

# Employee Care

**S**trategy



**Protection of Employee Rights**

**M**anagement



**Human Resources Management**



## AWARDS

- We received the Certificate of Top Ten Stocks of Taiwan Employment Creation 99 Index from Taiwan Stock Exchange
- First for Telecommunication at The Best Brand Award for the 5th year in a row at Business Today Magazine
- Honored with Outstanding Labor Safety and Health College from Taipei Government

**A**ction

**Talent Attraction and Retention**



**R**esponse

**Occupational Health and Safety**



**T**arget

**Joy at Work,  
Happiness at Home**





## Protection of Employee Rights

We believe that employees are the company's most important assets and cooperative partners. Therefore, we respect every employee, with no differentiation with respect to gender, age, or race. Wages are also paid on the principle of commensurate wages for commensurate work. And Chunghwa Telecom is the only operator in Taiwan that has established a Union and signed a collective bargaining agreement with employees. In 2012, the ratio of employees in the union is 99.87%. LA4

Ratio of Total Number of Female Employees to the Number of Female Managers



### Protection of Human Rights LA1

Our business spread throughout the country and the standard starting salary is higher than the required local wage. In 2012, Chunghwa Telecom employed a total of 24,351 personnel, with 17,407 male and 6,944 female employees with making up 28.52% total, and the percentage of female employees in managerial positions is on the rise and was 24.35% in 2012. To accommodate the needs for customer services and sales, we have contracted 3,837 positions.

To abide by the constitution, protect human rights, and uphold the spirit of the Act for Gender Equality accounted for more than half the entire body. In 2012, no discriminatory incidents were reported. According to Article 38 of the People with Disabilities Rights Protection Act, Chunghwa Telecom should employ 228 persons with disabilities. In fact 753 such employees were actually hired, 3.32 times higher than the legal requirement. In 2012, we employed 49 aboriginals, and properly respect their unique cultural traditions.

### Channel for Complaint

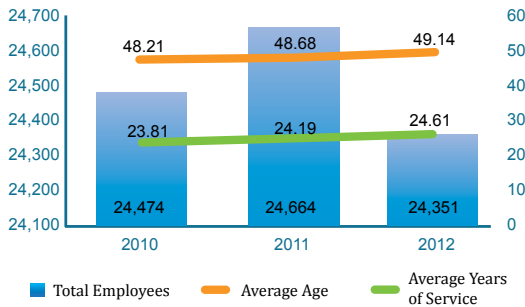
If an employee should observe conduct in their unit that is in breach of regulations or against the law, they may file a complaint or report it via the hotline, fax or email. The reported case will be investigated in accordance with corporate regulations and procedures. If such case is found to be true, the appropriate punishment will be imposed for the sake of the employees' code of conduct, corporate discipline, company image, and stakeholder rights. However, no such human rights case was filed in 2012.

Ratio of Total Number of Employees to the Number of Managers

Gender	2012				Total
	Female		Male		
Total numbers of employees	6,944	28.52%	17,407	71.48%	24,351
Number of operation managers	2,878	26.50%	7,983	73.50%	10,861
Number of staff managers	420	15.96%	2,211	84.04%	2,631
Number of executive managers	7	8.75%	73	91.25%	80
Number of directors	3,305	24.35%	10,267	75.65%	13,572



**Average Age and Years of Service of Employees**



**The Protection of Employee Rights** LA5

In line with our early retirement buyout, and employee career planning, retirement is pending for 676 employees at this time, 513 male and 163 female. The turnover rate is 2.78%. To ensure continuity and to pass on our expertise, we have recruited 395 new employees, 297 male and 98 female.

For the protection of employee rights, all company employees enter into a formal labor contract with the company. For those who have served for more than three months, but less than one year; more than one year, but less than three years; and more than three years, a ten, twenty, or thirty-day notice period is respectively in force.

We will start early to communicate the implementation schedule to the relevant units and personnel, and hold communication seminars with the corresponding union officials and personnel to ensure smooth organizational adjustment. This allow job transition and continuation base on mutual agreement, to realize a more refined integration service and a company image of harmonious operation.

**Smooth Communication Channels**

Employees not only enjoy the right to appeal, complain, and to Union membership, but the collective agreement also stipulates that labor-employer representatives from headquarters and all branches and subsidiaries shall hold at least one labor-employer meeting every 3 months, to coordinate labor-employer relationship.

