide objective opinions on corporate governance matters.
- In accordance with the "Regulations Governing the Board Performance Evaluation" formulated by the Board of Directors, the Board 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.

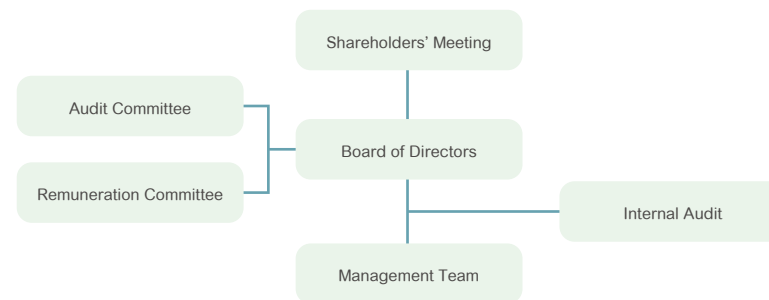
The results of 2019 Self-evaluation of performance of the Board was "Good". As for Self-evaluation of performance of Board members (for themselves) and Self-evaluation of performance of the functional committees, the results were both "Excellent".

	Self-evaluation of Performance of the Board of Directors	Self-evaluation of Performance of Members of the Board of Directors (for themselves)	Self-evaluation of Performance of the Functional Committees
Overall Average Score	2.99	3.00	3.00
Results	Good	Excellent	Excellent

Note: Under 2 points means "requiring improvement", 2-3 "good", and 3 "excellent" (3 points for full marks).

## 7-1 Ethical Management

### 7-1-1 Corporate Governance Framework



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. Three directors' ages are under the age of 60, and the others are above 60 years old. The term of office of a director is three years. 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 transportation and law. Independent directors provide professional opinions and the thinking model of multi-aspects based on their rich experiences, which helps the Board of Directors to make the most beneficial policies for operation.

- Articles of Incorporation
- Regulation for Electing Directors
- Rules and Procedures of Board of Directors Meetings



English version



Mandarin version

## Structure of the Board of Directors

The Chairman of EVA, whose main duty is to supervise the management level to ensure that the business operation conforms to the business philosophy of EVA Air. The President, whose main duty is to lead the management team to ensure that the business is fully implemented under the instructions of the Board of Directors. To ensure that the responsibilities of the two do not contradict with each other, the Chairman of EVA Air does not hold the concurrent post of President.

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, the Board meetings shall be carried out in accordance with the "Corporate Governance Best Practice Principles" and "Rules and Procedures of Board of Directors Meetings". If a director or a juristic person represented by the director is an interested party with respect to any proposals listed in a board meeting, the director shall state the important content of such interest at that board meeting. If it may harm the interests of EVA Air, the director cannot participate in the discussion and voting, and shall excuse him/herself from the discussion and voting. He/she also cannot act as another director's proxy to exercise voting rights on that matter.

The independent directors of the Company, according to Article 24 of "Corporate Governance Best-Practice Principles.", shall not hold office concurrently as a director (including independent director) or supervisor of more than five other listed companies, and also shall not concurrently serve as an independent director of more than three other public companies. For the detailed information of each director's other positions, please refer to P.16 of the 2019 Annual Report.

The remuneration of each Board member has been resolved by the Remuneration Committee to ensure that it is reasonably connected with each board member's performance. Every year the Company holds training sessions for the Board depending on the industrial characteristics and the needs of each board member, and for the detailed information of each director's training situation, please refer to MOPS (Market Observation Post System).

## Functional Committee of the Board of Directors

### Remuneration Committee

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 term of office of the current Committee members is from June 26, 2017 to June 25, 2020. Two meetings were convened in the year 2019, and the average attendance rate of all Remuneration Committee members is 100%.

### Audit Committee

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 to 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. Six meetings were convened in the year 2019, and the average attendance rate of all Audit Committee members is 100%.

## 7-1-2 Ethical management and Code of Conduct

EVA Air has formulated the Corporate Governance Best Practice Principles, and the Corporate Governance System in accordance with the six principles. Through the comprehensive system construction and standards, EVA Air has been ranked high 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 another 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
- Ethical Corporate Management Best Practice Principles
- Codes of Ethical Conduct
- Procedures for Ethical Management and Guidelines for Conduct
- Procedures for Handling Material Inside Information



English version



Mandarin version

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

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

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

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

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

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

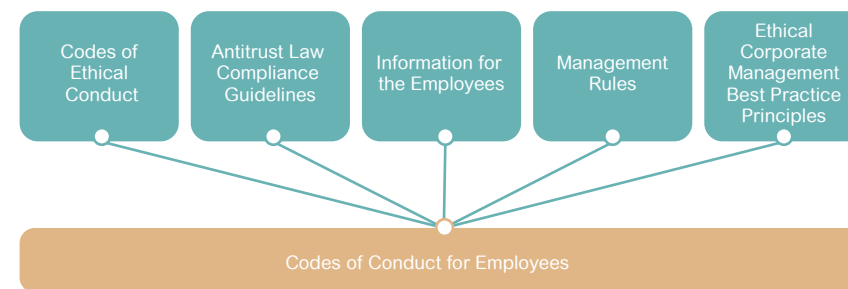
If someone is actually found to have violated the relevant laws or the ethical corporate management policies and regulations of EVA Air, compensation for damages will be claimed through legal procedures as deemed necessary to protect EVA Air’s reputation, rights and interests.

