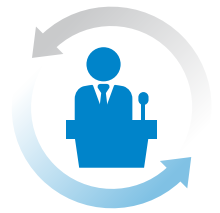




Message from the Chairman




The sustainability performance of Chunghwa Telecom in 2017 was extraordinary, due to the combined efforts of all employees. Besides being selected as an index component on the Dow Jones Sustainability Indices (DJSI) for the 6th consecutive year, MSCI Taiwan ESG Leaders Index and the FTSE4Good Emerging Index, we were also one of the first group of enterprises included in the FTSE4Good TIP Taiwan ESG Index. Our fruitful achievements in sustainability included:

1. The first telecom operator in Taiwan to publish the CSR Report in accordance with the Global Reporting Initiative Standards, which was 2 years ahead of the relative regulations of the Taiwan Stock Exchange.
2. We led in Green Power Procurement in Taiwan's telecom industry for 3 consecutive years. We support the government in developing renewable energy and have bought 12 million kW of clean energy over 3 years.
3. We are the leading telecom operator in the amount of energy generated from self-built solar power plants, with a total capacity of 527 kWp. The amount of carbon saved equals the total amount absorbed by the Daan Park in Taipei per year.
4. We are the first telecom operator in Taiwan to join the CDP Supply Chain Project and promote the sustainability management of the supply chain thoroughly. With our suppliers, we are marching toward the future of environmental sustainability.
5. We received the Exercise Enterprise Certification for 2 consecutive years, and also many Sports Promoter Awards.
6. We supported the Taipei 2017 Universiade, the largest global sporting event in Taiwan that year, with the social participation amount of NT\$ 100 million.

"Chunghwa Telecom can do more" has always been our core principle. In addition to industry development and competition, we also focus on the voice of internal and external stakeholders. We listen carefully and respond to the need of society, as we use our core expertise in the information and communication technology to actively respond to the expectations from the consumers, investors, shareholders, communities and society.

The telecom industry is now facing an era where mobile revenue has surpassed that of the traditional voice business and has become the main source of revenue. At the same time, we are also facing Internet market saturation, the highly competitive domestic telecom market and challenges from the growth of the IoT and the innovative applications industry. We developed a diverse layout strategy in 2017 and continue to improve the basic infrastructure of the broadband to provide support for various industries in the development of the digital economy. We foster the prosperity of innovative application of information and communication technology, and we grasp opportunities in startup industry growth. Furthermore, we continue to collaborate



Thank you for taking the time to peruse the 11th CSR Report of Chunghwa Telecom. In 2016 we embody the brand spirit of “Always Ahead,” Chunghwa Telecom was the first one company who published its CSR Report in accordance with the “Global Reporting Initiative Standards” in Taiwan telecom industry. Upon that, we won the “Asia’s Most Transparent Report” award in the 2017 Asia Sustainability Reporting Award, which specifically shows Chunghwa Telecom’s excellent management and value-creating capabilities in sustainable issues.

As a responsible corporation, Chunghwa Telecom places much emphasis on CSR in addition to the pursuit of business growth and profits. Apart from to its efforts in corporate governance, environmental protection and social responsibilities, Chunghwa Telecom continues to utilize its information and telecom technologies to help Taiwanese businesses realize their sustainability goals and exert a positive social influence.

with industrial partners and schools to build a new environment for digital economic development, to reach the goal of “being the motivator of digital economy and the pilot of creative industry” as the leader in the new era of digital economy.

As for the attraction and the maintenance of talent, we increased the average overall salary in 2017 to reduce the impact of the coming tide of retirement on human resources and operations. The average salary increase was 3.54% and the maximum was 5%. By adopting a competitive remuneration system, we hope to keep our young and excellent employees while attracting more talent to join the CHT family, and be the first choice in the telecom service industry for the new generation.

Chunghwa Telecom is responding to the continuing deterioration of global natural resources, the environment and its ecology, as well as the social perspectives, with concrete actions. In addition to the promotion of 5G (Green) sustainable strategic plans, “energy, procurement, operation, store and supply chain,” we are developing environmental green products as well. Chunghwa Telecom has been transforming into a full scale “green corporation,” and sparing no effort in the two main social aspects, which are: “Minimizing the digital divide” and “Creating digital opportunities.” We are connecting the outcome of social communion over the years to actively promote social innovation and digital inclusion.

We publicly adopted the “5I-SDGs” initiative in 2017 and now stand beside the UN SDGs to connect Taiwan to the world in an official response and engagement. We have also used our core competence to respond to the DIGI+ Project goal of the “Digital Country · Innovative Economy” of the Executive Yuan. By using our influence on society, we are completing our digital inclusion range to protect information and to give equal rights to all in this Internet and digital era.

We hope to strengthen the connections of our CSR spirit and the local communities in Taiwan with the aids of our relations with partners and the promotion of corporate volunteers. The connections between the underprivileged and the diverse groups and the digital economic era are supported by the sharing and communicating of knowledge, technology and resources. Through these, we link the “cycle of kindness” to realize a win-win situation in terms of digital human rights and innovative economy. We hope that you can continue to give us support and encouragement.



Chairman & CEO
Chunghwa Telecom Co., Ltd.