There is also a Labor-Management Meeting once every 2 months to cope with regular issue, with provisional meetings to be held if necessary. There should be 9 representatives from both sides during each meeting and both sides take turn presiding over the meeting. There is a total of 6 Labor-Management Meeting and 1 provisional meeting held in 2012. Furthermore, there were 2 labor related consultative conference held, both labor and employer have sufficient voice at the meetings to express their concerns and interact positively to avoid conflict and realize harmonious labor- employer relations.

The Chunghwa Telecom Chairman and President hold regular meetings and telephone conversations with the Union to maintain proper labor-employer communication channels.

**Employee Turnover rate** LA2

Gender Age	Total Employee		New Employment		Total Turnover		Turnover of New Employment	
	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	791	571	189	73	16	9	3	1
30~50	5,610	3,486	108	25	36	26	2	0
Above 50	11,006	2,887	0	0	461	128	0	0
Subtotal	17,407	6,944	297	98	513	163	5	1
Total	24,351 (A)		395 (B)		676 (C)		6 (D)	
Remark	-		-		Total turnover=(C)/(A) = 2.78%		Turnover of New Employment =(D)/(B) = 1.52%	



# Human Resources Management LA12

A number of training systems have been established to assist employees with the development of their professional skills. Our internal training classes are very diverse, providing the higher learning required for employees at different levels and fields of work. All the agencies have personnel training teams to assist in the career planning and development of their colleagues.

## Profession Oriented Training System

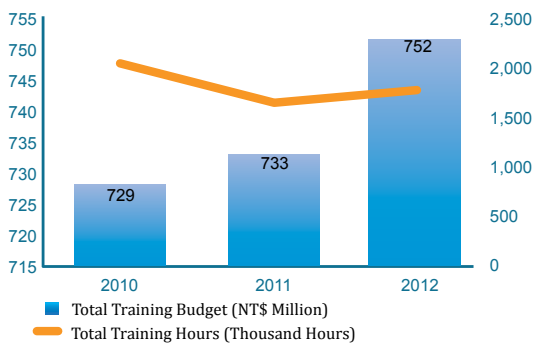
To strengthen company's competitiveness, we continue to establish a competence oriented employee training system that includes 19 information categories with approximately 870 sub- functional projects. We have built a Training Information System (TIS) in 2012 for our employees and training sessions plan to start in 2013.

## Employee Training and Advance Learning LA12

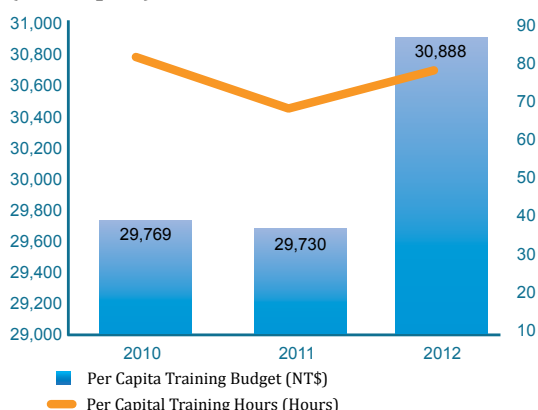
We have established different talent cultivation groups in all departments to design, implement and develop programs at dedicated training institutions in a systematic, layered, and well planned way. In 2012, the Telecom Training Institute offered courses including core network, connection network, access network, and mobile communication technologies, value-added services, information technology, business management, operational management, and human resources management. In 2012, there were a total of 1.85 million hours of training and NTD\$ 752.15 million had been invested for the endeavor.

To develop high level managerial talent for the future, we hold "high level management preparation workshops". Employees are educated through planning, execution, and evaluation mechanisms, to increase the professional aptitude and improve service attitude and overall work performance.

### Employee Education and Training (Total)



### Employee Education and Training (Per Capita) LA10



## Fair Assessment System

Each department set a cultivate group to organize and implement the training, career planning and development, and assessment for employees. All employees are divided into grass-roots, junior manager, middle manager, and senior manager. In the beginning of every year, employees will have an interview with their managers, and set assessment plan for specific period to review performance and contribution.



## Talent Attraction and Retention

We focus heavily on competent personnel. To assist them with balancing career development and family life, we took the initiative and implemented unpaid childcare leave systems. We also provide health and preventative care that exceeds legislative requirements. In 2012, the employee health care expenditure accounted for 0.044% of annual revenues.