### Key Points of EVA Air’s Codes of Ethical Conduct

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

## 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.



	2016		2017		2018		2019	
	Number of Trainees	Implementation Rate (%)	Number of Trainees	Implementation Rate (%)	Number of Trainees	Implementation Rate (%)	Number of Trainees	Implementation Rate (%)
Codes of Ethical Conduct								
Antitrust Law Compliance Guidelines								
Information for the Employees	2,511	100%	1,450	100%	636	100%	1,004	100%
Management Rules								
Ethical Corporate Management Best Practice Principles								

To fulfill the spirit of anti-corruption, the probability of corruption for 28 of EVA Air's operating locations around the world that scored below the global average score (43) was analyzed. The analysis was conducted in accordance with the corrupt practices as defined in EVA Air's Ethical Corporate Management Best Practice Principles and Codes of Ethical Conduct; and by referring to the Transparency International Corruption Perceptions Index 2018 for the survey results of the perceived levels of corruption in 180 countries around the world. Between 2015 and 2019, the Auditing Div. conducted internal audit at 28 locations and found no corruption cases; the audit ratio was 100%.

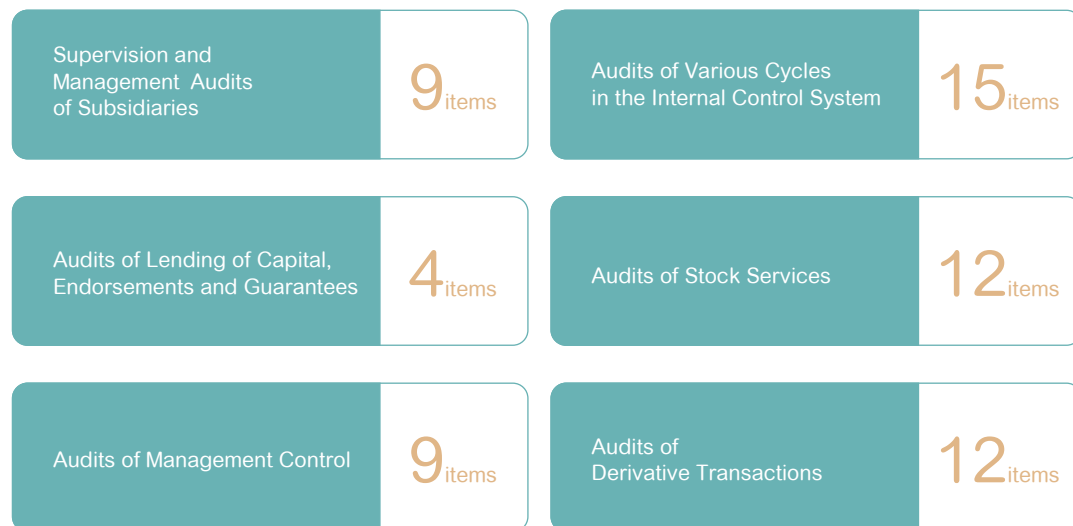
### 7-1-3 Sound internal control

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.

### Audits of Various Cycles in the Internal Control System





## 7-1-4 Risk Management

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.

### Market risks

#### Corporate Planning Div

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

### Financial risks

#### Finance Div.

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

### Legal risks

#### Legal & Insurance Div.

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

### Strategic and operational risks

#### Corporate Planning Div.

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

#### Corporate Safety, Security & Sustainability Div.

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

#### Engineering & Maintenance Div.

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

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



#### Corporate Sustainability Committee

A specialized unit of EVA Air, responsible for formulating and implementing corporate social responsibility policies, regulations and management. The execution of related operation is reported to the Board of Directors regularly.



#### 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, continuously pursuing the goal of "zero accidents."



#### Service Quality Committee

The heads of various business departments serve as the ex officio members of the Committee. This committee meetings hold quarterly to jointly review the Company's quality policy and goals to execute improvement plans and reduce relevant risks in the process of service providing.



#### Management Planning Committee

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

## 7-1-5 Information Security

### Information Security Policy

EVA Air formulated Information Security Policy based on the Company's business needs to ensure the confidentiality, integrity, availability and legality of information assets to avoid internal or external intentional or accidental threats, and to comply with relevant laws and regulations and the latest developments in information security, and the policy will be amended if necessary.

The EVA Air passenger and cargo core systems, as well as the information technology infrastructure, were certified by the BSI (British Standard Institution) on December 23, 2019. This signifies a new milestone in our information security endeavor. ISO 27001 is the international standard for information security management. It covers rules and control measures that defines a framework for good information security management system, which ensures confidentiality, integrity and availability of information assets. Risk management is also its part and parcel, providing confidence to all stakeholders. Based on the internationally-recognized ISO 27001 structure, EVA Air begins its endeavor, starting with risk identification, growing with the P-D-C-A cycle, reaching the ultimate goal of establishing a best practice in information security. In summary, these serve to ensure that the Company's information security management remains comprehensive and resilient, and ensuring its social responsibilities.

