

貼 心 Inside

CHT conducted the second online employee CSR survey in 2009 to learn more about employees' CSR expectations. CHT also launched a number of convenient value-added services to strengthen the link between our service offerings and our customers' lifestyle as well as increase our potential market.

Thanks to a corporate philosophy of emphasizing inspiring service, CHT has long been the voted the best telecommunications brand by consumers. Many top minds also name CHT as their dream employer. The new orange, green and blue corporate identity system embodies the new image shining forth from within.












Employee Care



Employees, Dependents
takeholder

Voices | The pride in being a CHT employee comes from social acceptance.

Commitment | Continue to be the most desirable employer for people from different

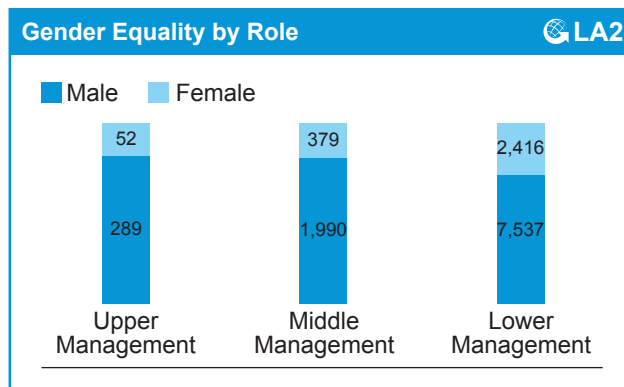
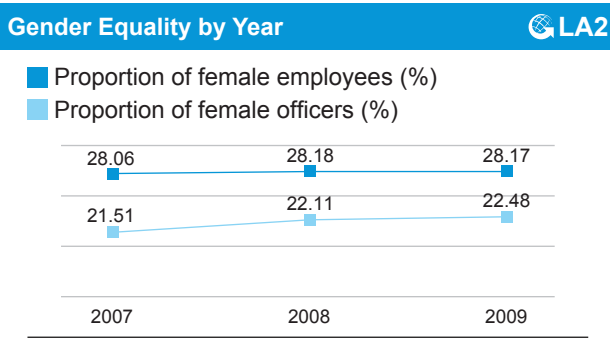
Index Category	2009 Commitment	2009 Performance	2010 Target	Page
 Physically and Mentally Disabled Citizens Protection Act	Compliance required	In compliance ✓	Continued compliance	P42
 UN Global Compact	Compliance required	In compliance ✓	Continued compliance	P43
 Incorporation of the two international human rights conventions into domestic law	Compliance required	In compliance ✓	Continued compliance	P43
 Labor Union Act	Compliance required	In compliance ✓	Continued compliance	P43
 Voluntary Service Act	Compliance required	In compliance ✓	Continued compliance	P47
 Proportion of women officers (%)	Must increase	22.48 ✓	Continue to increase	P42
 Employment of the handicapped	Must increase	709 ✓	Continue to increase	P42
 Unpaid parental leave applications (persons)	Must increase	55 ✓	Continue to increase	P45
 Corporate volunteer service (hours)	Set indicators	41,979 ✓	Continue to increase	P47
 Only telco to have a company union and sign a collective bargaining agreement employees	Must realize	In compliance ✓	Must maintain	P43
 <ul style="list-style-type: none"> ● “Healthy Workplace Self Accreditation-Health Promotion Mark(Department of Health, Executive Yuan) ● “Health Management Award” (Bureau of Health Promotion, Department of Health, Executive Yuan) ● “Health Excellence Award” (Taipei City Government) 				

Management Diversity

We respect the differences of our employees and help them balance their career with family life. Employee recruitment is principally through open examinations with no gender restrictions on roles and assignments. To provide disadvantaged groups with more employment opportunities we offer bonus points for people with physical/mental handicaps or from indigenous groups. Once employed, employees performing the same work receive the same salary with no differences due to gender, age, ethnicity or religion.

