

Social Investment

S
strategy



Concentration on Digital Opportunities

M
Management



LBG Social Contribution Assessment



AWARDS

- Received Innovative Service Awards from the Ministry of Economic Affairs at "FBB and i-Community Awarding Ceremony"
- Received the Golden Medal of 2012 Sports Pusher Award
- Received a Certificate of Appreciation from Miaoli Government for sponsoring the 2012 International Fireworks and Art Festival

Action



Dedicate to the Society

Response



Project Implementation Results

Target



**Digital Inclusion to
Create Shared Value**



Concentration on Digital Opportunities PA2~3

The “digital divide” has created unfair conditions in education and employment opportunities. Building on the characteristics and core professional capabilities of the telecommunications industry, our social investments are focused on “reducing the digital divide” and “creating digital opportunities.” We are also significantly devoted to introducing “corporate volunteers” to participate in localized community services and actively assist with the creation of digital opportunities in local communities.

	Chunghwa Telecom Solutions
Geographical Gap	Increased availability of services, etc.
Economic Gap	Communication incentives for low income and minority groups
Knowledge Gap	Computer classes for adults, etc.
Disability Gap	Customer service for visually impaired persons
Health Disparity	GPS, etc.
Gender Gap	Digital Good Neighbors Provide female community members with information education courses

Six Major Causes of the Digital Gap

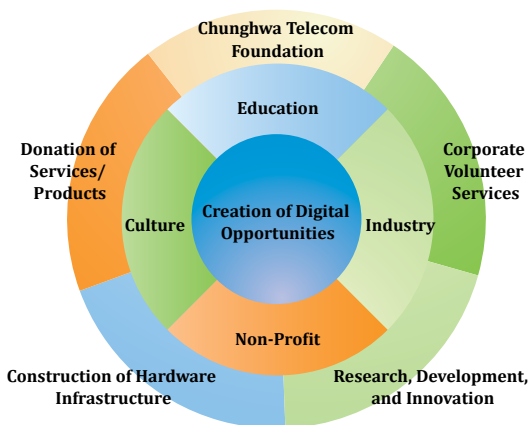
- The digital divide in today’s society is primarily due to the following:
- Geographical gap: a gap that results from people being in urban and remote areas.
 - Economic gap: a gap that results from people having different levels of income.
 - Knowledge gap: a gap that results from different levels of knowledge between different groups of people.
 - Disability gap: a gap that results from the general public and disabled persons.
 - Health gap: a gap that results from people of different age groups or health conditions.
 - Gender gap: middle aged and senior women suffer from significant disparities when using information and communications services as a result of traditional notions of family care.

Chunghwa Telecom had proposed many solutions to address these digital gaps. In the future, we will actively engage in social innovation to address these issues.

Five Major Aspects of Digital Opportunities

Based on the information and communications characteristics of Chunghwa Telecom, the two major missions of social investments from Chunghwa Telecom and the Chunghwa Telecom Foundation are the “reduction of digital disparity and the creation of digital opportunity”.

Chunghwa Telecom’s commitment on this issue involves diverse social investments over five aspects. “Hardware infrastructure” is the foundation for modern people’s communication. “Product or service donation” allows communication technologies to properly utilize their values. “Research, development, and innovation” focuses on assisting disabled persons with sharing convenient communication. “Corporate volunteerism” allow our employees to directly utilize their capabilities and participate in community building. Meanwhile, “Chunghwa Telecom Foundation” is the pioneer in our endeavor to create digital opportunities.





LBG Social Contribution Assessment

We have always been committed to our corporate vision of “utilizing society to care for society.” Not only are we Taiwan’s most significant composite telecommunications company with networks and services across Taiwan and its outer islands. Over the years, we have continued to apply our core capabilities to create concrete values for Taiwanese society and assist people to increase the quality of their lives.

Social Contribution Assessment

We adopted the London Benchmark Group’s (LBG) model to assess the utility of social investments, which had been widely used by over 300 corporations. According to the LBG model:

1. Form targets: community / corporation
2. Activity type (classified by motivations)
3. Investment value : total monetary value, physical objects, employee hours and planning, and management costs
4. External resource integration: community projects result from other resources
5. Community benefit: project performance assessment for communities
6. Commercial benefit: project performance assessment for commerce
7. Assessment of effects on communities / corporations

Quantify community investments can help us engaged in optimal resource allocation and avoid repetitive resource investment. Thus, financial and non-financial investment can be combined effectively, while multitudes of stakeholders can be satisfied at the same time to create more effective social contributions.

