







42,000 hot spot **86%** 100 Mbps broadband coverage



of the Year - CRE Awards 2012



S Touching Service

Chunghwa Telecom values its service quality and consumers' opinions. We step down from the past mentality of superiority in technology and put ourselves in consumers' position to evaluate our services in a rigorous manner, so that a comprehensive, quality and efficient service can be provided through front line customer service such as stores and cloud counters, or customer hotline, website and interactive network counter and social network. We have 704 service stations across Taiwan providing continuous services, in response to the growth of urban population, we plan to establish additional 99 service stations, while improving the existing service centers and root services into communities in a continuous manner so as to expand and upgrade our services and capabilities into an efficient, convenient and touching service provider.

Both Chunghwa Telecom service center and customer hotline have been approved by International Organization for Standardization ("ISO"), with business counter, cloud counter and network customers working separately as a whole, we were honored by "2012 Contact Center of the Year" in "Customer Relationship Excellence Awards" from Hong Kong Asia Pacific Customer Service Consortium.

Transformation and Upgrade of Physical Channel

- Set up additional retail stores to expand channel service capacities: In the end of 2013, physical service centers including 431 direct and 273 franchise stores.
- Establish a specialized "district coach" who is responsible for coaching retail store management and marketing performance, to enhance the management efficiency of the store operations.
- Establish self-evaluation, inspection and coaching of retail store service quality to improve quality of service counter.

Multi-Channel Services

Channel	Content	
Live Web Chat Service	For Instant Message (IM) users and for persons with hearing impairments, we have introduced text-based live web chat customer services, all Chunghwa's operations are now covered.	
Internet Communities	To serve the ever-growing Internet community populations, we created a Facebook fan page "Chunghwa Telecom Dr. Q" to answer questions, proactively publish information, and to gather suggestions.	
Web Call Center	To save our customers the trouble of calling and visiting counters, we are increasing the scope of self- help services provided through the web call center.	
Mobile Customer Service In response to the ever-increasing smart phone users, we started to provide mobile-optim customer service center from June 2013, that is, optimize the interface of network customer to fit mobile phone interface, so that when users login network customer service center, the take it to mobile-optimized web interface automatically.		
Customer Service APP	Starting from November 2013, we provide free customer service APP download on iOS and Android system, customers are free to download the APP anytime. As of end of 2013, more than 60,000 users had downloaded the APP and more than 300,000 services were provided.	

MCustomer Service and Information Security Management

Chunghwa Telecom understands customers' needs, it incorporates the negative effect of overuse in the process of designing the products and places friendly reminder in marketing materials; in addition, instructions on the products and services are to facilitate customers' understanding of the product specification and information. In 2013, no violation of health and safety and product labeling was reported.

To accurately deliver information of more than 3,500 products from customer hot line, we incorporated a "Message Box" in our company website as product information center and designated personnel to review and update the information, in addition, the same is uploaded to customer service information center, so that customer service personnel is able provide customers with first-handed information.

Besides, to maintain the consistency of display of point of sales materials and management at the service stations, we stipulated "Chunghwa Telecom management guideline for point of sales materials" and "Chunghwa Telecom point of sales management enforcement rules", to facilitate the provision of quality environment by all service stations and maintain our corporate imagine and service quality.

Multiple Payment Methods and Accounting Management

1	Payment counter (service stations, franchise centers and convenient stores)	5	Chunghwa Telecom Voice Payment Hotline [overdue payment is available]
2	Regular transfer	6	Chunghwa Telecom mobile phone payment [overdue payment is available]
3	Chunghwa Telecom online payment [overdue payment is available]	7	Chunghwa Telecom MOD payment [overdue payment is available]
4	Telephone voice transfer at financial institutions	8	Automatic Teller Machine payment

We provide multiple and convenient payment methods to ease consumers' effort, including:

We value consumers' opinions or objections in connection with payment issues. Before a controversial incident is clarified, we will stop sending reminders and suspend communications. In addition, we will also designate a team at customer hotline to respond to customers' queries online.