## 7-1-6 Communication Channels

To provide clear communication channels for stakeholders, a specific page for stakeholders (<http://www.evaair.com/zh-tw/stakeholder-interest/>) is set up channels for various response matters and identity categories



Mailbox for CSR

Issues related to CSR and responses



Supplier Column

Issues related to suppliers and responses



Investor Column

Issues related to investors and responses



Mailbox for Reporting Ethics Violations

Advices on ethics, legal behavior and related matters



Customer Column

Issues related to passenger & cargo service and responses



Mailbox for Reporting Violations

Reporting on employee or supplier's violation of ethical conducts



Employee Column

Issues related to employees and responses



Complaints Mailbox for Social Impacts

Responses to social impacts

## Statistics on Cases Received from Stakeholders

	No. of cases received	No. of valid cases	No. of cases handled	No. of cases resolved
2019	Ethics Consultation			
	Ethics Violations Reporting	252	0	0
	Complaints for Social Impacts	16	16	16

	No. of cases received	No. of valid cases	No. of cases handled	No. of cases resolved
2017	Ethics Consultation			
	Ethics Violations Reporting	22	0	0
	Complaints for Social Impacts	0	0	0

	No. of cases received	No. of valid cases	No. of cases handled	No. of cases resolved
2018	Ethics Consultation			
	Ethics Violations Reporting	46	0	0
	Complaints for Social Impacts	0	0	0

In 2019, 16 cases were e-mail regarding social impacts, suggestions or influence that resulted from Crew Strike. All of them were counted to effective cases, and have been properly handled.

## Major Lawsuit

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

## 7-2 Industry Overview

In 2019, the global Revenue Passenger Kilometer (RPK) maintained a steady increase of 4.2% year-on-year (YoY), and it was also the first time that the average annual passenger demand growth was below 5.5% since the global financial crisis in 2009. Available Seat Kilometer (ASK) increased by 3.4% and the load factor reached 82.6%. As for Asia-Pacific airlines, passenger traffic has increased by 4.5% in 2019, which is a substantial decrease from the growth rate of 8.5% in 2018, mainly due to the U.S.-China trade conflict, business confidence and economic downturn. The ASK increased by 4.1% and load factor reached 80.9%.

The global air freight, experiencing the weakest year since the global financial crisis in 2009, was not only affected by the weakness of global trade (only an increase of 0.9%), but also the decline in business and consumer confidence and the reduction of export orders. Freight Tonne Kilometer (FTK) decreased by 3.3% YOY, and Available Freight Tonne-Kilometer (AFTK) increased by 2.1% YoY.

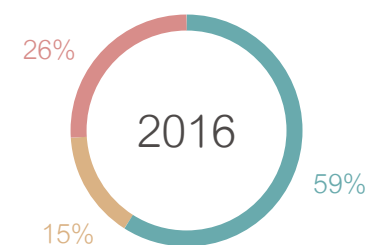
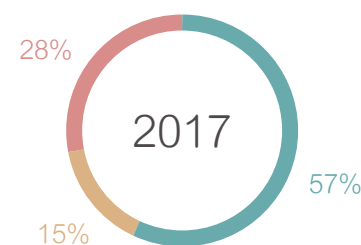
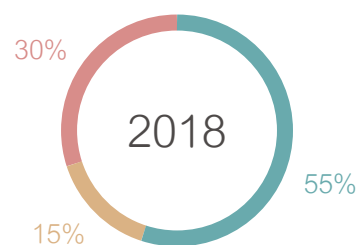
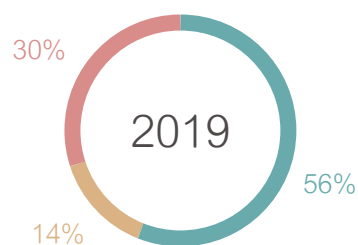
With the dual effects of extended travel restrictions and economic contraction in some countries, the global impact of COVID-19 continues to deepen and expand. According to the latest analysis of IATA in April, airline passenger revenue in 2020 will decline by USD 314 billion, which is 55% decrease in YoY. Demand for air passenger transport is expected to decline by 48% throughout the year. IATA said that the scale of the crisis is unlikely to have a sharp V-shaped reversal, but will tend to be U-shaped. And the recovery of domestic travel will be faster than the international market. Some governments have taken financial assistance measures.

The global aviation industry is in financial difficulty. IATA pointed out that the global aviation industry needs assistance amounting to USD 200 billion. Without support from government, up to half of the airlines may declare bankruptcy in the worst case. In addition, there is a high chance of occurrence the economic depression in Eurasian and African countries. The impact of COVID-19 will continue, and the economic recovery will be slower than expected. If the global pandemic of COVID-19 cannot be effectively controlled, the oil stuck may be fully loaded resulting in decline in oil price to USD 10-15 dollars per barrel.

## 7-3 Financial Performance

### Ratios of Consolidated Operating Revenue

(Unit: NTD thousands)



Passenger revenue	100,623,028
Cargo revenue	25,379,299
Other operating revenue	55,272,931
<b>Consolidated operating revenue</b>	<b>181,275,258</b>

Passenger revenue	99,077,690
Cargo revenue	27,642,897
Other operating revenue	53,186,745
<b>Consolidated operating revenue</b>	<b>179,907,332</b>

Passenger revenue	92,437,502
Cargo revenue	24,841,078
Other operating revenue	46,283,151
<b>Consolidated operating revenue</b>	<b>163,561,731</b>

Passenger revenue	85,862,878
Cargo revenue	22,207,130
Other operating revenue	36,609,657
<b>Consolidated operating revenue</b>	<b>144,679,665</b>

## Overview of Operating Revenues for Various Regions

(Unit: NTD thousands)

