

# Message from the Chairman

Welcome to the 2020 ESG Report of Chunghwa Telecom Co., Ltd.

The year 2020 marked a year of challenges worldwide. Under the threat of COVID-19, we managed to promote the transition strategy with “customers at the core” to continue explore markets in depth while develop various technological applications in telecommunication. Meanwhile, we set our eyes on corporate’s sustainability strategy. Upholding the brand spirit of “Always Ahead”, we established five pillars of sustainability, “The Digital Economy Motivator, The Creative Industry Pilot, The Happiness Value Protector, The Green Corporation Pioneer, and The Social Value Guide”. Leveraging constantly our advantages in ICT industry and technology, we stipulated and implement various ESG action plans and targets. Together with enterprises in Taiwan, we created the industrial ecosphere to jointly realize the Sustainable Development Goals and create positive social impacts.

In 2020, we launched the 5G services on June 30 as the first among our peers to bridge ourselves to the world with our extraordinary technology. Upholding the dual-axis strategy “5G+Transformation”, we connected extensively with industrial ecospheres at home and abroad, integrating and expanding vertically fields of application across industries. With the widest bandwidth and the best frequency bands, we are committed to the development of 5G+AIoT innovative applied technologies, “Showcasing the Splendor, Co-creating the Future” with our customers so as to accelerate the intelligent transition and upgrade for industries in Taiwan and lead the enterprises in Taiwan into a sustainable, innovative future.

To better bridge our competency in digital economy, we continued to promote “Rise On, Together 2021” transformation plan. Putting the business philosophy “customers at the core” into action, we established the “data-driven” decision-making model to drive our core business performances, kick off new businesses, invest continually in technology R&D, recruit and cultivate brilliant minds and elites in order to set the keystone for our sustainable operation.

In 2020, we stipulated Preparedness and Contingency Plan in Response to “Severe Special Infectious Pneumonia” to tackle the impacts of COVID-19 pandemic. Apart from the establishment of the epidemic prevention and response group and exercises carried out internally, we also initiated off-site working and split working (remote working included), while ensure the business continuity with full epidemic prevention supplies and thorough execution of various control measures so as to safeguard the health and safety of all employees.

In the meantime, we proactively utilized our ICT core competences to put “ICT epidemic prevention” to good use. Rapidly forming the “hi-tech epidemic prevention team”, we developed the innovative “monitoring and control system for epidemic prevention”. Tapping into our collective momentum, we swiftly responded to all kinds of needs for COVID-19 prevention, assisting the government in protecting Taiwan, containing the pandemic, and maintaining the health of citizenry and economic activities. Our results of hi-tech epidemic prevention effort were widely applauded.

In response to the global issue of sustainable development, we drew on our years of practical experiences in the ESG area on the basis of digital inclusion strategy. In 2018, we launched the “5I SDGs” (i.e. “I love SDGs”) initiative to set up pillars of “I-Technology, I-Protecting, I-Helping, I-Learning, and I-Sharing”. With an army of corporate volunteers full of passion as the seeds, we pushed for an array of ESG action plans, including the all-round next-generation AI young talent empowerment efforts, care for the underprivileged in the rural areas with the state-of-the-art technology as well as participation in the national team for epidemic prevention, innovating and fostering place-making models in alliance with local industries and energies, and formation of low-carbon sustainable supply chains with partners to exercise diverse environmentally sustainable practices in depth, bridge to the UN SDGs from multiple facets, and demonstrate the specific contributions of Chunghwa Telecom in connection with the SDGs to the global community.

As a result, our commitment to the ESG sustainability has won hordes of accolades from the stakeholders concerning sustainability in 2020.

1. Included in the Dow Jones Sustainability Index (DJSI) for 9 consecutive years
2. Awarded Top 5% of the Corporate Governance Evaluation from the Taiwan Stock Exchange Corporation for the 5<sup>th</sup> time
3. Included in the Taiwan Sustainability Index (TWSI)
4. Included in the FTSE4Good Emerging Index
5. Excellence in Corporate Social Responsibility Award from Commonwealth Magazine Top 10 in “Large Enterprises”
6. SGS Taiwan\_CSR Supply Chain Management Excellence Award & Personal Information Management Awards
7. Taiwan Corporate Sustainability Awards including the Corporate Sustainability Report Awards (Services), The Most Prestigious Sustainability Awards – Top Ten Domestic Corporates, and 6 Outstanding Corporate Sustainability Professionals Awards

To align ourselves with the global trend of net-zero and in light of institutional investors incorporating the ESG performances of enterprises into their investment metrics, we proactively entered the market of green energy to develop green renewable energies such as solar power and wind power, installing over 450 project sites nationwide that generate power over 270 MW in total. In addition, we fully implemented sustainable supply chain management, joined the CDP supply chain program, and set the inventories of carbon management in motion throughout the supply chain. Also, we practice the “Sustainable Partner Certification” system, construct the “low-carbon sustainable supply chain” to march towards a sustainable tomorrow of lower carbon emissions with our vast number of partners on the supply chain, while elevating the sustainability for the ICT supply chain and the society.

“Chunghwa Telecom can do more.” Looking forward, we shall continue to take one step at a time, striding steadfastly towards the corporate sustainability and pushing for various ESG actions on the ground. Meanwhile, utilizing our core expertise in ICT, technologies, resources, competences, and features, we efficiently help resolve social issues, exercise our commitment as a corporate citizen, and create values for stakeholders across fields. As such, we aspire to fulfil our visions in corporate development – Leader in Smart Living and Agent of Digital Economy Empowerment – while expecting your continuous supports and encouragements to Chunghwa Telecom.

Chairman & CEO  
Chunghwa Telecom Co., Ltd.