With transparency being the key element of our pricing philosophy, any payment issues occurred as a result of accounting error or problems will be informed to the affected consumers, concurrently, message be delivered to customer hotline through internal message reporting platform, from which customer service personnel is updated with information to answer queries when needed.

Customer Privacy Service and Measures

We treat the rights and interests of our customers as priority; we follow strictly to the Personal Information Protection Act and had never got beyond any range. We only collect data for legitimate and legal reasons. We have added "Collection Inform of Customer's Personal Information Clause," "Customer's Personal Information Application and Disposition Form" and similar document. We also provide protection services to customer, such as search and review their personal information, cease marketing usage, delete their information.

In response to the implementation of the "Personal Data Protection Act", we established "Personal Data Protection Team" under the "IT Strategy Committee". We set up personal data safety training and awareness plan, personal data process analysis and inventory plan, risk assessment plan, which are all categorized as our KPI indicator.

To strengthen customer data protection, Chunghwa Telecom has categorized basic customer information as "top secret" documents and stored in locked counter. Employees are asked to sign the "Trade Secret Protection Contract" and their

supervisors are jointly liable. Any outsourcing company is involved in trade secrets, must also sign related confidentiality agreements. In addition, to prevent the use of portable storage device by customer service personnel, we stipulated "Guideline for using portable storage device at customer service center" which is promoted by service center on the half yearly basis, and the record is kept for future reference.

Should there be breaches of personal data, the customer service center will handle consumers' complains in accordance with ISO9001 Suspected Leakage Handling Procedures. There were 57 suspected privacy complaints reported and handled in 2013, a 21% decrease compared to 2012, and accounting for 0.0015% of customer hotline business. However, no privacy complaints were confirmed and penalized by the competent authority.

Leading Information Security Management Systems (ISMS) Certification

Chunghwa Telecom continues to strengthen the protection and management of information every year, including obtained certification for ISO 27001 Information security management system in 2007, initiated "Expanding certification for ISO 27001 international information security standard", obtained "ISO 27001 international information security management system" in 2010 and verification of "NCC ISO 27011 supplementary telecom auditing "in 2011, become the first mobile telecom carrier to meet NCC standard.

Leading the Industry by Obtaining Certification for Personal Information Management Information

Chunghwa Telecom has led the industry by obtaining Personal Information Management System Certification (BS10012:2009 PIMS) in 2013, becoming the first telecom carrier in Taiwan to receive certification, it is expected that the certification will be extended to other line of certification in two years and positioned as a benchmark industry for personal information security.

To introduce the great importance of personal information and the protection measures, we held eight sessions of personal information campaign and educational training in connection with emergency response of personal information incidents for more than 4000 customer service personnel.



A Ensure Service Quality

We started a five-year investment plan in 2012 to inject NT\$ 100 billion construct broadband network, establish digital convergence and niche market for innovative services, so as to respond to government project "Digital Convergence Development Plan", that is, reaching 7.2 million fiber optical users and 11 million broadband users by 2015.

Chunghwa Telecom strives to establish telecom infrastructure and broadband network, while supporting the government's plan regarding shorten digital differentiation strategy to deliver indiscriminate medical service and educational resources in remote areas. In 2013, with coverage ratio better than expected at 84.4%, Chunghwa Telecom has reached its goal by establishing broadband network in 190 rural areas, and awarded "Promotion of increasing of broadband speed in remote areas" by NCC in 2014.

By the end of 2013, the coverage ratio of Chunghwa Telecom's broadband with 100 Mbps speed is 86.42%, it is expected that Chunghwa Telecom's coverage ratio for 100Mbps will reach 90% in 2014.

*Broadband Coverage: Percentage of area covered by fiber or wireless within a radius of 400 meters that can be used in a month after consumer applied among total consumers in Taiwan.