Social Investment Statistics EC8

We started to count our social investment amounts since 2008 in order to quantitative our contribution to the society. In 2012, our social investment amount is NT\$ 1,493 million, the decrease of total social contribution is because we improved our management by cutting down unnecessary expenditure, and kept all other part as the same as usual. Besides, we add “volunteer cost”

Social Investments (Unit: Thousands of NT\$)

Type of Social Investment	Cash Donations	Product or Service Donations	Management Expenditures	Volunteer Expenditures	Total	Percentage of Business Revenues	Hours of Corporate Volunteer Services
2010	273,778	1,470,014	131,395	-	1,875,187	1.01%	147,083
2011	260,934	1,324,955	14,110	4,863	1,604,862	0.83%	28,360
2012	231,202	1,150,656	88,687	22,365	1,492,910	0.68%	89,460



Dedicate to the Society

To assist the government with implementing increasing telecommunications availability and services, we have also established Chunghwa Telecom Foundation to fulfill the primary missions of reducing the digital gap, assisting local cultural industries, and participating in community life.



Well Use Computer Makes Computer a Good Thing

Chunghwa Telecom Foundation (CTF) encourages the ideologies “well used computer makes computer a good thing” and “what is taken from the society, being use on the society,” therefore we will always assist anyone who is in need of help with computers.

In 2012, we donated computer equipment to Taitung County to improve the community’s problem with lack of digital equipment. We have also donated resources to charitable organizations to help children and the elderly and decrease the digital gap.

While assisting in the improvement of hard drive equipment, we are also paying attention to the method users choose to follow by so we can promote the correct attitude to use a computer. Such as cooperating with The Public-Service Association of Taiwan Concern Society to hold internet safety education campaign, we hope to create a friendly environment for digital use.



Click Taiwan

We arrange different types of volunteer plans for each community, in 2009, CTF held first “Click Taiwan” project, invited university students to photograph and take video for communities and contribute their own abilities to lead or attend activities in communities. From 2009 to 2012, there already were 162 students cross 23 universities joined the project, went through 47 towns and took over 1,000 minutes of video in Taiwan.

And CTF also held second “Young volunteer project” in 2012, invited young men to step into communities which are mostly with insufficient youth. Through these activities, that we hope to encourage young people to visit this beautiful island by their own feet, step by step to learn the wonderful view in Taiwan.



Micro-Industry Lighten Economy

In 2006, CTF set up virtual and physical channels to help promote local industry, but consider the limited scale and human resource, since 2012, we have gradually turned into micro industry concept to provide solution for local communities.

“Clicktaiwan.com” was established in 2011, as a marketing platform for communities’ products. Through systematic plan and operation, we have built a complete database for local industry, and provide a chance for consumers to know the manufacturers’ background. In the same time, we also issue electric news paper to all our membership, about 30,000 members, to invite more people to support the idea of local industry.

(Clicktaiwan.com:<http://www.clicktaiwan.com.tw/taiwan/specialgifts>)

Malaysia Digital Opportunity Center



Because our assistance to APEC member Philippines’ “Digital Opportunity Center for Visually Impaired” was very appreciated, the Malaysian APEC officer has actively asked us to assist Malaysia to establish the same center.

The center has successfully built and held an opening ceremony in Rawang City on September 11, 2012. Malaysia officers, chairman of Association of the Blind, and Taiwan vice ambassador attended the ceremony. So far 3 visually impaired people have completed the training for customer service and 1 operation staff.

EYE Society Innovative Call Center



Cooperation with the Student Resource Center, Tamkang University, we have set up EYE Society Innovative Call Center in 2011, and there were 18 visually impaired call center agents and 2 supervisors in 2012. They are respectively responsible for Chunghwa Telecom satisfaction survey and the hotlines of 1999 Taipei City Government.

According to our satisfactory survey, visually impaired agents are qualified to Chunghwa Telecom’s standard of customer service, and they also can independently work in hotlines of 1999 without help. Therefore, Taipei City held press conference for 1999 Visually impaired call group in August, 2012.