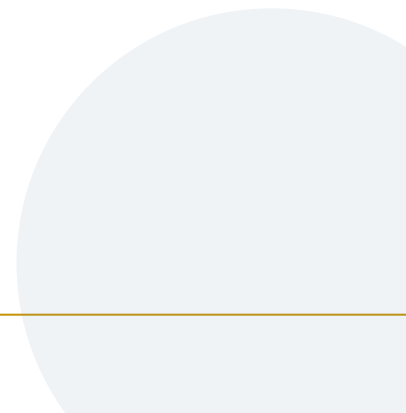
Region	2019	2018	2017	2016
Taiwan	58,871,831	90,396,571	91,418,358	78,058,475
Asia	44,346,941	46,396,531	36,391,365	32,835,461
Europe	5,991,783	6,018,981	4,924,846	4,654,482
North America	71,295,618	36,473,766	30,325,905	28,773,210
Others	769,085	621,483	501,257	358,037

## Business Performance over the Years

Item	2019	2018	2017	2016	Unit
The Company's income tax expense (benefit)	545,661	1,114,690	1,133,866	892,030	NTD thousands
The Company's total assets	321,863,333	210,287,417	201,146,068	195,749,734	NTD thousands
The Company's amount of capital	48,535,695	43,821,215	41,734,490	40,518,923	NTD thousands
Average revenue of employees	11,973	11,988	11,095	10,955	NTD thousands
Employee salaries and welfares	19,886,770	19,570,361	18,810,878	16,622,378	NTD thousands
The Company's total revenue	135,621,151	135,620,650	125,314,160	115,495,819	NTD thousands
Consolidated total revenue	181,275,258	179,907,332	163,561,731	144,679,665	NTD thousands
Consolidated net profit before tax	6,058,349	9,155,931	7,976,120	5,296,923	NTD thousands
Total market value	66,736,580	69,315,986	66,149,167	59,157,627	NTD thousands
The Company's operating costs and expenses	129,504,285	129,625,508	119,371,642	110,534,380	NTD thousands
The Company's retained earnings	12,117,248	12,344,382	8,672,249	5,702,366	NTD thousands
The Company's gross salaries	14,046,979	14,050,888	13,278,239	11,993,169	NTD thousands
Total pension	732,002	635,257	605,011	546,112	NTD thousands
The Company's gross profit margin	13.38	13.26	13.93	13.75	(%)
The Company's return on assets	3.03	3.88	3.67	2.60	(%)
The Company's return on equity	5.91	10.78	10.33	6.80	(%)
The Company's debt ratio	77.86	69.76	71.16	72.76	(%)



08





MATERIALITY  
ANALYSIS

Things which matter most must never be at the mercy of things which matter least.

*Johann Wolfgang Von Goethe*

2019

## 8-1 Step 1 - Compilation of Sustainability Issues

In the compilation of sustainability issues in the CSR, EVA Air considers the global business and the aviation industry in the context of sustainable development. In 2019, EVA identified 17 sustainability issues, including general and industry-specific issues, which referred to global standards or guidelines, such as GRI, UN Global Compact, SDGs and ISO 26000; besides, the TCFD framework was introduced into climate change aspects. The CDP and DJSI questionnaire contents were also included within the scope of the issues selection. Furthermore, the identified sustainability issues also considered the global developmental trend of aviation industry, the aspects which major stakeholders concerned with regarding the Company's sustainable development, and the professional recommendations of the CSC and external experts.



## 8-2 Step 2 - Stakeholder Engagement

After the compilation of 2019 EVA Air's sustainability issues, the key step for materiality analysis is to determine the major stakeholders for communication. Through the five principles of AA1000 Stakeholder Engagement Standard: 2015 (i.e. Dependency, Responsibility, Influence, Diverse perspectives and Tension), EVA Air has identified 7 major stakeholders from 11 relevant categories, which are in the order of importance: customers, employees, government, travel agencies or distributors, media reporters, shareholders, suppliers or contractors. EVA Air conducts surveys by sorting issues in sequence to understand 7 major stakeholders' level of concern regarding sustainability issues. During the survey period from December 2019 to January 2020, 227 questionnaires were collected: among them, 39 questionnaires were filled out by customers, 80 by employees, and 8 by government officials; meanwhile, travel agencies, press/media, shareholders, and suppliers contributed 23, 8, 31 and 38 questionnaires, respectively. For each of these 7 major stakeholders, EVA Air has established sound communication channels to collect the issues they concerned, needs and expectations, and evaluate the communication effectiveness after receiving feedback, so as to meet stakeholders' expectations and urge the Company to make continuous improvements at the same time.

Stakeholder Category	E-mail or Web Links	Responsible Div./Dept.
Customers	<a href="https://www.evaair.com/en-tw/index.html">https://www.evaair.com/en-tw/index.html</a>	Customer Relations Dept. Customer Service Div.
Employees	<a href="mailto:evapsn@evaair.com">evapsn@evaair.com</a>	Human Resources Div.
Travel agencies or distributors	<a href="mailto:allenkuang@evaair.com">allenkuang@evaair.com</a>	Passenger Business Div.
Media	<a href="mailto:larrylai@evaair.com">larrylai@evaair.com</a>	Public Relations Div.
Shareholders	<a href="http://stock.evergreen.com.tw/servlet/WUF1_ControllerServlet.do?lang=zh-TW&amp;menu=WFT1&amp;func=FAQ&amp;action=VIEW_INDEX">http://stock.evergreen.com.tw/servlet/WUF1_ControllerServlet.do?lang=zh-TW&amp;menu=WFT1&amp;func=FAQ&amp;action=VIEW_INDEX</a>	Stocks Dept.
Suppliers or contractors	<a href="https://ctas.evaair.com/smasb2b/default.aspx">https://ctas.evaair.com/smasb2b/default.aspx</a>	Catering & Cabin Supply Dept. Cabin Service Div.
Government	Each department/division takes the initiative to communicate with pertinent government officials.	








