



### Brand Management

Chunghwa Telecom has long been maintaining a brand image of stability, innovation, and consumer-centric values by packaging our professional, convenient, and diverse ICT services with marketing creativity. In a crowded and competitive industry, Chunghwa Telecom managed to stand out among others and win consumers' preference and market share by maintaining our stature as the "industry leader" and devotee of the best digital lifestyle.

Chunghwa Telecom adopts a centralized brand management approach that caters for the individuality of each brand. The President is responsible for offering guidance for the creation, management and alteration of brands; these decisions are communicated with branch managers for execution in line with the group's brand strategy. Branch managers may customize the brand to a certain extent to suit their locality.

- Brand Policy: A centralized strategy that accommodates the development of individual brands.
- · Brand Management: The head office outlines, controls and adjusts brand strategies throughout the Company, while individual branches execute them accordingly.
- · Brand Structure: Centralized brand structure while catering for the individuality of each brand.

trategy

Diversity of channels for services to provide consumers with multilateral, high quality, and efficient services



- · Accreditation of the SGS Qualicert service certification
- Establishment of designated internal consultants and supervisors to advocate refined service supervision
- Setup a vibrant service zone
- Comprehensive and robust personnel management



- Established the system of self-inspection, audit, and supervision for service quality
- Launch of personal information management and auditor certification system
- Transformation of 406 service centers into "Green Stores"



The dilemma of coverage of the base stations



Make personalized high-quality products and services available to our customers



GRI Average consumer's satisfaction: 7.45 out of 10

GRI No violation of laws concerning health, safety or product labeling

GRI No violation of laws concerning personal information

CHT The complaints per million users: 195 cases

### Comprehensive Network of Physical Channels

Chunghwa Telecom values consumers' voices. Our marketing activities involve more than just conveying technical features of the products and services we offer, but are guided by stringent service standards established from consumers' point of view. With a diverse range of service channels at disposal, the Company provides consumers with the most comprehensive, quality and efficient services.

We have been constantly adjusting our service locations to accommodate the concentrating urban population. With 742 service outlets nationwide in 2016, we continually expand our service centers to provide customers with more convenient and useful services.

We provide manual of products and services informing product characteristics and application, consider the negative overusing effect to consumers, and place friendly reminders in marketing. In addition, Chunghwa Telecom has instituted the "Channel Sale Support Items Management Guideline" and the "Channel Sale Support Items Management Implementation Procedures" to make the display of sale support the items and operation management at all service and business locations consistent, and allow for a positive service environment for the consumers. These are vital for maintaining the professional superior image and service quality of Chunghwa Telecom. In 2016, no violation of health and safety and product labeling was reported.

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### **Upgrade and Transform Physical Channels**

We have launched the transformation and upgrading plan for the stores to renew our service quality and allow consumers to receive quick and convenient service. Related measures are:

- Develop more business locations for bolstering our service network: by the end of December 2016, we have established 167 service centers, 463 stores, and 279 franchised stores, which made up the total of 742 service stations.
- Set "district consultant" who is responsible for coaching retail store management and marketing performance, to enhance the management efficiency of the store operations.
- Establish the system of self-inspection, audit, and supervision for service quality; all stores must conduct self-inspection and business offices will conduct random inspection and audits to upgrade over-the-counter service quality.
- We actively support the "Green Consumption" program of the Environmental Protection Administration, Executive Yuan, as part of our energy conservation and environmental protection initiative. More than NT\$ 59 million worth of energy-saving products were sold in 2016. We expect to convert 406 service centers into "Green Stores" in 2017, and sell more than 3 environment-certified products through each of them. Through the introduction of "Chunghwa Telecom Green Stores," we encourage consumers to make green products the priority of their purchases.