Equal Opportunity

CHT employed a total of 24,668 people in 2009. The employee turnover rate was 1.27% with 313 separations and 434 new recruits. We employed a total of 6,950 women, or 28.17% of our total workforce. We have issued the "Guidelines for Prevention for Prevention and Reporting of Sexual Harassment" in accordance with the Gender Equality in Employment Act though no related complaints were received in 2009. There has been little change in the proportion of female employees over the last three years though the proportion of female officers has increased slightly up to 22.48% in 2009.



Support for Handicapped

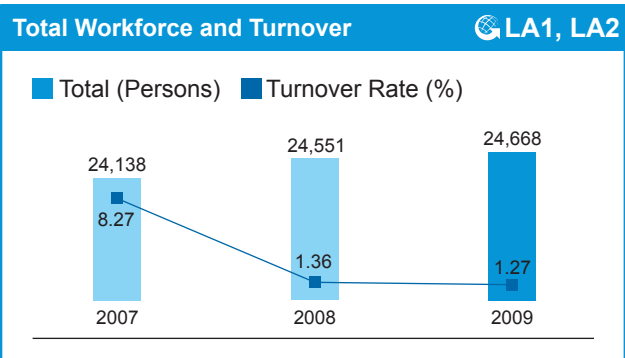
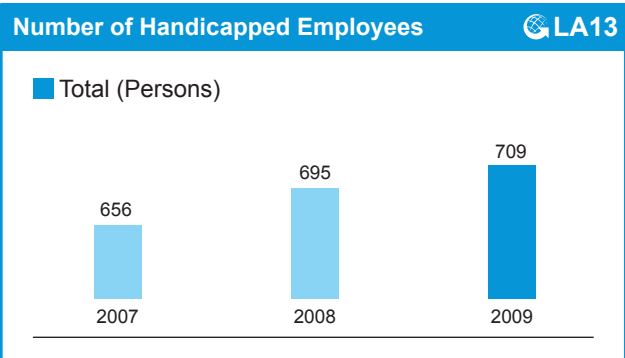
In 2009 we employed a total of 709 physically or mentally handicapped people. This represents 2.87% of our total workforce and is 3.1 times the statutory minimum, demonstrating our commitment to good corporate citizenship.

Respect for Indigenous Rights

The indigenous peoples enrich the cultural diversity of Taiwan. CHT employs 50 people from indigenous backgrounds and we fully respect their different cultural customs.

People with Disabilities Rights Protection Act

- Article 38, Paragraph 2 of the People with Disabilities Rights Protection Act stipulates: "Any private business organization.... Shall employ people with disabilities with capacity to work and the number of employees with disabilities shall be no less than 1 percent of the total number of employees."



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Management Human Rights and Labor Relations

CHT is dedicated to maintaining harmony in labor relations. We also uphold the spirit of international human rights conventions such as the Universal Declaration of Human Rights and the International Labor Organization Conventions by forbidding discrimination in any form, coerced labor and the use of child labor.

Human Rights and Anti-corruption

We join other large international enterprises in embracing the ten general principles of the United Nations Global Compact, and oppose corruption and bribery in any form. We will not make any political contributions other than the payment of legal taxes.

In support of the UN International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights being incorporated into domestic law in December 2009, CHT will work to increase employee awareness on human rights to ensure that CHT employees, customers, suppliers, investors and local communities are all treated with respect and fairness.

UN Global Compact

- The Global Compact is a CSR declaration launched in 2000 by the United Nations. The Compact sets out behavioral guidelines for enterprises in human rights, labor standards and the environment.

In human rights, the Global Compact asks businesses to respect and uphold the international conventions on human rights and to not take part in ignoring or violating human rights under any circumstances. In labor standards, the Global Compact calls on businesses to respect the freedom of association, acknowledge labor's right to collective bargaining, eliminate all forms of coerced labor, stop the use of child labor and eliminate any discrimination in employment.

International Convention as Domestic Law

- On December 10, 2009, the Government announced that the N International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights have been incorporated into domestic legislation. Under the new laws, CHT will continue to promote positive contribution to human rights through business activities and reducing their negative impact.