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### Industry-Academic Cooperation LA11

An “International Corporate Staff Training Plan” and “Chunghwa Telecom Southeast Asia Scholarship” have been formulated with a focus on expanding our overseas markets. Scholarships to the National Chiao Tung University are awarded annually to competent Southeast Asian and foreign students.

To raise our employees’ understanding of the new trend of communication, we initiated the “Advanced Telecommunications Network Technologies” program with the National Taiwan University, and fifty of our colleagues have trained over four terms in each class. We have further expanded our employee training to include Network planning, IOT and Cloud computing and application in 2012. We also encourage employees to engage in lifelong learning, in 2012, a total of 1,028 employees applied for learning bursaries and NT\$ 16.13 million were invested.

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### Employee Satisfaction Survey

To determine the degree of employment satisfaction at Chunghwa Telecom, we conduct employee satisfaction surveys focus on measuring employees’ satisfaction with their workplace, benefits, and income, to achieve a composite understanding of employee satisfaction, impressions, and expectations in their different professional positions. According to the survey of 2012, 67% of employees are satisfied to work for Chunghwa Telecom, a little higher than 66% of previous year.




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### Health Promotion and Management LA3

Employees’ health is a company’s wealth. It is our priority to provide a safe and healthy working environment, our commitment includes:

1. We provide medical care over legislative standard: free health inspection every year, and such benefit also extended to employee families at a lower health examination cost.
2. Employee Assistance Program (EAP): Employees are offered one-on-one counseling services in resolving psychological, legal, and medical inquiries. In 2012, a total of 357 persons received the services.
3. In 2012, we held a total of 220 health seminars (16,316 people attended), 25 sport competitions (2,171 people), 119 field trips (17,822 people), 14 sessions of health screenings (2,591 people), and 160 other large association events (14,894 people).
4. Balanced career life: Established 29 telecommunications clubs in 2012 to encourage employee vacations and provides leisure and accommodation services. Each employee receives NT\$ 8,000 for subsidies.





## Occupational Health and Safety

Chunghwa Telecom has completed the identification and assessment of different hazards and risks in the telecommunications industry. We also have introduced an occupational safety and health management system and the system is being certified by external agencies. The management of employee safety and health is implemented with both a “standardized” and “systemized” approach to improve our operational quality and safety level.



### Safety and Health Commitment

We promise to offer appropriate resources based on organizational risk. We continue to improve our safety and health facilities. In this way we prevent injuries and unhealthy practices in accordance with relevant law and regulations. To persist the enforcement, we:

1. Follow the Safety and Health Regulations and Enforce Self-Management. Internalize daily operations as a part of company culture. We further need to benchmark under relevant international standards to realize safe and healthy.
2. Implement Hazard Identification and Enforce Risk Control. Identify and evaluate all unsafe and unhealthy practices to enforce control high-risk operations effectively.
3. Strengthen both mental and physical health services. Increase the quality of health inspections; host promotion events to improve health care and willingness for employees.
4. Encourage participation through open communications and available consultation; adopt ICT technologies to upgrade performance.
5. Create quality work places, continue on equipment improvement, strengthen safe and healthy practices, hence to ensure a safe, healthy, comfortable and friendly work place for employees.
6. Host labor safety training programs to raise safety awareness. Host on the job labor safety and health training programs, in accordance with the Labor Safety and Health Act.

### 2012 Occupational Hazard Statistics (for enterprise under the Labor Safety and Health Act)

	Numbers of disabilities	Frequency of disabling	Severity of disabling injuries	Number of deaths	Occupational Injuries Rate per 1,000 workers		
					Male	Female	Total
<b>CHT</b>	26	0.53%	17%	0	1.03%	1.15%	1.06%
<b>Country-wide</b>	11,413	1.72%	119%	70	--	--	3.59%

Note: 1. 2012 The number of qualified for UPL for Raising Children: Between 2010~2012, the total number of employees who took UPL  
 2. The number of person actual applied UPL: Employee who is still in UPL in 2012.  
 3. The number of reinstatement-to-be in 2012: The number of person actual applied UPL between 2010 to 2012 – The number of employee applied of reinstatement between 2010 and 2011



### OHSAS18001 Certification LA6

To ensure labor safety and health, we have established two labor safety and health organizations: The Occupational Safety and Health Committee, responsible for reviewing, coordinating and recommending related labor safety and health initiatives; Management Units for Labor Safety and Health, responsible for planning and processing and labor safety and health related services.