### Hami Wallet - Easy Shopping

We continue to promote mobile payment as a hassle-free way of paying for purchases. Starting from 2016, Chunghwa Telecom has been accepting customers' request to apply for or replace 4G NFC SIM cards at service outlets. Users of the NFC-enabled cellphone may simply download the "Hami Wallet" App to register their EasyCard and NFC-enabled iPass. After completing activation and the required downloads, Customers may begin making payments with their cellphones in the same way they would with an EasyCard or iPass.



| Quantity of Products and Services | Approximately 2,873 unit.   |
|-----------------------------------|---|
| Customer Service Kiosks           | Serve as the "Drop-off Section" for business and engineering-related information. Upon receiving new business or engineering-related information, the accountable employee first verifies the information according to SOP, then drafts FAQs and uploads them onto the customer information station for use by Chunghwa Telecom's customer service personnel (at service outlets and call center) and Internet counter. |
| Consumer Hotline                  | Provide complete information on the features of products and services, and related special offers.  |

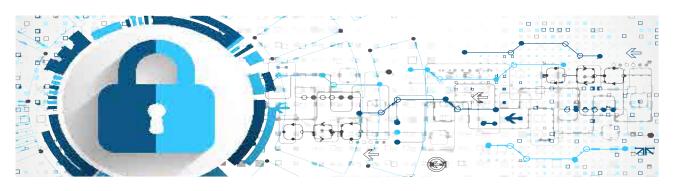


### Proper Management of Personal Information

Chunghwa Telecom duly observes the Personal Information Protection Act in the collection, processing, and use of personal information and guarantees the security of customer information through the strictly designed management system. We have assembled a Personal Information Protection Task Force under the Information Strategy Committee and complied with regulations of the National Communications Commission by implementing personal information protection policies, organizing information security training, enforcing risk management measures, and creating performance indicators. We also actively enforce personal information management and auditor certification for internal employees, and invest resources into the training of personal information managers and internal assessment specialists.

In 2016, there were 35 cases of complaints on alleged information leaking, increased 8 cases than 2015. Complaints of this type approximately accounted for only 0.0001% of our customer service hotline. Cases of complaints were filed via all available channels, none of which had been proven to violate the relevant regulations.

In an attempt to provide each department with the right incentives to enforce personal information protection, we organize one competition every 6 months and reward top 3 performers with trophies and prizes. The competition rates participants on several aspects including cross-server virus alert, social engineering email test, third-party verification, IRMAS (Windows patch, virus code update), and personal information incidents.



### Policies and Procedures

- The following personal information-related policies were amended in 2016: the "Information Security Management Policy and Implementation Rules," the "Personal Information Protection Policy," "Information Security and Personal Information Risk Management Policy," the "Information Security and Personal Information Document and Record Filing Policy," and the "Personal Information Incident Prevention, Reporting and Responsive Procedures."
- To conform with the Personal Information Protection Act, the Company added new documents including
  the "Consumer Personal Information Gathering Advice" and the "Consumer Personal Information Request
  and Processing Reply Form" for consumers to inquire, retrieve and make duplicate copies of their personal
  information, or to unsubscribe marketing messages and have their personal information removed from file
  after termination of service.

### Management

- The Company has obtained ISO 27001 certification for information security system, and was the first Taiwanese mobile carrier to be validated by NCC for "ISO 27001 - International Information Security Management System" and "NCC ISO 27011 - Telecommunication Supplements."
- All customer service hotlines have been certified for BS 10012.
- The customer service system also adopts ISO 27001 standard and has passed certification for "ISO 27001

   Information Security Management System."

#### Personnel Control Mechanism

- · Consumers' basic profiles are classified as "highly confidential," and data are locked in dedicated cabinets.
- All employees are required to sign a "Confidentiality Agreement," and line managers are held jointly responsible for any breaches committed by their subordinates.
- If an outsourced service involves business secrets, the contractor and its workers would also be required to sign the confidentiality agreement.
- Employees who access customers' personal information over the computer system will have inquiry history stored on file and audited by the manager on a regular basis.

#### Customer Service Control Mechanism

- Customer service operations are carried out within the boundaries outlined in the "Customer Service
  Department Personal Information Protection Manual." The Company promotes proper awareness on a
  regular basis; an organization-wide awareness program was held in 2016 with detailed records kept for
  future reference.
- The Company has a personal information incident procedure in place that requires the customer service center to handle all leakage of personal information by the "Customer Service Department Personal Information Incident Procedure Handbook."

### Refined Customer Service

Chunghwa Telecom's customer service principles - "Listening, caring, and engaging."

We serve customers with passion and professionalism;

we relentlessly refine and pursue better service quality.