Labor Relations

CHT is the only telecommunications operator in Taiwan to have set up a company union and signed a collective bargaining agreement with employees. Apart from conforming to stringent local and overseas regulations, it also demonstrates our commitment to protecting the rights of our employees. The collective bargaining agreement not only guarantee employees' right to make suggestions, submit complaints and join a trade union, but also require a labor relations meeting to be convened every 3 months by management and worker representatives at the head office and regional branches. Extraordinary labor relations meetings may also be held as necessary and workers' representatives may attend meetings on personnel evaluations, performance reviews and business reports. A directorship on the CHT Board is also reserved for workers' representatives in accordance with the resolution passed by the Legislative Yuan on June 6, 2003, enabling labor participation in Board affairs. In 2009, up to 99.3% of all CHT employees were union members.

CHT's President and CEO frequently meet or talk with the president, directors and auditors from the union to ensure a clear line of communications between the employer and labor. A total of six national labor relations meetings and two extraordinary meetings were held in 2009, with consensus achieved on several related issues. 13 negotiations on labor relations (performance review and the issuing of performance bonuses) were also convened and a conclusion reached, effectively enhancing harmony in labor relations.

The starting salary for all new employees is set above the minimum wage required by law. Affected units and personnel are also notified in advance of organizational restructuring or transfers and assignments updated as necessary. The above measures all serve to enhance harmony in labor relations.

For exceptional contract employees working in customer service or operations support, we have a program in place to offer them full-time employment. The program is our way of taking care of local contract workers at our regional branches.

Labor Union Act

- Article 6: "An industrial union or craft union shall be organized in accordance with law, which workers of full 20 years of age, of the same industry in the same area or in the factory or workshop, or in the same area and in the craft, exceed the number of thirty."
- Article 12: "All male and female workers within the jurisdictional area of a labor union who have attained full 16 years of age, shall have the right and obligation to join and become a member of the labor union for industry or craft in which they are engaged; provided, that those who have joined an industrial union may be allowed not to join a craft union".

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Management Recruitment and Training

The global financial crisis of 2008 continued to make its presence felt in 2009. At CHT, we lived up to our commitment of “no retrenchments, no salary cuts and no unpaid leave” so employees can continue to focus on their work. In 2009, we invested 3.1% of our annual revenues in personnel development and employee education. Average spending on employee training has remained steady despite the global financial crisis.

Increasing Employment

In 2009, CHT continued to offer increased employment opportunities to help reduce unemployment and recruited 434 new employees through competitive examination. Due to our strategy of diversification and support of government initiatives in the six emerging industries of green energy, biotechnology, healthcare, boutique agriculture, tourism and creative culture, we have embraced employee incentive training programs to develop and retain the next generation of telecommunications expertise.

Performance Review

CHT has established a comprehensive performance review system that standardizes performance reviews for employees at all levels.

We also ensure that every employee can discuss every part of their performance directly with their supervisor. All managers are required to conduct face-to-face interviews throughout the review process. By helping employees understand their expected roles and responsibilities as well as provide guidance on career planning, the system helps to boost employee morale and organizational loyalty.

CSR Review for Executives

To ensure that CSR strategy and business strategy complement each other at CHT, performance reviews for executives look at not only traditional financial indicators but also take into consideration their response to stakeholder opinions, realization of environmental management targets and improvement of CHT’s charitable image.

Education & Training Related Regulations

- Chungwa Telecom Guidelines for Employees Studying at University or College (including Graduate School)
- Chungwa Telecom Management Development Guidelines

Telecom Training Institute

The Telecom Training Institute (TTI) organizes competency training courses each year to systematically train employees on core networking technologies, access network technologies, mobile communications technologies, value-added services, information technology, business management, operations management and human resources management.

To enhance the capability of the management team, the TTI also hosts regular leadership training courses and training for exceptional managers assigned to re-investment subsidiaries as executives or shareholder representatives.

In 2009, a total of 1.92 million hours of actual employee training were conducted through physical classes and distance education at a total cost of \$661.36 Billion.

Elite Development Partnership

In addition to internal training, CHT also partners with respected outside educational institutions to cultivate expertise in telecommunications technology and boost our industrial competitiveness. In 2008, the TTI partnered with the National Taiwan University to host the “Advanced Telecommunications Network Technologies” program. The 4-semester program consists of 50 places and has been very successful in giving students a solid grounding telecommunications network theory. We also encourage general employees to embrace lifelong learning with education subsidies of up to \$30,000 per semester. In 2009 a total of 1,142 employees applied for in-service education subsidies and total spending amounted to NT\$16,530,000.