Stakeholder	Importance to EVA Air	Issues of Concerns and Expectations	Our Response				
			Communication Channel	Frequency	Content	Performance in 2019	Communication Results
Customers	Increase revenue	<ul style="list-style-type: none"> <li>Flight Safety</li> <li>Business Integrity and Ethics</li> <li>Occupational Safety and Health Management</li> </ul>	Official website customer feedback, phone calls, written feedback, branch/office, CP flight report, online customer satisfaction survey, mailbox for CSR and Social Impacts	On demand/ As needed	<ol style="list-style-type: none"> <li>Flight safety is our core value and our commitment to customers. The customers can know more about our efforts and actions through the open platform.</li> <li>"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.</li> <li>Continuously invest resources for the employees working environment, with the goal of zero violation, zero occurrence and zero risk.</li> </ol>	<ul style="list-style-type: none"> <li>Overall Customer Satisfaction: 4.41</li> <li>Overall Cargo Satisfaction: 4.42</li> <li>The implementation rate of series courses about the Codes of Conduct for employees: 100%</li> </ul>	<p>Pass on the EVA Air's core values; increase customer trust in EVA Air; attract customers to continue to fly with us; increase customer stickiness and revenue.</p> <p>Continually strengthen occupational safety; reduce occupational hazards, providing a more complete employment environment to gain customers' recognition of the company.</p>
Employees	Maintain the Company's operation	<ul style="list-style-type: none"> <li>Flight Safety</li> <li>Financial Performance</li> <li>Occupational Safety and Health Management</li> </ul>	<ol style="list-style-type: none"> <li>Labor-management Meeting</li> <li>Flight crew seminar</li> <li>Cabin crew meeting</li> <li>Committee meeting (Corporate Sustainability, Occupational Safety and Health, Employee Welfare etc.)</li> <li>Departmental meeting</li> <li>Investigation report on occupational accident</li> <li>Complaints hotline and mailbox</li> <li>Safety report</li> </ol>	<ol style="list-style-type: none"> <li>Quarterly</li> <li>Three times in half a year</li> <li>Five times a month</li> <li>Quarterly</li> <li>Once a month</li> <li>As needed</li> <li>On demand</li> <li>As needed</li> </ol>	<ol style="list-style-type: none"> <li>Instill the safety goal of "zero accidents" into every employee's mindset and action.</li> <li>Disclose financial condition on relevant platforms such as official website; and convey the company's operating status, direction and major policies through regular meetings.</li> <li>Gather consensus to enhance the cohesiveness of all employees; supervise and track the implementation of occupational safety and health relevant policies.</li> </ol>	<ul style="list-style-type: none"> <li>The completion rate of Aviation Safety Basic Training: 100%</li> <li>Introduced the ISO 45001 and TOSHMS standards.</li> </ul>	<p>Enhance the mutual understanding of the need and standpoint of employees and the company, and seek a win-win solutions on the basis of mutual trust.</p> <p>Implement the company's operating principles through regular meetings to achieve goals jointly, create revenue and sustainably develop.</p>
Government	Competent authorities	<ul style="list-style-type: none"> <li>Flight Safety</li> <li>Business Integrity and Ethics</li> <li>Labor Relations and Human rights Protection</li> </ul>	Meeting, official documents, phone calls, audit, related business websites, participation in initiatives and seminars	On demand/ As needed	<ol style="list-style-type: none"> <li>Continuously operates in accordance with regulatory requirements, and actively improve the safety management structure.</li> <li>Participate in assessments required by regulations; voluntarily participate in other relevant assessments and initiatives; formulate the "Corporate Social Responsibility Best Practices Principle" in accordance with the regulations.</li> <li>Submit the official document to the authorities for explaining questions regarding labor relations and human rights.</li> </ol>	<ul style="list-style-type: none"> <li>The achievement rate of safety performance objective: 100%</li> <li>Participate in meeting and project held by international organization.</li> <li>Result of Corporate Governance Evaluation: ranked in the range of top 6% to 20% of all selected listed companies.</li> </ul>	<p>Avoid the risk of violating regulations; enhance the company's reputation; continue to protect the rights of both employer and employee; and comply with occupational safety and health regulations</p> <p>Collect domestic and global industrial trends through participating seminars; share industrial information as a reference for government governance.</p>
Travel Agencies or Distributors	Sell flight tickets and provide services regarding travel, reservation, and ticketing	<ul style="list-style-type: none"> <li>Flight Safety</li> <li>Business Integrity and Ethics</li> <li>Occupational Safety and Health Management</li> </ul>	Phone call, visit in person, travel agency conference, letter, E-mail	On demand/ As needed	<ol style="list-style-type: none"> <li>Flight safety is the company's core value and commitment to passengers. Through public communication channels, passengers can instantly understand our efforts and actions.</li> <li>Formulate the "Ethical Corporate Management Best Practice Principles" and "Codes of Ethical Conduct" to regulate employees to uphold the ethics and integrity principles in their work.</li> <li>Continuously improve workplace environment for employees, with the goal of zero violations, zero accidents and zero risks.</li> </ol>	<ul style="list-style-type: none"> <li>Passenger revenue: NTD 100.623 billion</li> </ul>	<p>Actively expand customer base through various promotional activities.</p> <p>Continually maintain good cooperative relations with travel agencies or dealers, jointly creating revenue and sustainable operation.</p>