Product and Service	Performance in 2013	Target in 2014
Hinet Broadband	• Broadband 4.55 million users (Users of broadband speed over 60 Mbps reached 1.14 million, increased 25.6% in 2013) Users of broadb	
🥖 FTTx	296 million users (increased 8.7% in 2013)	Reach 3 million users
MOD 1.24 million users (increased 3.8% in 2013) Reach 1.4 million u		Reach 1.4 million users
4GLTE 4G	Scheduled to provide service in 2014	Market share over 40%
3G Mobile internet	4.38 million users	Reach 5 million users

Expand Wireless Hotspots

Going online anytime anywhere has become a necessity and trend for modern people. Especially with the rapid growth of smart phone and tablet PC users, mobile broadband traffic has grown exponentially in the last couple of years. Between 2012and 2013, we invested over 16 billion to expand mobile broadband network infrastructure, and procured over thousands units of 3G and 4G base stations to upgrade the capacity, transmission speed and coverage of mobile broadband network. To provide a more intensive mobile networking service, we have established 42,000 Wi-Fi Hot Spot and 100 Wi-Fi Hot Zones as of end of 2013. It is expected that Wi-Fi Hot Spot will be increased to 50,000 by the end of 2014.

With more than 8.17 million 3G users, to provide consumers with better 3G and Wi-Fi experience, we have initiated Wi-Fi automatic certification (EAP-SIM) for contracted consumers holding iPhone. In it, an automotive login Chunghwa Telecom's Wi-Fi network will be conducted without the need to enter ID and password. Moreover, by completing one time ID and password setup through APP to login Chunghwa Telecom's Wi-Fi network, customers using Android mobile devices will be able to download free the "CHT Wi-Fi" APP and enjoy a fluent and convenient mobile network experience.

To provide a user friendly network environment, we have increased hot spots in respond to the network traffic demand in certain festivals in 2013, for example: an additional 150 hot spots in New Year countdown and 67 hot spots in National Day firework festival held in Hsinchu, which marked an additional spending of NT\$ 4 million in 2013.

Initiated Disaster Emergency Communication to Prevent Isolation

With experiences learned from past disaster relief, we have established multi-route transmission, backup routing with wireless sensor and higher capacity (good for 72 hours) backup battery in remote areas, so that the remote areas will not be isolated from communication with the outside world due to power outages caused by natural disaster.

To intensify our disaster response capability, we have conducted simulation for network and equipment dispatch and repair every year, while developing backup plan for mobile phone base stations, that is, a decentralized base station plan to prevent service interruption, when circuit/power outage or equipment failure in any base station, its neighboring base station will be able to maintain its operation.

When disaster struck and caused communication interruption, we will, based on actual circumstances, provide small microwave dish, satellite or mobile base station to maintain the communication of the affected areas. In the unique geographical location with single exit/entrance such as Suhua Highway, we provide duplex base stations to cover service areas, so that a failed base station will be covered by its paired base station to maintain its normal communication. Such base station has functioned well to maintain uninterrupted communication in the two major accidents occurred in the past two years.

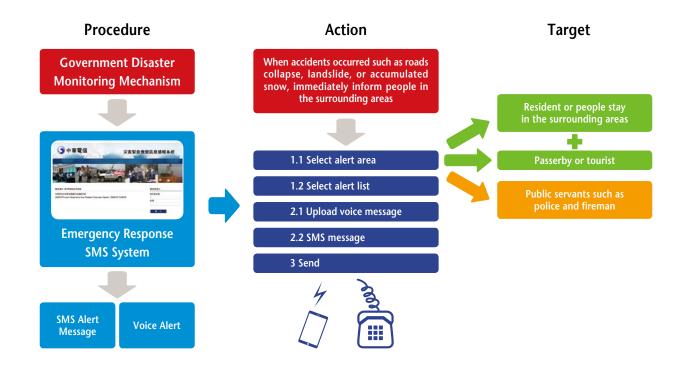
Upgrade of Disaster Reporting System

Sought to minimize the impact of disasters, Chunghwa Telecom's "Emergency Response SMS System" sent out more than 650,000 SMS alerts in 2013. Its role in disaster prevention and notification is outstanding.

