

Message from the Chairman

Welcome to the 15th ESG Report published by Chunghwa Telecom Co., Ltd. Over the last two years, Taiwan has been continuously sustaining impacts from the COVID-19 pandemic, which brought tremendous challenges to enterprises regarding employee health protection as well as maintenance of business and supply chain continuity. Therefore, upholding the spirit of "Always Ahead," Chunghwa Telecom utilized its technological prowess in ICT innovation, assisting and supporting governments to promote various epidemic hi-tech prevention measures. Aside from the effective protection of the health and safety of the public across Taiwan, our outstanding advantages in innovation were also reflected in our operational performance. The financial performance of Chunghwa Telecom in 2021 reached a new height of the last 4 years. Despite the epidemic outbreak, we continued to uphold and create shareholder value with our premium operational quality.

The year 2021 marked a critical year for the organizational transformation promotion of Chunghwa Telecom. With the "customer-centric" organizational framework, we officially inaugurated the three major business groups, i.e. Consumer Business Group, Enterprise Business Group, and International Business Group, combined with three technical groups, i.e. Network Technology Group, Information Technology Group, and Telecom Laboratories. Upholding the tri-directional strategy of "Transformation×5G×Sustainability," we offer digital transformation solutions tailored to our clients. Through independent R&D, extensive alliance, or investment, we continue to develop emerging businesses like cybersecurity, cloud services, Artificial Intelligence, big data, and blockchain to help different industries to upgrade themselves on the wave of digitalization. As such, in the epoch of digital economy, we lead the industries in Taiwan to digital transformation and produce corporate values of sustainability in terms of Environmental, Social, and Governance (ESG).

Chunghwa Telecom's investment and commitment in ESG sustainability has won accolades from our vast stakeholders, including:

- 1 Included in the Dow Jones Sustainability Index (DJSI) for 10 consecutive years
- 2 Awarded Top 5% of the Corporate Governance Evaluation from the Taiwan Stock Exchange Corporation for the 7th time
- 3 Included in the Taiwan Sustainability Index (TWSI)
- 4 Included in the FTSE4Good Emerging Index
- 5 Role Model Award in "Comprehensive ESG Performance" and the First Prize in "Social Innovation" from Global Views Monthly Corporate Social Responsibility Awards
- 6 Top 20 in the Large Enterprises, 2021 Excellence in Corporate Social Responsibility Award from CommonWealth Magazine
- 7 Top Ten Domestic Corporates and six performance awards of Taiwan Corporate Sustainability Awards
- 8 English Report Award and Special Award for Pandemic Response from Global Corporate Sustainability Awards

With the strategy of "digital inclusion" and the years of experience in ESG promotion combined, Chunghwa Telecom proposed the special initiative "51 SDG." Centering around the axes of "I Helping, I Sharing, I Learning, I Technology, and I Protecting," we implemented various leading ESG action plans with our corporate volunteers across Taiwan, including the largest 5G X ABC AI talent empowerment action and 5G Plastic Free Day initiative to reduce marine debris and effectively raise the public awareness of environmental sustainability to safeguard the marine environment. Chunghwa Telecom Foundation worked with social enterprises to explore new models for community revitalization together with local communities. In addition, the supply chain sustainability rating system was promoted to assemble supplier partners of sustainability to align ourselves with the economy that is sustainable, net-zero, and low-carbon. Through a comprehensive alignment with the UN Sustainable Development Goals (SDGs), we demonstrated the sustainability value and contribution of Chunghwa Telecom to the world.

In light of the concern of corporate ESG by institutional investors worldwide and the trend of net-zero emissions requirement, Chunghwa Telecom has established its vision for sustainable development "green low-carbon, digital transformation, integrity and transparency" and committed to the target of net-zero emissions by 2050. With our ICT core competences, we exercise our five sustainability pillars, "Digital Economy Motivator," "Creative Industry Pilot," "Happiness Value Protector," "Green Corporation Pioneer," and "Social Value Guide." ESG action plans have been formulated and are being implemented to fulfill our corporate vision of sustainability and create more positive social impacts.

To achieve the target of net-zero emissions, we set our target, i.e. reduce the carbon emissions by 50% by 2030 compared to 2020 levels. Also, a series of emission reduction actions were planned, including phaseout of aged infrastructure, development of network virtualization, service vehicle electrification, green energy procurement, and renewable energy investment, so as to cut the carbon emissions.

We plan to attain the target of 100% IDCs using renewable energy by 2030, continue to form alliances with strategic partners, and practice "network/digital empowerment" to resolve the digital divide in the SMEs. As for the value chain, through the comprehensive promotion of "Sustainable, Low-carbon Supply Chain" and CDP Supply Chain Program membership, combined with the Sustainable Partner Certification, we call on enterprises and supplier partners to jointly save energy and reduce emissions to march toward the goal of carbon neutrality for the value chain.

Chunghwa Telecom is more than just a telecom carrier. With the philosophy of sustainability and innovation, we shall continue to utilize our core expertise, technologies, resources, competences, and features to resolve social issues as an ICT enterprise that is sustainable, low-carbon, and customer-centric. We exercise sustainable development and create more positive social impacts together with Taiwan. Meanwhile, we look forward to your continuous supports and encouragements to Chunghwa Telecom.

**Chairman & CEO
Chunghwa Telecom Co., Ltd.**

Sheih Chi-mau