Stakeholder	Importance to EVA Air	Issues of Concerns and Expectations	Our Response				
			Communication Channel	Frequency	Content	Performance in 2019	Communication Results
Media Reporters	Report and promote the Company's positive image and product information	<ul style="list-style-type: none"> <li>• Flight Safety</li> <li>• Financial Performance</li> <li>• Occupational Safety and Health Management</li> </ul>	Telephone counseling, E-mail, press conference	As needed	<p>Update information at any time on public platforms such as the official website, CSR website, Market Observation Post System, and social media.</p> <p>In response to the questions raised by the media, the internally information is collected and consolidated, and publicly announced by the Public Relations Div..</p>	<ul style="list-style-type: none"> <li>• A total of 70 Mandarin and English press releases were announced in 2019.</li> </ul>	Ensure the authenticity of the content of media reports, and avoid the reputation damage and financial loss of the company due to the spread of wrong information.
Shareholders	The person holding the company's shares is entitled to attend the shareholders' meeting and have the right to vote	<ul style="list-style-type: none"> <li>• Flight Safety</li> <li>• Financial Performance</li> <li>• Occupational Safety and Health Management</li> </ul>	<ol style="list-style-type: none"> <li>1. Shareholders' meeting</li> <li>2. Investor conference</li> <li>3. Official website</li> <li>4. Shareholder hotline &amp; mailbox</li> </ol>	<ol style="list-style-type: none"> <li>1. Once a year</li> <li>2. At least once a year</li> <li>3. On demand</li> <li>4. On demand</li> </ol>	<ol style="list-style-type: none"> <li>1. "Safety, Service, and Sustainability" are the core operational objectives of EVA Air. We continually strengthen safety on flight operation and ground operation through operating safety management framework.</li> <li>2. Regularly report on operational status and views on future industry prospects; summarize major business project on annual report; provide important financial and business information for investors' reference.</li> <li>3. The occupational hazard and risk are effectively decrease through the implementing of ISO 45001 and TOSHMS. EVA Air ensures new recruits receive Occupational Safety and Health education and firefighting drills and trainings, etc.</li> </ol>	<ul style="list-style-type: none"> <li>• Basic earnings per share (NTD): 0.83</li> </ul>	Attract the attention of potential investors; provide opportunities for opinion expression and communication with the company; convey business philosophy and corporate value; fully allow shareholders to assist in the improvement of corporate governance.
Suppliers or Contractors	Maintain the Company's operation	<ul style="list-style-type: none"> <li>• Flight Safety</li> <li>• Business Integrity and Ethics</li> <li>• Occupational Safety and Health Management</li> </ul>	Phone call, E-mail, visits, on-site audit	As needed	<ol style="list-style-type: none"> <li>1. EVA Air and its suppliers are committed to improve safety standards of aviation services and take actions to reduce the risks of flight safety.</li> <li>2. The "Supplier Code of Conduct" was formulated to require suppliers to follow regulations on issues such as environmental protection, occupational safety and health or human rights, and to protect the occupational safety and health to enhance the EVA Air's supply chain sustainability.</li> <li>3. The occupational hazard and risk are effectively decreased through the implementing of ISO 45001 and TOSHMS.</li> </ol>	<p>The signed rate of Supplier Code of Conduct</p> <ul style="list-style-type: none"> <li>• Existing suppliers: 66%</li> <li>• New suppliers: 81%</li> <li>• Key suppliers: 83%</li> </ul>	EVA Air has established supply chain sustainability assessment and auditing process, and actively track the improvements on suppliers, to reduce the sustainability risk of the supply chain, and to avoid interruption of operations.

## 8-3 Step 3 - Determine Material Issues

In addition to the analysis of the stakeholders' level of concern on sustainability issues, the CSC members completed the survey on the "Level of impact of various issues on EVA Air's operations". In the process, each member evaluated the level of impact on the Company's sustainable operations by sorting the importance in sequence. The CSC members identified the relationship and importance of these material issues with EVA Air operation, including increase revenue, reduce cost, uplift brand trust, reduce reputation risk, increase employee cohesiveness or create social influence. According to the results of the two surveys, a Materiality Matrix Diagram was drawn, and through evaluation among members of the CSC, 7 material issues and 5 minor material issue were finally selected; these correspond to 20 material aspects of GRI Standards, including 4 economic aspects, 5 environmental aspects, and 11 social aspects.