Project Implementation Results

Chunghwa Telecom's vision behind initiating the "Digital Good Neighbors" project in 2006 was: allow everyone to use opportunities well, and that opportunities can serve well. Over the last several years, our employees continued to provide uninterrupted service assistance, and our corporate promise and commitment to creating digital opportunities have won recognition from local authorities and local residents alike.



Digital Good Neighbors with New Cloud Version

Through the "Digital Good Neighbors" project we have set up 63 locations and kept donating hardware and internet service to support a public study place.

According to the 2011 domestic survey of family information condition state by the Research, Development and Evaluation Commission, Executive Yuan, the domestic non-internet users are higher in females than males as well as elders than other ages. Therefore, when in efforts to reduce the digital gap, we encourage women and the elderly to attend our classes.

The Geng-Hsin Lien-Yuan Educational Foundation in Sanchong District in New Taipei City opened an internet course. After completing the course some students are able to manage a blog for their own businesses, providing product information. Similar events are happening in Linbian Township, Pingtung County, the Yongle community encouraged the elderly to form local elder photograph group where they learned how to use digital cameras. Meanwhile they also learned how to use Skype, Facebook and similar social networks. In the digital world, age, occupation, wealth is not a concern, the space is for anyone to learn and use.



Remote Learning Shorten the Distance of Education

We have launched the Remote Learning Project in 2009 to provide students from remote districts a chance to learn. In 2012, we have built 9 locations with courses on Tuesday and Thursday evening every week. We encourage anyone in the community to attend so they are able to learn and lead the community to grow with them.

In combination with the idea of digital accompany, the Remote Learning Project is not only for education, it is also a spirit companion. We hold many activities to encourage children to explore any future possibility and they are not the only ones that benefit from this program, trade school students also had a chance to experience program and are better prepared to enter the society.



Location of Remote Learning for Education

	Location	Number of Student
1	New Taipei Good Shepherd Foundation Cross-Cultural Marriage Center	13
2	Kaohsiung Liugui church	11
3	Kaohsiung Shanlin Township	20
4	Chiayi Fu Jen Catholic High School	16
5	Pingtung Fenglin Church	21
6	Pingtung Ailiao after-school course	5
7	Taitung Dawu junior school	18
8	Taitung Jialan community	16
9	Taitung Jinlun Hot Spring Tribe	10

