



## ASSURANCE STATEMENT

### **SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE CHUNGHWA TELECOM CO., LTD.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2016**

#### **NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Chunghwa Telecom Co., Ltd. (hereinafter referred to as CHT) to conduct an independent assurance of the Corporate Social Responsibility Report for 2016 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the CHT's CSR Report of 2016 and its presentation are the responsibility of the management of CHT. SGS has not been involved in the preparation of any of the material included in CHT's CSR Report of 2016.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all CHT's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Standards (2016) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- evaluation of content veracity at a high level of scrutiny for CHT and moderate level of scrutiny for subsidiaries and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Standards (2016);
- evaluation of the report against the GRI Telecommunications Sector Supplement (Pilot Version 1.0); and
- evaluation of the report against the The IIRC International <IR> Framework (Chinese version 2015) requirements for content elements.

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

#### **STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from CHT, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

#### **VERIFICATION/ ASSURANCE OPINION**

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within CHT's CSR Report of 2016 verified is accurate, reliable and provides a fair and balanced representation of CHT sustainability activities in 01/01/2016 to 12/31/2016.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI Standards Core Option and AA1000 Assurance Standard (2008) Type 2, High level assurance. The report also appropriately responds to the content elements requirements of The IIRC International <IR> Framework.

#### **AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

##### **Inclusivity**

CHT has demonstrated a strong commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, authorities, local communities, suppliers and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, CHT may proactively consider having more direct multi-ways involvement of stakeholders during future engagement.

##### **Materiality**

CHT has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

##### **Responsiveness**

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Future reporting would benefit from a more in-depth disclosure of stakeholder feedback.

#### **GLOBAL REPORTING INITIATIVE REPORTING STANDARDS (GRI STANDARDS 2016) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

##### **Principles**

The report, CHT's CSR Report of 2016, is adequately in line with the GRI Standards Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, Disclosure 103-1, Disclosure 102-40 and Disclosure 102-42 to Disclosure 102-49, are correctly located in content index and report.

##### **RECOMMENDATIONS**

Disclosures on Management Approach and its components for material topics, such as specific actions, may be further enhanced and detailed disclosures by employee category on 405-2 are encouraged in future reports.

**Signed:**

**For and on behalf of SGS Taiwan Ltd.**



**David Huang, Director**

**Taipei, Taiwan**

**1 June, 2017**

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