To focus on enhancing service quality, the customer service hotline has obtained many international certifications over the years. Since the end of 2016, the Company has set its goals to deliver the best customer experience. Some of the customer experience indicators and service quality indicators were therefore implemented at points of direct and indirect contact with customers. We tapped into these points of contact by gathering customers' voices and applying big data analysis to uncover hidden problems and ways to optimize existing procedures. We also use big data analysis to learn customers' true needs and take the initiative to care for customers and offer customized services and products. Chunghwa Telecom's customer-centric brand commitment and its efforts in promoting customer experience management across all channels were awarded the "2016 APCCAL Awards - Best Customer Experience Management in Taiwan."

We treat customers with respect and welcome them like family. We value training and skill development of our employees, and have internal consultants and counselors in place to guide service staff through every critical moment of contact they have with customers. We strive to deliver service in the utmost "sincerity, patience, compassion and attentiveness."

### Customer Service Location/Size

The Company has 15 customer service centers and customer service personnel average 3,400 in 2016.

#### Multi-channel Customer Services

- Voice
- SMS
- Web service
- · Web chat
- Web call
- Mobile app
- · Social media ("Chunghwa Telecom Dr.Q Fan Page")

# Training and Outcome

- The Company has spent substantial training resources to develop employees' skills in a variety of aspects including business, information protection, service, assuring consumers the most consistent and top-quality service experience.
- For the safety of consumers and our frontline service staff, the Company has implemented
  emergency response mechanism at service counters and call centers to respond to accidents,
  natural disasters or threats. These measures enable our service staff to respond to the crisis at first
  sight until the situation is taken over by the proper handler.

#### Customer Service Management Mechanism

- The implementation and periodical advocacy of customer service management operations of control area is executed in accordance with the "Customer Service Personal Data Protection and Management Manual." We reached 100% advocacy companywide in 2016, and retained records for future reference.
- Established a personal information incident handling process. In the event of personal data leakages, the call center shall be properly handled by the procedures set out in the "Procedures for the Administration of Personal Information Event Management."

| Year | <b>Total Participants</b> | <b>Total Training Hours</b> | Average Training Hours |
|------|---------------------------|-----------------------------|------------------------|
| 2016 | 7,487                     | 171,355                     | 22.9                   |
| 2015 | 7,838                     | 166,960                     | 21.3                   |
| 2014 | 9,834                     | 213,650                     | 21.7                   |



### **Refined Customer Service Training**

To further refine our customer-centric services while inspiring passion among customer service staff, 6 sessions of "Customer Service Charisma Workshop" were held in Northern, Central and Southern Taiwan in 2016. The course was held at Chunghwa Telecom's training facilities in Banqiao, Taichung, and Kaohsiung, and made available online for remote teaching. A total of 349 people participated in the training.



### **Innovative Customer Service**

In the era of mobility, cellphones have become an essential device that people use to connect to the world. Meanwhile, the demand for mobile service has increased significantly due to the introduction of 4G technology. We value customer service as the most important factor in maintaining relations and trust, and the key to delivering higher customer experience. We started integrating voice applications into our customer service platform in 2016 and developed related technologies that help us quickly understand customers' problems and find solutions at a lesser cost.

- Interactive voice response (IVR): Improvements were made to IVR not only to provide customers with brand new call experience, but also to help them find the services they need while reducing the time they spend listening to options. The system has so far completed its phase 1 functionality and stress test. It is expected to be launched by the end of 2017.
- Voice recognition: The App is an important way for the Company to communicate with customers. To
  enhance customers' experience, the Company has so far completed a structure of the voice recognition
  system and is currently developing the required functions. In the future, customers simply need to speak
  to their phone to have the App present the requested information.
- VOC and smart quality inspection: Chunghwa Telecom records and analyzes customers' calls to learn
  customers' real voice. Our focus in the beginning stage of development is to convert words, phrases,
  and sentences spoken by customers into texts, so that we may have a complete picture about what
  customers want and take steps to meet their expectations.
- Text/SMS-based customer service bot: As mobile Internet grows popular, texting has emerged to become a new way to serve customers. A text bot offers the advantage of quickly gathering information from customers without having to worry about information leak.

#### Commendation for Best Customer Service Officers

To inspire passion and professionalism among customer service officers to constantly exceed consumers' expectations and build Chunghwa Telecom's outstanding service reputation, we annually reward customer service officers who receive praises from customers, and accept these credits as part of their performance appraisal. Candidates are given prizes and commendations depending on the level of excellence they have achieved. Meanwhile, a "Service Excellence" section has been created on the Internet to publish cases of excellent service for officers to share, learn and download.





