

# 2 SUSTAINABILITY VALUE STRATEGY

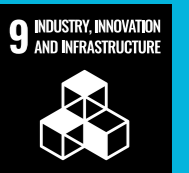
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The result of our ESG input has been the creation of profit in corporate operation and a maximization of shareholder value. Our shareholder structure allows us to carry on a broad citizen responsibility. Our position in the ICT industry and the innovative products and services we provide give us the opportunity to use technology and innovation to control the risks and grasp opportunities. Our innovative products and services have a positive economic influence on the value chain, create sustainable value for the industry and the public and greatly minimize the negative impact on the environment.



The SDGs CHT contributes to in this chapter:



Six Main Capitals -

**"Financial Capital, Human Capital, Intellectual Capital, Manufactured Capital, Social Capital and Natural Capital"**

Vision-



**"Digital economy transformation, Industrial innovation, Talent startup, Happy corporation, Considerate services, Transform into green corporation thoroughly, and Connect · Hope · Technology"**



Five Major Forces -

**"The Motivator of the Digital Economy, The Creative Industry Pilot, The Happiness Value Protector, The Green Corporation Pioneer, and The Social Value Guide"**

## Five Major Forces Drive the Sustainable Cycle

We utilize our ICT corporate core competence and integrate with ESG to establish the five main forces, "The Digital Economy Motivator, The Creative Industry Pilot, The Happiness Value Protector, The Green Corporation Pioneer, and The Social Value Guide." We think that the input in these five main fields will help accomplish a society with digital inclusion and the future of sustainability development.



### The Happiness Value Protector



#### Prospect Happy Enterprise and Considerate Services

- Strategy**
- Create a healthy, happy workplace
  - Protect information, labor, and human rights
  - Provide quality, innovative services



### The Green Corporation Pioneer

#### Prospect Total Transform into a Green Enterprise

- Strategy**
- 5G (Green) Actions
  - Establish green, low-carbon supply chains

### The Creative Industry Pilot

#### Prospect Industrial Innovation and Talent Entrepreneurship

- Strategy**
- Invest and incubate startups
  - Encourage innovation and entrepreneurship internally



### Digital economy transformation

#### Prospect Digital economy transformation

- Strategy**
- Become a leading brand of 5G telecom services
  - Inspire innovative applications; create new business models

## Six Main Capitals Create Sustainability Value

## Sustainability Value



### Financial Capital

- Share capital **77,574,465** thousand
- Capital expenditures **31,534,946** thousand

### Manufactured Capital

- Equipment installation and maintenance expenses **31,534,946** thousand
- Cell tower installation expenses **10,551,367** thousand



### Human Capital

- Salary and welfare expenses **45,672,395** thousand
- Training expenses **460,843** thousand

### Social Capital

- Social investment **839,678** thousand
- Universal telecom services **510,758** thousand



### Intellectual Capital

- R&D expenses **3,774,309** thousand
- Marketing expenses **22,819,067** thousand

### Natural Capital

- Green procurement **17,605,000** thousand
- Environmental management expenses **348,375** thousand



### The Social Value Guide

#### Prospect Connect · Hope · Technology

- Strategy**
- 5I SDGs digital inclusion initiative
  - Corporate volunteer works everywhere

## Creating Sustainable Value

Our ESG issues and actions have created sound economic, environmental and social value since 2006. Although we have made serious efforts to adapt quantized data when setting-up and managing ESG plans, targets and performance, we have come to realize the difficulty of quantizing environmental and social values. There is still lots of true value that cannot be realized with the currency presently used as evaluation indicators of ESG performance.



### Shareholders / Investors

- EPS NT\$ **4.70**
- Consolidated revenue NT\$ **216.7** billion
- Selected for the Emerging Index of the Dow Jones Sustainability Index for the **11th** time

### Clients / Customers

- The customer satisfaction score is **7.91** (10-point scale)
- The customer hotline service satisfaction score is **4.75** (5-point scale)

### Supply Chain Partners

- **45** certified Gold-tier sustainable partners
- The local procurement percentage takes up **97%** of the total procurement
- The green procurement amount is NT\$ **17,605** million

### Employees

- Employee salary and benefits are NT\$ **45,672** million
- The average training hours per person are **57.65** hours
- The total training cost is NT\$ **460,843** thousand

- The occupational injury rate per thousand workers is **2.14** for men and **1** for women
- We have **631** employees with disabilities (the legal amount is **186** people)
- **57** indigenous employees
- The employee engagement score is **92.38** (out of 100)

### Communities / NPO

- We provide the disadvantaged groups' communication for **84,221** households
- The subsidy amount is NT\$ **156,268** thousand
- Coverage rate of the 12Mbps universal broadband service is over **91.59%**
- The voice assistant App for the blind has been viewed over **3.35** million times since 2013
- The location of digital good neighbor has accumulated to **89** places
- The total service hours of the corporate volunteer service are **48,797** hours