Employee Education & Training		LA10	
	2007	2008	2009
Total Training Costs (NTD)	616,673,532	659,309,528	661,362,885
Training Cost per Person (NTD)	25,549	26,855	26,819
Total Hours of Training (Hours)	2,023,112	2,190,419	1,927,751
Training Hours per Person (Hours)	84	89	78

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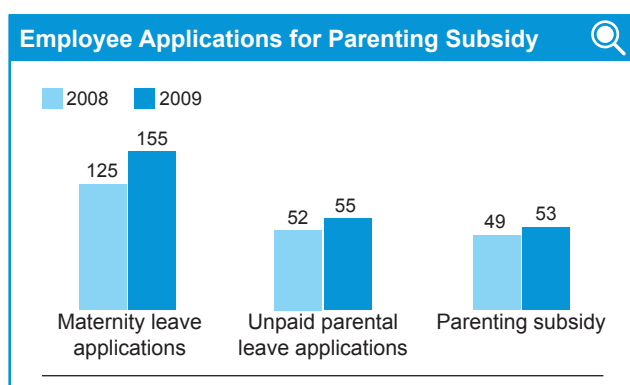
Social Philanthropy

Address Balancing Work and Lifestyle

CHT led the industry in implementing unpaid parental leave in 2006 to help employees balance their work and lifestyle. We also provide healthcare superior to statutory requirements. CHT's network of "CHT Te-Lodgings" throughout Taiwan offer employees a great option of travel and recreation. The many energy-saving measures implemented at Te-lodgings also demonstrate our efforts in environmental protection.

Balancing Work and Family

The Taiwanese society will increasingly feel the impact of an aging population and decreasing birth-rate in the future. To encourage employees to embrace their responsibilities as parents as well as balance their work and family, CHT introduced unpaid parental leave in July 2006, with employees on unpaid parental leave entitled to receive a parenting subsidy equivalent to half of their insured salary for up to two years. Other benefits include family leave, paternity leave, menstrual leave and nursing rooms. In 2009 there were 155 applications for maternity leave, 55 applications for unpaid parental leave and 53 applications for parenting subsidy.



Note: The number of applications for unpaid parental leave is higher than the number of applications for parenting subsidy because the latter is only available to women.

Health Benefits

CHT offers healthcare that exceeds statutory requirements and all employees are eligible for a free health checkup once a year. In 2009, we hosted 230 health workshops as well as 32 physical competitions and 111 excursions to improve employee fitness and introduce them to the beauty of Taiwan. The Employee Assistance Program (EAP) is also continuing to provide employees with one-to-one consultation on mental, legal, financial, medical, work and lifestyle issues. Total cost of employee healthcare amounted to 0.15% of annual revenues.

CHT Te-Lodgings

CHT encourages employees to spend time outdoors and enjoy nature. Unused dormitories around Taiwan have been refurbished into the "CHT Te-lodgings" managed on a part-time, semi-self service basis by CHT employees. The Te-lodgings feature many green initiatives such as unified purchasing of supplies, solar powered water heater and bicycle rental. The Te-Lodgings also promote environmental friendly travel. There are now 29 Te-lodgings throughout Taiwan with a total of 460 rooms.

Employee Health Checkup		LA7, LA8		
	2007	2008	2009	
Employees that underwent health checkup (Persons)	23,378	24,018	23,924	
Proportion of employees that underwent health checkup (%)	97.08	98.09	98.03	
Total cost of employee health checkups (NTD)	38,734,376	39,851,601	67,978,876	
Rate of occupational hazard per thousand employees (%)	1.33	1.06	1.09	

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Response Health, Safety and Retirement Protection

CHT emphasizes safety in the workplace and has continued to implement various occupational safety & health management systems over the years. We pay particular attention to employee retirement entitlements for their peace of mind.

