



Third Party Review Opinion

This is the second independent Corporate Social Responsibility Report published by the Chunghwa Telecom. Co., Ltd (“Chunghwa Telecom” henceforth). In comparison to CSR Report for 2007, there were significant improvements in terms of the selection of CSR issues, clarity, comprehensiveness and balance of the report contents and the completeness and reliability of reported data. There are several features that are worth mentioning as follows:

1. Chunghwa Telecom recognizes that CSR fulfillment is built upon matching the reasonable expectations of stakeholders. Chunghwa Telecom adopts a systematic “Materiality Assessment Process” to prioritize its CSR issues and clearly disclose the list of its stakeholders and issues requiring feedback from the corporation.
2. Chunghwa Telecom measures its social welfare expenditure through an innovative quantified management approach, which is a valuable reference for other corporations in Taiwan to manage their social welfare investments.
3. Chunghwa Telecom has in-depth understanding on the uniqueness of its own industry. In response to the issue of climate change, the corporation has been actively researching and developing products and services in line with the concept of “energy conservation and carbon reduction”. This is indeed a very good demonstration of the contributions that the ICT industry is capable of making with respect to energy and climate change related issues.

Listed below are the few areas of improvements we expect Chunghwa Telecom to make with respect to the preparation of its future CSR report and fulfillment of its CSR:

1. Formulate a comprehensive set of CSR goals and commitments: Disclosure of statistics and data on the corporation’s current status of operations have raised the interest of many stakeholders in gaining further understanding on Chunghwa Telecom’s short-, medium- and long-term goals or commitments for the various CSR issues.
2. Illustration of qualitative and quantitative data analysis: The CSR Report not only provides an avenue of communication between a corporation and its stakeholders, it is also an important management tool. However, the benefits of this management function will somehow be limited and report users will not have access to key information due to the lack of analysis on historical data.
3. Description of the interactive process between the corporation and its stakeholders: Issues such as electromagnetic waves and liberalization on the “last mile” have attracted quite significant social concern. However, the report did not include a description of the process of communication or discussion between Chunghwa Telecom and its stakeholders and ways in which the final management decision was made to govern the issues.
4. Influence on suppliers: The relevant environmental and ethical requirements were mentioned in the report but the relevant countermeasures were not disclosed.

Overall, we observed marked improvements in Chunghwa Telecom’s Corporate Social Responsibility Report for 2008 with respect to report preparation, planning or contents. The issues and items disclosed in the report fully reflect the challenges currently confronting the corporation. The Report is worthy of reading and may be referred to by other industry peers in preparation of their CSR reports.

Niven Cheng-Chung, Huang
Secretary General, Business Council for Sustainable Development



ASSURANCE STATEMENT

Independent Assurance Statement

SGS Taiwan's report on sustainability activities in the CHUNGHWA TELECOM CO., LTD. Corporate Social Responsibility Report 2008.

Nature and Scope the Assurance / Verification

SGS Taiwan was commissioned by CHUNGHWA TELECOM CO., LTD. to conduct an independent assurance of the Corporate Social Responsibility Report 2008. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the CHUNGHWA TELECOM CO., LTD. Corporate Social Responsibility Report 2008 and its presentation are the responsibility of the governing body and the management of CHUNGHWA TELECOM CO., LTD.. SGS Taiwan has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification set out below.

The SGS Group has developed a set of protocols for the Assurance of Corporate Social Responsibility Report based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines (2006). These protocols follow differing levels of Assurance depending the reporting history and capabilities of the Reporting Organisation. This report has been assured using our Level 2 protocol for:

- content veracity;
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines;

The assurance comprised a combination of pre-assurance research to identify issues of materiality to the organisation, as identified by stakeholders, peer organisations, those which are expectations of regulations or international standards and those of general concern both in the public eye and raised by expert opinion. The process also included interviews with managers and relevant employees at their head office in Taipei, Taiwan; documentation and record review and evaluation of the report contents against the GRI's G3 application requirements.

The process also includes the provision of an internal management report designed to feedback to the organisation on improvements and recommendations as a result of the assurance process.

Financial data was drawn directly from the audited accounts of CHUNGHWA TELECOM CO., LTD. and 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 ASSURANCE STATEMENT and sustainability report assurance. SGS Taiwan affirms our independence from CHUNGHWA TELECOM CO., LTD. being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience of the industry and qualifications for this assignment, and include auditors who are registered Quality, EMS, OHSAS and SA 8000 Lead Auditors and IRCA Registered Sustainability Assurance Practitioner.


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 CHUNGHWA TELECOM CO., LTD. Corporate Sustainability Report 2008 is accurate, reliable and provides a fair and balanced representation of CHUNGHWA TELECOM CO., LTD.'s sustainability activities during the reporting period.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

The report is the first time to be assured by an independent assurance team and CHUNGHWA TELECOM CO., LTD. have taken a bold step by offering the report to evaluation against GRI's G3 guidelines. This shows a deserved confidence in their Corporate Social Responsibility Report development.

In our opinion, the contents of the report meet the content and quality requirements of the Global Reporting Initiative G3 Version 3.0 Application Level A+.

Signed:

 For and on behalf of SGS Taiwan Ltd.
 Dennis Yang, Chief Operating Officer of Eastern Asia
 17 August, 2009