Material Issues	Sustainability Issues	Level of Materiality	Corresponding GRI Topic-specific Standard	Significance to the Company & Connection with Operations						Chapter
				Increase Revenue	Reduce Cost	Uplift Brand Trust	Reduce Reputation Risk	Increase Employee Cohesiveness	Create Social Influence	
	Business Integrity and Ethics	★★★	Anti-corruption, anti-competitive practices, public policy, social economic regulation compliance			●	●			7.1 Ethical Management
	Risks and Opportunities Management	★★	Economic performance	●	●		●			7.1 Ethical Management
	Brand Strategy and Value	★	Marketing and labeling	●		●				1.2 Sustainable Management
	Flight Safety	★★★	Customer health and safety			●	●			2 Flight Safety
	Fleet Planning	★★	Economic performance	●	●	●				1.1 About EVA Air
	In-flight Catering Management	★	Customer health and safety			●	●			3.1 Innovation with heart
	Financial Performance	★★★	Economic performance	●	●					7.3 Financial Performance
	Service Innovation	★★	Marketing and labeling	●		●				3.1 Innovation with heart
	Customer Relationship	★★★	Customers privacy, customer health and safety			●				3.2 Customer Relationship
	Supply Chain Management	★	Procurement practices, supplier environmental assessment, supplier social assessment		●		●		●	1.3 Sustainable Procurement Management
	Environmental Impact Management	★★	Water, emission, waste water and waste, compliance with environmental protection regulations			●			●	5.1 Environmental Sustainability
	Climate Change Management	★★★	Energy, emission		●					5 Green Earth
	Workplace Diversity and Inclusion	★★	Market presence, diversity and equal opportunity, non-discrimination					●		4.1 Diversity and Tolerance
	Human Resources Development	★	Labor/management relations, training and education					●		4.3 Employee Development
	Occupational Safety and Health Management	★★★	Occupational safety and health					●		4.4 Friendly Work Environment
	Labor Relations and Human Rights Protection	★★★	Market presence, labor/management relation, forced and compulsory labor, human rights assessment				●	●	●	4.2 Retention of Talent
	Community Engagement and Social Welfare	★	Local communities			●			●	6 Social Inclusion and Community Engagement

★★★ : Material    ★★ : Minor material    ★ : Less material    ● : High relevance    ● : Medium relevance



## 8-4 Step 4 - Value Chain Boundaries

EVA Air may be subject to the impact of sustainability issues through its own activities or other entities of business relationship. Pursuant to GRI Standards, we will divide the impact pattern into the types of 'directly cause', 'contribute to' and 'through business relationship' to define the boundaries where the impacts occur. Through one by one evaluations by members of the CSC on 20 selected major issues, the impact boundary of each issue on the value chain has been identified, including EVA Air and its subsidiaries, suppliers, contractors and customers. For impacts on EVA Air, the Report also describes the management systems, coping measures and performance results in various chapters and sections. As for the impacts happening to the subsidiaries inside the organization and the value chain, the emphasis is on the demonstration of EVA Air's management practices.

Aspect	Entity Name Material topics	Topic Boundary of Value Chain where Impacts Occur																		
		Subsidiary					Supplier				Contractor						Customer			
		EVA Air	EGAS	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	
Economy	Economic Performance	●		●				▲					■							
	Market Presence	●		●																
	Anit-corruption	●		●				▲					■						▲	
	Anit-competitive behaviors	●		●				▲					■						▲	
Environment	Energy	●		●																
	Water	●		●																
	Emission	●		●																
	Waste water and Waste	●		●																
	Compliance with Environmental Protection Regulations	●		●				▲					■							
Society	Industrial Relations	●																		
	Occupational Safety and Health Management	●		●									■						▲	
	Diversity and Equal Opportunity	●		●																
	Non-Discrimination	●		●																
	Forced and Compulsory Labor	●		●				▲					■						▲	
	Human Rights Assessment	●		●				▲					■						▲	
	Public Policy	●																		
	Customer Health and Safety	●		●				▲					■						▲	
	Marketing and Labeling	●		●				▲					■						▲	
	Customer Privacy	●						▲					■						▲	
Compliance with Social Economic Regulations	●		●				▲					■								

Note: ● Causes \ ▲ Contributes to \ ■ Business relationship

# Appendix

## About This Report

Since its establishment in 1989, EVA Air has been placing importance on fulfilling its corporate social responsibility 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 domestic and international awards. EVA Air values the domestic and overseas developmental trends of corporate social responsibility to our core businesses, as well as the influence of our 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 CSR report every year. This report is the 7th CSR report on disclosing our results regarding sustainable management for 2019, and our outlook on the future.

## Report Management

### Management Division

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

### Internal Review and Audit

EVA Air has been collecting worldwide information on material issues related to aviation, economics, environment and society. As the CSC 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 the material issues. 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. 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 and Audit

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

## Boundaries and Data

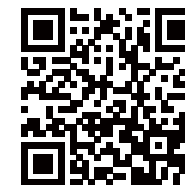
The information boundaries disclosed in this report encompass the up and downstream business entities with business relationships, including EVA Air, the subsidiaries and business partners of value chains. Material issues and topic boundary of 2019 have no significant change from the previous year (only EGAP merged into EGAT). The EVA Air operations in Taiwan are the core disclosure in this report, including specific implementation, performance data and explanations of the results of relevant planning in 2019 (from January 1, 2019 to December 31, 2019) regarding the aspects of governance, flight safety, services, economics, environment, society and supply chain management. The disclosure of financial and personnel information comprises the operation locations around the world. If other indicators are involved, they are explained separately in the report. When it comes to the impact on the subsidiaries and value chains, the report focuses on EVA Air's management approach. 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 the Corporate Social Responsibility Report every year, and provides a downloadable electronic version from the EVA Air CSR website: <http://www.evacsr.com/pages/download.aspx>

The previous version was released in June 2019, and the next version will be released in June 2021.