At least one meeting is trimestral held by the committee, with one additional provisional labor- employer meeting if necessary. In 2012, the committee has 26 members and nine of the members are labor representatives; and In 2012, the Occupational Safety and Health Committee discussed 19 labor healths and safety related issues in the meetings and all were solved satisfactorily.

We proactively provide workplace related health and safety facilities and programs to establish safe, clean and comfortable work environments. Regular inspections are made to ensure the effectiveness of such management. We have established a health and safety management system based on the PLAN-DO-CHECK- ACT framework. By the end of 2012, 27 of 28 branches had received certification under the Occupational Health and Safety Assessment Series 18001. This means that despite the increase in operations across all our services, safety and health in the company is still notable. In 2012, the occupational injuries rate per thousand people was far lower than the industry average.



### Operational Safety Management IO3

We have completed the identification and assessment of the different hazards and risks associated with the telecommunications industry, and have adopted control measures such as the use of work permits for high risk situations such as working at heights, in confined spaces, manhole and tunnel excavations, hot work, live power lines, cranes and lifts, etc, to lower the risks from such work.

The “Safety Enforcement Regulations for On-Site Operational Personnel” was drafted in 2010 and implemented in March 2011. The focus is on high risk work as mentioned above. In addition to enhancing onsite monitoring and management, we also supplement our information and telecommunications professionalism by including the recording of 3G cell phone images of on-site safety facilities and personal protective equipment before work is started. The pictures are sent to designated systems for real-time monitoring, so that we can observe risk control at high risk work sites and effectively use this as a means to prevent accidents.



## Joy at Work, Happiness at Home

Only happy employees can provide a sincere and honest service to customers. We encourage employees to start families and initiate a new phase in their lives. Furthermore, our comprehensive retirement benefits are the greatest foundation and support for the families of our employees. To provide employees with more benefits, and to share business revenue, we have set up an employee stock ownership trust plan.



### Balancing Work and Family

In July 2006, to assist employees with balancing their careers and families, we took the lead in implementing unpaid childcare leave. Female employees are paid childcare leave benefits equal to half their insured salaries during the leave period which may be for up to 2 years. After employees have received the maximum number of monthly employment insurance payments from the government, female employees can then begin receiving maternity leave benefits equal to half their insured salaries. Family leave, paternity leave, menstrual leave, nursing rooms, etc, are also provided. In 2012, a total of 179 persons applied for childcare leave, while 75 persons applied for unpaid childcare leave, and 65 persons applied for childcare benefits.



### Retirement Benefits

To enhance employee welfare and employee loyalty to the company, we enable corporate profit sharing by establishing employee mutual funds to ensure stability of employee lifestyle after retirement or resignation. Retirement is processed according to the Employee Retirement Pension and Separation Guidelines, the Labor Standards Act and the Labor Pension Act. For former employees who retired before privatization, their monthly pension payments are paid by the supervisory department from central government.

For those who are entitled to pension payments as specified in the Labor Standards Act, a maximum pension contribution 15% is paid to their pension funds each month and this process is supervised by the Labor Pension Fund Supervisory Committee at Chunghwa Telecom. For those employees who are in the Retirement Pension System under the Labor Pension Act, more than 6% of their salary (based on Monthly Contribution Wages Classification of Labor Pension approved by the Executive Yuan) is withheld for contribution to their individual labor pension account.

In 2012, Chunghwa Telecom donated NT\$4.5 Million to the CHT Retirement Association and an additional NT\$1.5 Million for travel events to improve the care of retired employees. A dedicated website (<http://www.chtr.org.tw/>) has also been established to promote healthcare and lifelong learning among retirees.



**Unpaid Parental Leave (UPL) for Raising Children** LA15

Year	Male	Female	Total
2012 The number of qualified for UPL for Raising Children (A)*	973	479	1452
The number of person actual applied UPL (B) *	10	65	75
Application rate for UPL (B / A)	1.0%	13.6%	
The number of reinstatement-to-be in 2012 (C) *	11	64	75
The number of application for reinstatement in 2012 (D)	5	30	35
Reinstatement rate in 2012 (D / C)	45.6%	46.9%	
The number of reinstatement in 2011 (E)	1	20	21
The number of retention over 1 year after reinstatement in 2011 (F)	1	20	21
The retention rate in 2011 (F / E)	100.0%	100.0%	

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