Chunghwa Telecom has assisted Directorate General of Highways to send SMS alert to passer-by regarding the traffic information before and after road accidents such as roads collapse, landslide, accumulated snow and accidents in certain region, which has been acknowledged and appreciated by the government and public.

We have assisted Taiwan Power Company to plan landline voice alert service based on the users' location for the nearby areas of nuclear power plant. In case of nuclear power plant accidents, in addition to immediate SMS alert, landline users in the nearby areas will also receive voice alert. The government also plans hundreds of potential disaster areas for downstream reservoirs, landslide areas and flood-prone areas. Upon the occurrence of emergency condition, immediate SMS alert will be sent to warn the people in the surrounding areas to ensure that their life and property is protected.

Moreover, with its qualities of fast, inexpensive, uninterruptible power supply, not taking up public communication resources and island-wide coverage, "Low Frequency Wireless Time Signal Broadcast System" is especially good for emergency alert such as weather warning and landslide warning.



R Value Customers' Voice

We strive to provide quality services, by utilizing "Learning Organization", we plan value network for comprehensive customer services and establish integrated customer service information system. In addition, we built mutual service concept through teamwork and encourage employees to have innovative mindset, to create better service quality and customer value.

With 3,900 customer service personnel island-wide, Chunghwa Telecom has 15 customer service centers responsible for network counters and call center services. To respond to customers' queries promptly and provide quality services, we have invested considerable resources on training courses in terms of business, career and communication skills, in hope to provide customers with best possible services.



Introduce Exquisite Service

By challenging itself and achieving excellence, Chunghwa Telecom strives to provide exquisite services with efficient and convenient qualities, thereby realizing its corporate vision of "most valuable and trusted ICT company". By creating a customeroriented culture and acquiring expertise in the field of ICT, we are dedicated to providing heart-touching services with sincerity, genuineness, attentiveness, patience and caring.

- Professional technology service: Emphasis on new technology equipment to generate new demand from customers. We established a professional technical service team to provide instantaneous, customized, and competent service.
- SGS Qualicert: In stores, not only do we apply our SGS Qualicert international service qualification but we also seek Consultancy Company's advice and move towards exquisite services, have mystery customer to identify any weakness in our customer services. In addition, our services have been well received and recognized by the consumers and we have received first place in CommonWealth Magazine's 2013 Gold Medal Service Award in telecom carrier.
- Service standard at clerk counter: By introducing exquisite service guidance, we have designated internal consultant and coach to help service personnel to provide customers with dedicated and heart-warming service with professional touch.
- Touching service: To motivate service personnel to develop enthusiasm and expertise, thereby providing best services to exceed customers' expectation, we have established "Touching Service Arena" to record excellent services for others to share, learn and download.

	2011	2012	2013
Fixed Line (Cases)	0.97	0.81	0.61
Mobile (Cases)	2.53	1.95	1.55
Data (Cases)	1.27	1.27	0.88

Complaints Per 10,000 Consumers

Key Performance Indicator of Customer Hotline

КРІ	2011	2012	2013
Personnel Response Rate in 20 Sec	77.9%	84.1%	78.4%
Service Satisfaction (Out of 5)	4.57	4.58	4.59
Achievement Rate in the First Call	79.0%	78.4%	77.9%

Comprehensive Consumer Complaint Management

Our target is to complete customer complaints within three business days. To ensure an open, result-driven complaint resolution process for customers, our service hotline processes passed ISO10002:2004 (Guidelines for Handling Customer Complaints), and we are the first domestic operator in the industry to pass such an international standard certification.

Besides customer service hotlines, customers can file their complaints through our website or PR hotline (02-2344-6789) authorized by our chairman. After cases are opened, they are passed to the customer complaints handling task force to be processed as urgent cases. Customers can enquire into case dates at any time via telephone and our customer complaints handling task force will inform customers of the latest updates on their cases.