Video of the event



### Thank You for Recovering My Cherished Memories

Ms. Chou was in a dilemma. Her cellphone crashed and had to be reset, but doing so would wipe out all existing data, including many precious photos.

In an attempt to preserve her photos, Ms. Chou approached several hardware service providers to no avail. As her last struggle, Ms. Chou called Chunghwa Telecom's customer service hotline and reached customer service specialist Wen-Ting Lo, who spent nearly 5 hours helping her find the proper solution. After returning 6 calls, Lo was able to patiently guide Ms. Chou to complete a version upgrade and solve her problem.

Customer service specialist Wen-Ting Lo was later commended by Ms. Chou, which Lo responded that "treating all customers like family" is what every customer service officer is expected to do; being able to solve customers' problems is the best encouragement and the most satisfying experience of her job.



### Ensure Service Quality

Chunghwa Telecom makes ceaseless efforts to expand the volume and upgrade the quality of our 4G mobile communication system. We introduced advanced technologies such as Carrier Aggregation and Voice over LTE, which echo with the 900/1800/2600MHz base stations. This arrangement allows for the coverage of service from points, lines, and to planes for even more extensive and better quality mobile broadband network service.

Given upcoming demands for digital convergence and new digital lifestyles, Chunghwa Telecom has launched highspeed fiber services at 300Mbps to satisfy users' need for high-speed applications. With this service, Taiwan has formally progressed from the megabit era to the gigabit era. In support of the government's "Digital Convergence Program," Chunghwa Telecom made the budget to invest NT\$ 100 billion over many years, and had accomplished its goal to accumulate 7.2 million optic fiber users and 11 million wireless broadband users by 2015. To support the "DIGI+2025" initiative introduced by the Executive Yuan, we expect to increase the coverage of 1Gbps network to 72% by the year 2020.



## Wireless Internet Connectivity Aboard Public Transportation

By integrating 4G mobile network with Wi-Fi service, Chunghwa Telecom brings wireless Internet connectivity to public transportation, giving people more incentives to ride public transportation instead of personal cars and motorcycles. This solution not only contributes to the reduction of energy and carbon, but also solves traffic congestion as well.

#### Application on buses

Chunghwa Telecom has been collaborating with Hsinchu City Government to introduce "Free 4G Wi-Fi on Bus" by installing Mobile Wi-Fi kits on 20 buses including Hsin Chu Bus route number 1 and Champion Transportation routes number 50-53. This equipment has been integrated with iHsinchu to enable authentication for free wireless Internet service. Meanwhile, the Company also works with Taoyuan City Government to support the "Urban 4G Smart Broadband Application Subsidy Program" introduced by the Ministry of Economic Affairs, and has chosen 95 buses from 8 bus routes to provide free "4G Wi-Fi" service. Commuters simply need to log in to "iTaoyuan or iTaiwan" to connect to the Internet for free.

#### Application on Taipei MRT

To improve the quality of Internet service, we have installed 870 public pay phones throughout 117 Taipei MRT stations, and fitted 279 pay phones with Wi-Fi APs. In 2016, the MRT payphone Wi-Fi system received 18.55 million users, 28.79 million connections, and transmitted 102TB of data in total.



#### **Application on Taoyuan Metro**

We will be providing complimentary Wi-Fi service on Taoyuan Metro. Currently, we have completed the installation of 84 Mobile Wi-Fi kits on 31 trains (including 20 commuter trains and 11 express trains). Once Taoyuan Metro begins operation, the commuters will be able to enjoy complimentary Wi-Fi service.

Chunghwa Telecom's 4G service may also be used for the safety of Taoyuan Metro. In-car images, for example, can be transmitted back to the Operational Control Center for real-time monitoring; furthermore, accidents can be quickly notified to facilitate timely rescue.

#### Application on High-Speed Rail

Chunghwa Telecom is currently conducting PoC tests with Taiwan High Speed Rail Corporation and has Mobile Wi-Fi kits installed in two cars. We expect to commence service on all high-speed trains in 2017 officially.