EVA Air CSR website



## Contact Information

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

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## GRI Content Index

Disclosure refers to GRI Core version 2016

### General Disclosures

GRI Standard	Disclosure	Description	Page	Disclosure	Description	Page
GRI 102 General Disclosures	102-1	Name of the organization	9	102-6	Markets served	9
	102-2	Activities, brands, products, and service	9	102-7	Scale of the organization	9、56、107
	102-3	Location of headquarters	118	102-8	Information on employees and other workers	56
	102-4	Location of operations	9	102-9	Supply chain	13
	102-5	Ownership and legal form	117	102-10	Significant changes to the organization and its supply chain	117

## General Disclosures

GRI Standard	Disclosure	Description	Page	Disclosure	Description	Page
GRI 102 General Disclosures	102-11	Precautionary principle or approach	77	102-45	Entities included in the consolidated financial statements	117
	102-12	External initiatives	81	102-46	Defining report content and topic Boundaries	115
	102-13	Membership of associations	10	102-47	List of material topics	115
	102-14	Statement from senior decision-maker	3	102-48	Restatements of information	117
	102-15	Key impacts, risks, and opportunities	104	102-49	Changes in reporting	117
	102-16	Values, principles, standards, and norms of behavior	101	102-50	Reporting period	117
	102-17	Mechanisms for advice and concerns about ethics	105	102-51	Date of most recent report	118
	102-18	Governance structure	99	102-52	Reporting cycle	118
	102-40	List of stakeholder groups	111	102-53	Contact point for questions regarding the report	118
	102-41	Collective bargaining agreements	53	102-54	Claims of reporting in accordance with the GRI Standards	117
	102-42	Identifying and selecting stakeholders	111	102-55	GRI content index	118
	102-43	Approach to stakeholder engagement	111	102-56	External assurance	122
	102-44	Key topics and concerns raised	111			
GRI 103 Management Approach	103-1	Explanation of the material topic and its Boundary	115	103-3	Evaluation of the management approach	16
	103-2	The management approach and its components	16			



## Material Topics

Economic						
GRI Standard	Disclosure	Description	Page	Disclosure	Description	Page
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	107	201-3	Defined benefit plan obligations and other retirement plans	61
	201-2	Financial implications and other risks and opportunities due to climate change	81			
GRI 202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	60	202-2	Proportion of senior management hired from the local community	58
GRI 205 Anti-corruption	205-1	Operations assessed for risks related to corruption	102	205-2	Communication and training about anti-corruption policies and procedures	14 、 102
Environmental						
GRI 302 Energy	302-1	Energy consumption within the organization	78	302-4	Reduction of energy consumption	79
	302-3	Energy intensity	78	302-5	Reductions in energy requirements of products and services	85
GRI 303 Water	303-1	Water withdrawal by source	79	303-3	Water recycled and reused	79
	303-2	Water sources significantly affected by withdrawal of water	79			
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	84	305-5	Reduction of GHG emissions	85
	305-2	Energy indirect (Scope 2) GHG emissions	84	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	80
	305-4	GHG emissions intensity	84			
GRI 306 Effluents and Waste	306-2	Waste by type and disposal method	80	306-5	Water bodies affected by water discharges and/or runoff	79
	306-4	Transport of hazardous waste	80			

## Material Topics

Environmental							
GRI Standard	Disclosure	Description	Page	Disclosure	Description	Page	
GRI 307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	77				
Social							
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Handled in accordance with the stipulation of Article 16 of the Labor Standards Act.				
GRI 403 Occupational Health and Safety	403-1	Workers representation in formal joint management –worker health and safety committees	69	403-2	Types of injury and rates of injury, occupational diseases,lost days, and absenteeism, and number of work-related fatalities	74	
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	56 · 58 · 99	405-2	Ratio of basic salary and remuneration of women to men	59	
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	63				
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	64				
GRI 412 Human Rights Assessment	412-2	Employee training on human rights policies or procedures	65				
GRI 415 Public Policy	415-1	Political contributions	No such instances have ever occurred.				
GRI 416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	27 · 40	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such instances have ever occurred.	
GRI 417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	40	417-3	Incidents of non-compliance concerning marketing communications	No such instances have ever occurred.	
	417-2	Incidents of non-compliance concerning product and service information and labeling	No such instances have ever occurred.				
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such instances have ever occurred.				
GRI 419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	The NTD 4.5 million fine was imposed for violations of labor/occupational laws. Two cases were considered major and incurred fines of over NTD 2 million, each.				

## 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 2019

##### 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 AIR) to conduct an independent assurance of the Corporate Social Responsibility Report for 2019 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

The information in the EVA AIR's CSR Report of 2019 and its presentation are the responsibility of the management of EVA AIR. SGS has not been involved in the preparation of any of the material included in EVA AIR's CSR Report of 2019.

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 AIR's stakeholders.

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

This report has been assured using our protocols for:

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

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 AIR, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

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

##### VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within EVA AIR's CSR Report of 2019 verified is accurate, reliable and provides a fair and balanced representation of EVA AIR sustainability activities in 01/01/2019 to 12/31/2019.

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

##### AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

###### Inclusivity

EVA Air has demonstrated its commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to customers, employees, governmental authorities, travel agents, media, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. Process to facilitate direct stakeholder engagements is recommended to enhance stakeholder involvements in developing and achieving sustainability goals and strategies.

###### Materiality

EVA AIR has established 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. Current stakeholder issues were addressed in this report in a transparent and timely matter.

##### GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, EVA AIR's CSR Report of 2019, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of EVA AIR's efforts given to mitigate the impacts identified for each material topic.

Signed:

For and on behalf of SGS Taiwan Ltd.

David Huang  
Senior Director  
Taipei, Taiwan  
15 May, 2020  
WWW.SGS.COM



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A STAR ALLIANCE MEMBER 