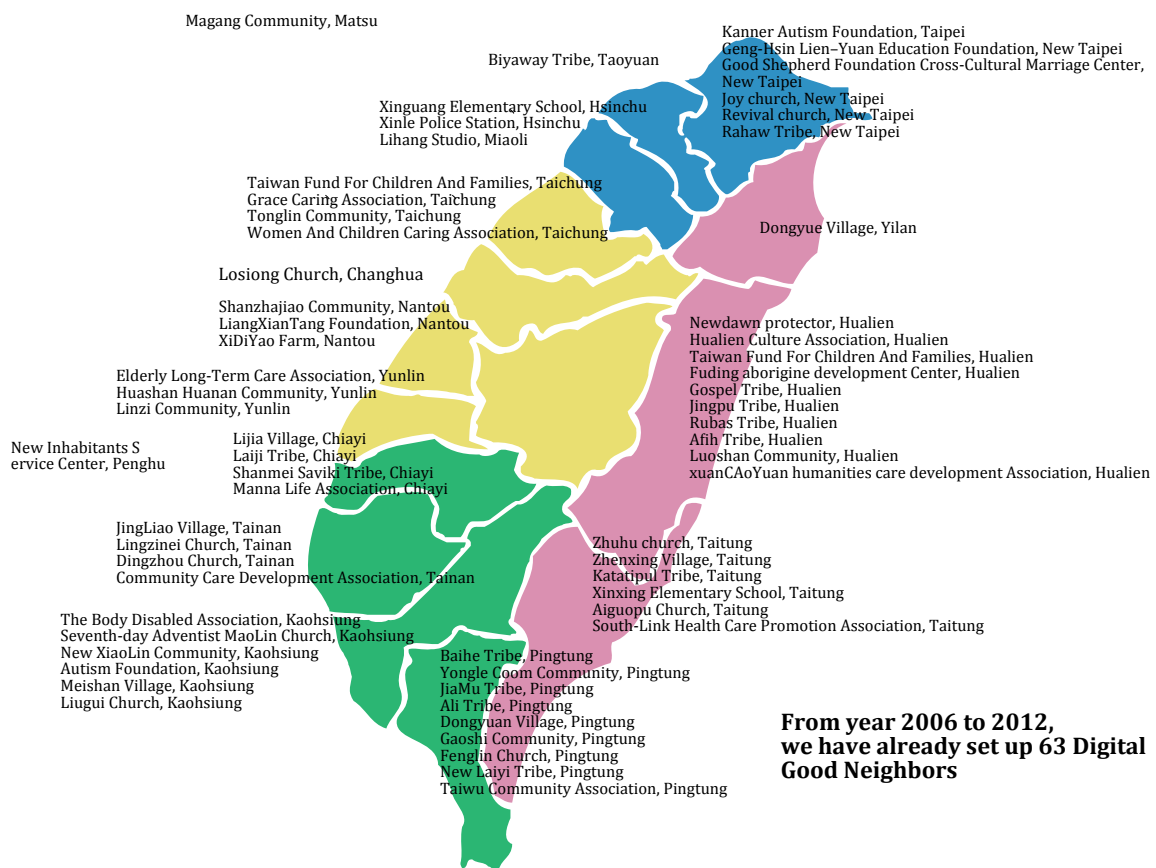
Total 130

Remote Learning Shorten the Distance of Education

We have launched the Remote Learning Project in 2009 to provide students from remote districts a chance to learn. In 2012, we have built 9 locations with courses on Tuesday and Thursday evening every week. We encourage anyone in the community to attend so they are able to learn and lead the community to grow with them.

In combination with the idea of digital accompany, the Remote Learning Project is not only for education, it is also a spirit companion. We hold many activities to encourage children to explore any future possibility and they are not the only ones that benefit from this program, trade school students also had a chance to experience program and are better prepared to enter the society.

Location of Digital Good Neighbors



Digital Inclusion to Create Shared Value

In an ICT society where information communication has become an inseparable part of people's lives, we are committed to building a trouble-free communications environment and share value with the people. We will establish comprehensive digital inclusion strategies and promote digital inclusion action plan performance indicators step by step.



Four Aspects of Digital Inclusion Strategy

In our disabled digital inclusion strategy, we leverage ICT together with discounted plans to fill the service gap for all the disabled groups. We are devoted to the development and provision of barrier free communications equipment oriented to improve their lives, education, and employment.

The advancement in information and communication services also allows us to assist elderly people with chronic disease or those in need of special care. We offer disadvantage groups and low-income group cheap plans and remote assistance for the installation of communications equipment. We also provide the public a sufficient education courses as a learning channel in changing information and communications discipline in every county.

We believe that the provision of information and communications services for remote area is not subject to terrain or distance. We continue to enhance the accessibility of our mobile communications network and build dual-routes in remote areas to ensure communication. We will also strengthen mountain and outlying island communications by satellites.



Comprehensive Inclusion Action Plan

We define four aspect of telecom performance assessment according to different groups and priorities:

1. For disadvantaged groups: trouble-free communication use, life quality improvement, disadvantaged group employment, social change in the community, and enhance image.
2. For low-income groups: easy to use, affordable rates, life quality improvement, social change inside community, equipment utilization, revenue, and enhance image.
3. Public education by telecom equipment and services: course integrity, service course for attentive to customer, course utilization, revenue, social changes in community, and enhance image.
4. Infrastructure improvement in remote areas and outlying islands: basic communications coverage, high-speed wireless broadband coverage, guarantee of smooth communication, improvement of user life, equipment utilization, revenue, enhance image, social change in the community and community environment.



Quantitative performance of digital inclusion in 2012  PA5

Project	Content	Preferential Amount (NT\$)	Number of Benefited (Person)
For the disabled	Provide 15% discount for monthly rental of ADSL3M/384K, and 5% discount for other line rates (including FTTx service).	1,365,936	2,189
For the visually disabled	Provide subsidy of two IC phone-cards, equals to NT\$ 200 per year.	119,300	592
For the disadvantaged	Provide lower monthly rental of mobile phone services, or offer free text, call or video call for communication.	22,300,000	--