### Expand Wireless Hotspots

We have also supported the government's initiative in promoting free wireless Internet services on a nationwide scale. With the availability of a reasonable Wi-Fi rental package, a robust user authentication platform and a nationwide maintenance/monitoring system, we have helped the government deploy free Wi-Fi hotspots all over the country. By the end of 2016, we have installed more than 55,000 public Wi-Fi hotspots, giving users access to stable, high-bandwidth and densely covered Wi-Fi service.

In terms of social engagement, we have been working with local county/city governments to install hotspots and enable Internet access during festive occasions, such as the 120 hotspots installed for New Year's Eve event and the 53 hotspots installed for Lantern Festival. Overall, the Company had spent more than NT\$ 2.17 million in this regard.

#### **Ensure Customer Satisfaction**

To make sure that consumers' needs are satisfied, we conduct customer satisfaction survey for Chunghwa Telecom service center, customer service hotline and installation & repair service every year so that we can provide the best possible service and continuous improvement on our services. In addition to regular consumer satisfaction survey conducted by the third party, we also accept NCC's service quality survey on telecom carriers on a 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% | 98.18%                 |
| Interruption Rate of Mobile Phone Communication | ≤3%    | 2G: 1.66%<br>3G: 0.35% |
| Packet Loss % in Data Transmission              | ≤3%    | 0.1888%                |

Note: Measured in 2016.01 - 2016.12

### Consumer Satisfaction Survey

We conduct a broad variety of satisfaction surveys to identify consumers' most concerned issues and expectations, and use these findings to guide our future improvements.

After each survey, consumers' opinions and suggestions are conveyed promptly to product or business personnel (including Risk Management and Public Relations Departments) using the consumer feedback system. Furthermore, consumers' opinions are brought to the attention of the head of product and customer service departments, and discussed in monthly meetings to ensure that consumers' expectations are met.

|   | Consumer Category   | Survey Method  | Survey Result        |
|---|---|--|----------------------|
| 3 | Customer Satisfaction Survey  | Dialing out manually from our call centers                                       | 4.64                 |
|   | Large Enterprise<br>Small and Medium Enterprise<br>Average Consumer | Designate external market survey company to conduct consumer satisfaction survey | 9.34<br>8.17<br>7.45 |

Regarding the items belonging to the fourth quadrant (high importance and low performance) according to the results of the annual satisfaction survey, we will request relevant functional units to conduct further analysis and propose concrete improving measures annually. Also, there will be a follow-up keeping track of the condition of corrective actions next quarter.

### KPIs for Customer Service Hotline

Chunghwa Telecom was the first (in 2011) telecommunication carrier to have call center certified for "ISO 10002:2004-Customer Complaint Management System." The Company sees customer's complaints as opportunities to make ongoing improvements. We have imposed rules to resolve customers' dissatisfaction, complaints and opinions within 3 working days, and hence ensure continuous improvement of service quality.

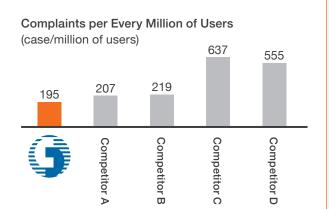
Apart from the customer service hotline, consumers may also use the corporate website or the Representative line authorized by the President (02-2344-6789) to raise complaints to the assistants of the senior executives directly. To further enhance consumers' satisfaction, we have collaborated with external institutions to develop a detection system for potential customer complaints while at the same time taking steps to improve on the complaints raised. Owing to our effective control, the National Communication Commission, NCC's 2016 "Telecommunication Consumer Complaint Monitoring Report" showed Chunghwa Telecom exhibiting the lowest complaint rate among peers.

| KPIs  | 2014  | 2015  | 2016  |
|---|-------|-------|-------|
| Customer Service Response within 20 Seconds | 74.0% | 78.5% | 77.4% |
| Service Satisfaction (5-point scale)        | 4.6   | 4.61  | 4.64  |

### **Lowest Average Cases of Customer Complaints**

According to a statistical analysis of mobile communication customer complaints conducted by the NCC in 2016, Chunghwa Telecom is the service provider with the least complaints per every million of users.

In the future, we will further improve our service quality by simplifying our complaint process for consumers' convenience, so that all consumers' needs can be addressed in a professional and timely manner.