OSH Management System

CHT regularly monitors OSH performance and the safety of work-related equipment to provide employees with a safe and healthy workplace. IN 2009 the total damage & injury index was 0.14 (Note).

Our OSH management system is externally audited to ensure “standard” and “systemic” management of employee safety and health as well increase the quality and safety of our operations. In addition to the international OHSAS 18001 occupational safety & health system certification, the Council for Labor Affairs unveiled in 2007 the Taiwan Occupational Safety Health Management System (TOSHMS) based on both “overseas certification” and “domestic compliance”.

As of the end of 2009, 33 CHT units have passed OHSAS 18001 certification with 23 of these also achieving TOSHMS certification.

Note: Frequency-Severity Indicator =

$$\sqrt{\text{(Rate of disabling injuries} \times \text{severity of disabling injuries)} / 1000}$$

Occupational Injury		LA7		
	2007	2008	2009	
Occupational injuries and deaths (%)	0.71	0.89	0.56	
Death in line of duty (Persons)	6	8	6	

Note: Injury Frequency Rate (FR) = No. of disabling injuries * 10⁶ / Total work hours

H1N1 Response

H1N1 attracted widespread attention around the world in 2009. As the vectors and symptoms of H1N1 are similar to influenza, precautionary management measures were adopted by CHT.

Pension Fund

Retirements are processed in accordance with the Employee Retirement Pension and Separation Guidelines, the Labor Standards Act and the Labor Pension Act. The maximum pension contribution (15%) is paid into employees' pension funds each month to ensure that employees are properly provided for.

Lifelong Learning for Retired Employees



In 2009 CHT donated \$4.5 Million to the CHT Retirement Association to improve the care of retired employees. A dedicated website (<http://www.chtr.org.tw/>) has also been established to promote healthcare and lifelong learning among retirees.



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Target Corporate Volunteering

Corporate volunteering is an extension of CSR. To encourage our employees to be proactive in giving back to the community, volunteer leave is now officially recognized in the personnel system. Flexible volunteering options as well as free and professional volunteer training effectively enhance the contribution to society made by corporate volunteers.

Volunteer Service Act

To realize the ideal of working together for a civil society, CHT released Taiwan's first ever corporate volunteer service guidelines and service plan on November 30 in 2007. The plan encourages employees to participate in volunteer service and a comprehensive management scheme will be gradually developed.

Volunteer Training Program

To ensure the safety and health of corporate volunteers as well as protect the rights of service recipients, CHT offers special training in addition to the basic statutory requirements to maximize volunteer contributions and raise the standard of service. A total of 6,692 hours of volunteer training (including both basic and special training) were completed in 2009.

Corporate Volunteer Service

As of the end of 2009, 892 CHT employees (3.72% of the total workforce) have completed statutory volunteer training and received the national "Volunteer Service Logbook". CHT has drawn upon both corporate and social resources to organize a variety of different charity activities, contributing a total of 41,979 hours of corporate volunteer service in 2009.

Volunteer Service Act

- Article 7 (Implementation of service plan)
Voluntary service utilization units shall utilize volunteers in accordance with voluntary service plans.
Voluntary service plans, as referred to in the precedent Paragraph, shall cover volunteer personnel recruitment, training, management, utilization, guidance, evaluation and service scopes.
- Article 9 (Volunteer education & training)
In order to enhance the quality of voluntary service, and safeguard the rights and interests of service recipients, voluntary service utilization units shall provide the following training to volunteers:
 - (1) Basic training
 - (2) Special training

Paid Volunteer Leave

The current volunteer leave system provides each employee with a set amount of volunteer leave each year.

As CHT employees over 20,000 people throughout Taiwan, if every employee makes full use of their volunteer leave we can provide community groups with a huge source of manpower and contribute to the development of the civil society in Taiwan.

Employee Participation Survey

We encourage employees to participate in charity activities to enrich their life experience. To learn about employee preferences on volunteer activities an internal online survey was carried out. The results showed that employee preferences in volunteering were as follow:

- Helping students in remote rural regions with e-learning and computer repairs (22.94%)
- Participation in eco-conservation activities (20.08%)
- Community relations building (19.95%)

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