To enhance customer satisfaction, we collaborate with relevant parties to establish effective detection of potential consumer complaints and related prevention measures as well as "poor mobile communication" and "monitoring fixed line broadband disability" mechanism. Due to the effective monitor of the mechanism, Chunghwa Telecom has topped other telecom carriers in the improvement of customer complaint in "Monitoring report for communication complaints" issued by NCC in 2013.

Retain Precious Photo Memories of a Customer's Late Father

One evening after 10 pm, Chunghwa Telecom's call center received a worrying call from Ms. Hsieh, who is retired from the financial industry. As Mrs. Hsieh was worried that her late father's photos saved in Wrench's (a Taiwanese community website) online photo album would be lost along with the closing of Wrench, her anxious voice revealed the love for her late father. "Those are the photos of my late father. I don't want to lose any photos, not a single photo".

Lai Yu-Chen was providing second-line support service that night. Lai Yu-Chen immediately understood the seriousness of the problem after hearing Ms. Hsieh's story. She comforted Ms. Hsieh and walked her through necessary steps to retrieve the photos. During the process of providing services, Lai Yu-Chen could feel Ms. Hsieh's sadness and how much she missed her father. It reminded Lai Yu-Chen of her late grandmother who brought her up. Through the encounter was short, Lai Yu-Chen already regards Ms. Hsieh as her own family.

During the process of the operation, Lai Yu-Chen heard Ms. Hsieh coughing on the other end, which made her eager to help Ms. Hsieh. She thought, " Ms. Hsieh must be really anxious to get those photos back;" that's why she is calling at this hour even



though she is unwell". After the backup setting was completed, Lai Yu-Chen could not help herself but remind Ms. Hsieh, "Not to worry, we have done all the settings. Let the system take care of the rest. All you need to do now is have a good rest and get well". Ms. Hsieh was so touched by Lai, Yu-Chen's effort, she said, "Your voice comforted me, I cannot thank you enough. Please let me buy you a good meal, if by any chance you visit Taipei".

Alleviate Public Concerns in Electromagnetic Radiation

When establishing base stations at certain sites, Chunghwa Telecom evaluates regional population, crowd density, radio coverage, customer complaints and base station capacity in the nearby areas. In addition, local residents' consent is obtained through management committee or borough chief. Once a suitable site is found, we will submit the information of to-be-installed base station to NCC for approval and prospecting, and before the base station is officially activated, we will conduct emergency telephone testing as well as road testing to verify that devices function well and coverage is satisfactory. It should be noted that the radiation value of the electromagnetic radiation of our mobile telephone base station is much lower than the standard required by the government.

Furthermore, to reduce the number of base stations and reduce the visual impact of the public, NCC officially approved "The revised administrative rules for the establishment of mobile communication network base station" in 2013 to include protection facilities of base station into affiliated telecom facilities of telecomm to legalized the landscaping of base station facilities. While in the same year, "Encourage the release of public building or land to establish base station, which is included in the annual evaluation and will be published every year" approved by the legislative Yuan will facilitate communication quality and lower the number of base station established in residential areas.

In 2012, we and other trades entrust telecommunication association to set up a fan page on Facebook, we also host online events to propagandize the right notion of electromagnetic radiation from base station. In 2013, Chunghwa Telecom cooperated with Taiwan Telecommunication Industry Development Association to hold media conferences concerning "Get to know electromagnetic radiation used for mobile communication" in Taitung, Hualien, Taichung and Kaohsiung and invited three professors take turn to explain the principles of electromagnetic radiation. In addition, by cooperating with NCC's Office of Commissioner in central district to hold 2 workshops on electromagnetic radiation used for mobile communication in Nantou district office and Caotun town hall, we also penetrate into suburban areas to introduce accurate information and avoid unnecessary public fear.

For network system and business operation, we also provide complaint hotlines to answer the public's queries about electromagnetic radiation as well as free testing service. In 2013, we received and completed 221 cases of free testing for electromagnetic radiation.