### Enhance Disaster Response and Communication Coverage

Chunghwa Telecom continues to install repeaters, backup wireless routers, and backup power supplies to increase transmission capacity in remote areas. By increasing the capacity of backup batteries to more than 72 hours, the Company ensures that residents in remote locations may stay connected even when the power supply is disrupted due to natural disasters.

| Response<br>Measures   | We conduct annual rehearsals on a broad number of situations from coordinating network resources and equipment to emergency repairs. Our base stations have been deployed in a diversified manner and are covered by robust backup plans so that failure of circuitry, power or equipment at any base station would not disrupt another base station nearby.   |
|------------------------|--|
| Occurrence of Disaster | If communication is severely disrupted in the unfortunate event of natural disasters, we will take contingency measures (such as microwave radio, satellite transmission, portable base station, etc.) depending on the actual circumstances to maintain communication between the disaster locations and the outside world.   |
| Special<br>Cases       | Areas that are enclosed and accessible only through one road, such as Suhua Highway, are covered using multiple base stations so that even if one station were to be damaged due to natural disaster, other paired stations may still function and keep the area covered with signals. This arrangement has served its purpose in major accidents happened in the last two years, and kept the disaster area connected at all times. |

### Disaster Reporting and Upgraded Safety

Sought to minimize the impact of disasters through prompt information communication service, Chunghwa Telecom's "Emergency Response SMS System" sent out more than 320,000 SMS alerts in 2016. Its role in disaster prevention and notification is outstanding; in addition, a "Public Warning System" (PWS) was established in support of the national policies. Between September and December 2016, the PWS was activated 4,367 times to disseminate messages concerning landslides, earthquakes, and roadblocks in various parts of Taiwan.

In 2016, we assisted the Ministry of National Defense and Nantou County Government in organizing the "All-out Defense Mobilization Drill," assisted Taipei City, New Taipei City, Taoyuan City and Keelung City Governments in the "Coordinated Disaster Prevention and Rescue Drill," and participated in the "Nuclear Safety Drill No. 22" at Taiwan Power Company's 3rd nuclear plant.



### **Green Base Stations**

#### 1.Green base stations:

A small percentage of base stations have been fitted with solar energy modules; some environmentally suitable base stations were upgraded with axial-flow fans and used natural air below 27°C Celsius for cooling (free cooling). Currently, a total of 551 base stations use free cooling, saving 1.87 million kWh of power between 2008 and 2016.

#### 2.Renewable energy-powered base station:

Chunghwa Telecom was the first in the industry to embrace green energy by installing solar power systems with 2 to 3 kW rated capacity at 6 of its base stations in 2008. This movement was made to experiment using solar energy to power base stations. By the end of 2016, Chunghwa Telecom had installed solar energy modules with 1 to 2 kW rated capacity for 10 base stations located in remote areas. These solar modules provide base stations with clean, carbon-less energy under normal circumstances, and can be used to power emergency communication if primary power is disrupted due to natural disasters.





### Alleviate Public Concerns over Electromagnetic Waves

Research conducted by international organizations including WHO has found no conclusive scientific evidence regarding the harmful effect of electromagnetic waves on human health. Nevertheless, to eliminate customers' doubts, Chunghwa Telecom ensures strict compliance with the authority's safety standards when constructing telecom infrastructures.

In 2016, Chunghwa Telecom was incurred NT\$ 6.5 million of fines and administrative penalties on 13 counts of violation associated with base stations. These violations had occurred as we sought to address consumers' demand for "good reception" and concern towards "negative health impacts from base stations." The Specific Absorption Rate (SAR) of all mobile communication products purchased have complied with the restrictions of the National Communications Commission (NCC). Given the scarcity of suitable base station locations and the need to assure consumers' rights to quality communication, the Company will strive to comply with regulations by taking precautions at different stages of installation.

| Step  | Content   |
|---|---|
| Communication<br>and<br>Assessment<br>Phase | Assess factors such as the size and concentration of population, radio coverage, and the number of customer complaints, the capacity of existing base stations nearby, and residents' tolerance towards a new base station. Once consent has been obtained from the building management board or residents, the Company may proceed to rent land and space for the construction of base stations.   |
| Installation<br>Phase                       | Information of the proposed base station is submitted to NCC for review; installation may begin only if the proposal passes the review.   |
| Pre-operation<br>Phase                      | <ul> <li>Conduct emergency phone tests to pass NCC's base station assessment tests that have been developed based on the standards developed by International Commission on Non-Ionizing Radiation Protection (ICNIRP). Conduct routine tests to verify the functionality and coverage of the tested equipment.</li> <li>All our base stations have been tested to exhibit power density that complies with standards.</li> </ul>   |
| After-<br>operation<br>Phase                | <ul> <li>To prevent antennas from promising visual appearance, the Company will coordinate with other carriers to make coherent and integrated base station designs that conform to the overall environment. Doing so would minimize environmental impacts and facilitate more effective use of limited space.</li> <li>The Company had completed visual improvements on 63% of base station antennas under "Regulations for Administration of Base Stations of Mobile Communications Network Businesses."</li> <li>The Legislative Yuan passed the "Recognize performance credit for offering state-owned building or land in base station construction." This new policy will improve communication quality.</li> </ul> |



### Advocate the Accurate Understanding

Chunghwa Telecom has been working closely with Taiwan Telecommunication Industry Development Association to convey to the public the correct information about electromagnetic waves, by organizing conferences and issuing promotional materials.

- The Company joined NCC and 19 county/city governments nationwide to host 19 seminars on the topic of electromagnetic waves. 168 complimentary electromagnetic wave measurements have been completed to date; all results are compliant with government regulations.
- Local government bodies were issued promotional materials and pamphlets on the knowledge of electromagnetic wave, which could be distributed to the public during various activities to promote proper understanding.
- \*Taiwan Telecommunication Industry Development Association: http://www.ttida.org.tw/
- \*Base Station Electro Magnetic Field Network: http://www.emfsite.org.tw/

#### Types of Base Stations Installed by CHT



Note: Installed on existing buildings.

### Telecom Services and Promotions

### Fraud Prevention

In 2007, Chunghwa Telecom assisted the government in establishing the 165 Anti-Fraud Consultation Hotline to support the police authorities to fight fraud and to protect the property of the public.

| Resources<br>Committed | <ul> <li>There is an average of 11 customer service personnel that joined the service every month for working with the Criminal Investigation Policy Bureau in the concerted effort in front-line duties.</li> <li>"Disconnection Service Fraud Prevention System" offers the information on suspected telephone gimmick for cheating customers and timely settlement of the problem. An average of 3 customer service personnel participated in the program monthly.</li> </ul> |
|------------------------|--|
| Prevention of Fraud    | <ul> <li>A two-way, SMS-based authentication system was introduced for small-sum payments.</li> <li>A scam alert was added in all SMS authentication messages.</li> </ul>  |
| Progress<br>in 2016    | <ul> <li>The hotline received 241,231 calls, and 19,388 cases of fraud were referred to the authority.</li> <li>The Company assisted Criminal Investigation Bureau, National Policy Agency in disconnecting 1,713 phone numbers, and successfully stopped 1,396 scams.</li> </ul>  |



### Reduce Negative Impacts

The Internet has emerged to become the main form of media due to the convenience it offers; however, the convenience also gave rise to significant negative impacts. We have introduced numerous measures in line with NCC's new "iWIN-Internet Content Protection Institution" to minimize negativity circulating the Internet, and thereby provide consumers a healthy, trouble-free network environment.

| Anti-virus and<br>Anti-hacker | By using a HiNet mailbox, customers can enjoy free webmail service. Through simple setup, users can decide whether questionable e-mail will be automatically deleted in the future. Also, we continue to monitor formulation of regulatory obligations of the "Regulatory Regulations on Commercial Spam Electronic Mail." |
|-------------------------------|--|
| Adult Content                 | Provides the "K12 Mailbox Forced Isolation," the "HiNet Adult Content Gatekeeper," and the "Mobile Adult Content Security Guard" to keep children and teenagers away from harmful websites.  |
| Usage Time Control            | "HiNet Online Time Management Service" and mobile phone "3G Talk Without Worries" programs, give parents effective control on mobile phones and Internet uses.   |
| MOD Parental Lock             | The parental lock can be set at "Protected" or "Parental Guidance." Settings are in effect immediately once passwords are entered. By using the parental lock, customers may protect children from contents that are considered bad influence.   |

\* iWIN: https://i.win.org.tw/iWIN/