Fraud Prevention

We created the 165 reporting line in 2007 to assist the government. As of 2013, it is operated by 8 customer service personnel on monthly basis to assist police bureaus in undertaking priority cases during peak hours. The FDOS, operated by 3 customer service personnel, was also created to provide suspicious fraud-like phone calls information to the police, which is to assist police units with the instant termination of fraudulent calls.

Internet Safety for Youth Population

Chunghwa Telecom seeks to expand business on the basis that safety and health is placed at first priority, in this regard, we pay special attention on the potential issues arouse from use of internet by growing children. In the environment that information is easily accessible, it is extremely important to provide a safe internet environment for young population. In response to this need, we introduced Internet Porno Gatekeeper and Online Time Management to allow parents to manage information accessed by children through modern technology, and protect our children from harmful effect of internet.

In April 2013, we participated in New Taipei City's Children Safety Experiences to promote internet safety for children, and to introduce the great importance of children safety on internet using through network safety survey and games, to establish a safe and healthy environment for our next generation to grow.

Digital & You - Reduce Negative Impacts

Customers can use our services without worries only by eliminating the potential negative impact of telecommunications services. We also provide the following services:

Junk Mail	By using a HiNet mailbox, customers can enjoy free webmail service. Through a simple setup, users can decide whether questionable e-mail will be automatically deleted in the future.		
Adult Content	Adult Content: Provides K12 mailbox forced isolation, HiNet Adult content gatekeeper, and mobile internet adult content security guard keep children and teenager far away from harmful websites.		
Usage Time Control	Usage Time Control: "HiNet Online Time Management Service" and mobile phone "3G Talk without Worry" programs, give parents effective control on mobile phone and online status.		

Ensure Customer Satisfaction

To ensure that consumers' need is satisfied and service quality is enhanced, we conduct customer satisfaction survey for Chunghwa Telecom service center, customer service hotline and installation & repair service every year to ensure that we provide the best possible service and continuous improvement on our services. In addition to regular consumer satisfaction survey conducted by market research company, we also accept NCC's service quality survey on telecom carriers on the regular basis. The results show that our performance is significantly better than the standard requested by NCC.

Item	Target	Performance
Landline Connection Rate	≥ 95.6%	99.88%
Interruption Rate of Mobile Phone Communication	≤ 3 %	2G 0.780% 3G 0.372%
Packet loss % in Data Transmission	≤ 3%	0.004%

Satisfaction Survey of "Corporate Consumer" and "Average Consumer"

To understand the satisfaction of Chunghwa Telecom's services and the recognition of our corporate image, brand value and service quality, we designate external market survey company to conduct consumer satisfaction survey on "average consumer", "SME (small to medium sized enterprise) consumer and "large corporation consumer", thereby identifying the issues and expectations of most concern to consumers and as the target of our future endeavors.

We deliver the consumers' opinions and suggestions to product and business personnel including risk management and public relations department through consumer opinion reporting system. Moreover, regular review meetings are convened by product management and customer service team in order to meet consumers' expectations. in 2013, our satisfaction survey performance was improved from 2012, indicating that our effort has been recognized.

Large Enterprises **Small and Medium Enterprises** Average Consumer 2011 2012 2013 2011 2012 2013 2011 2012 2013 9.39 9 5 3 9.55 8 5 5 8.53 8.41 7.19 6.86

Customer Satisfaction Survey (10 point scale)

Customer Service Satisfaction of Call Center

There are three sources from which we survey customer satisfaction for service hotlines: 1) manual out dialing from our call centers; 2) automated surveys by the CTI system; 3) entrust Chunghwa University to mail out questionnaires once a year. The first and second methods are integrated as one KPI requirements with satisfaction calculated on a 5 point scale, result of 4.59 in 2012. The third method has individual KPI requirement calculated on a 10 point scale, result for 2013 was 7.2.

Source 1	Manual out dialing from our call centers in 3~7 days.	
Source 2	Automated surveys by the CTI system in 30 minutes.	
Source 3 Entrust Chunghwa University to mail out questionnaires once a year.		