

Sustainability Value Strategy

The SDGs CHT contributes to in this chapter



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Six Main Capitals - “**Financial Capital, Human Resource Capital, Intelligence Capital, Manufacturing Capital, Social Capital and Nature Capital**”



Five Major Forces - “The Motivator of the **Digital Economy**, The Pilot of **Creative Industry**, The **Happiness Value** Protector, The **Green Corporation** Pioneer, and The **Social Value** Guide”



Vision-“**Digital economy transformation, Industrial innovation, Talent startup, Happy corporation, Considerate services, Transform into a green corporation thoroughly, and Connect · Hope · Technology**”



The **true value** created by Chunghwa Telecom in 2018 is **226.9 billion**

The result of our CSR 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 service 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.



Financial Capital

- Share capital NT\$ **77,574,465** thousand
- Capital expenditures NT\$ **28,549,929** thousand



Human Resource Capital

- Salary and welfare expenses NT\$ **47,024,000** thousand
- Training expenses NT\$ **502,370** thousand



Intelligence Capital

- R&D expenses NT\$ **3,725,249** thousand
- Marketing expenses NT\$ **23,170,024** thousand



Six Main Capitals Create Sustainability Value



Five Major Forces Drive the Sustainable Cycle



Manufacturing Capital

- Equipment installation and maintenance expenses NT\$ **45,563,085** thousand
- Cell tower installation expenses NT\$ **16,278,276** thousand
- IDC equipment installation expenses NT\$ **196,734** thousand



Social Capital

- Social investment NT\$ **815,389** thousand
- Universal telecom services NT\$ **425,633** thousand



Nature Capital

- Green procurement NT\$ **1,487,000** thousand
- Environmental management expenses NT\$ **319,637** thousand



The Motivator of the Digital Economy

Vision

Digital economy transformation

Strategy

- Becoming the 5G telecom leading brand
- Stimulating innovative application and creating new business models



The Pilot of Creative Industry

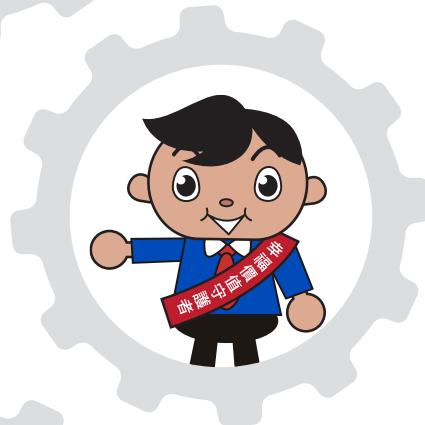
Vision

Industry innovation & Talent Startup

Strategy

- Investing and fostering startup business
- Encouraging innovation and start-up internally

We utilize our ICT corporate core competence and integrate with CSR to establish the five main forces, “The Digital Economy Motivator, The Creative Industry Pilot, The Happiness Value Protector, The Green Corporation Pioneer, 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

Vision

Happy corporation & Considerate services

Strategy

- Establishing a healthy and happy workplace
- Protecting information and labor human rights
- Providing excellent innovative service



The Green Corporation Pioneer

Vision

Transforming into a green corporation thoroughly

Strategy

- 5G(Green) green action
- Constructing a green and low-carbon supply chain



The Social Value Guide

Vision

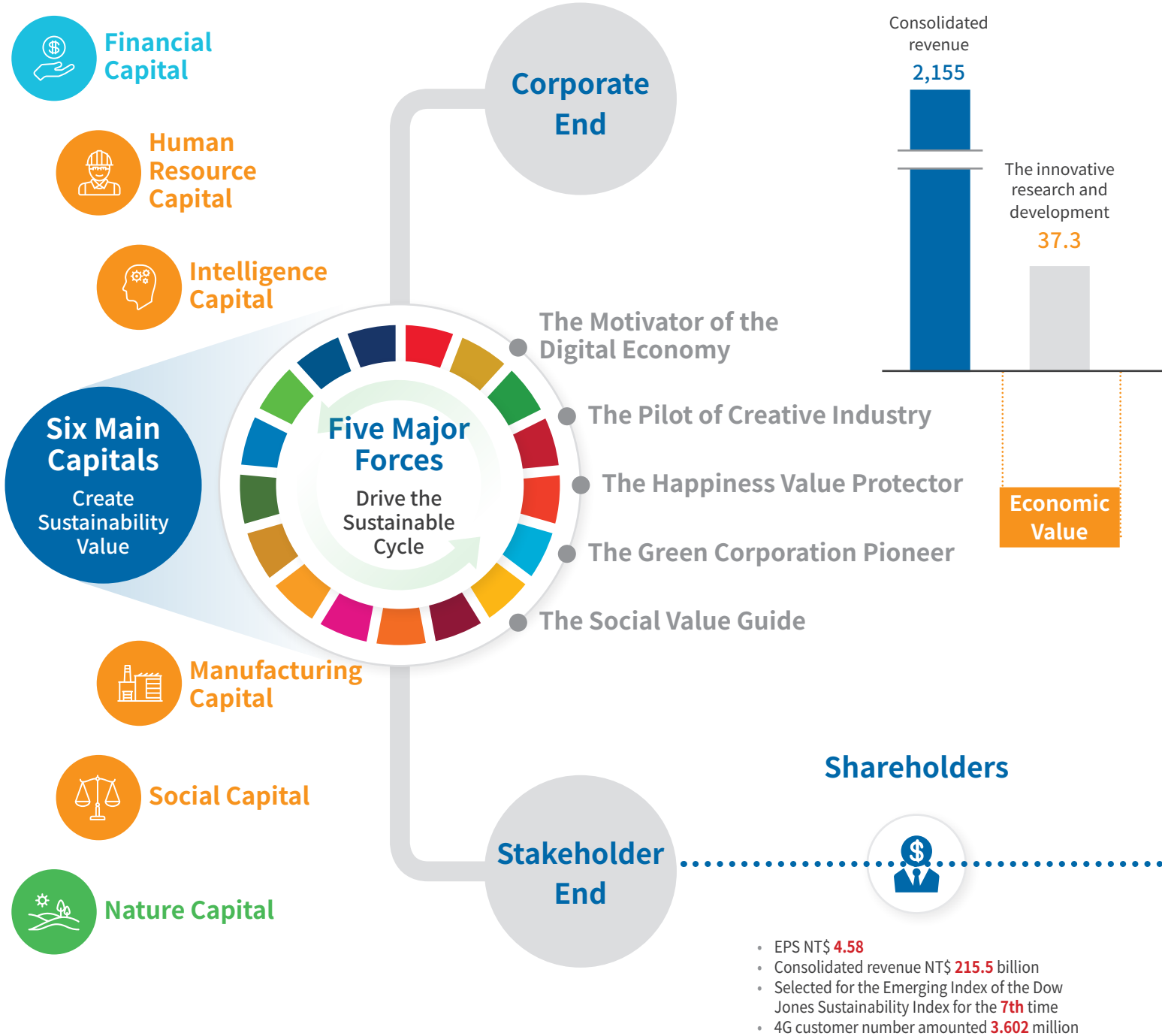
Connect · Hope · Technology

Strategy

- 5I SDGs digital inclusion initiative
- Corporate volunteer work

Creating Sustainable Value

Our CSR issues and actions have created sound economic, environmental and social value. Although we have made serious efforts to adapt quantized data when setting-up and managing CSR 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 CSR performance.

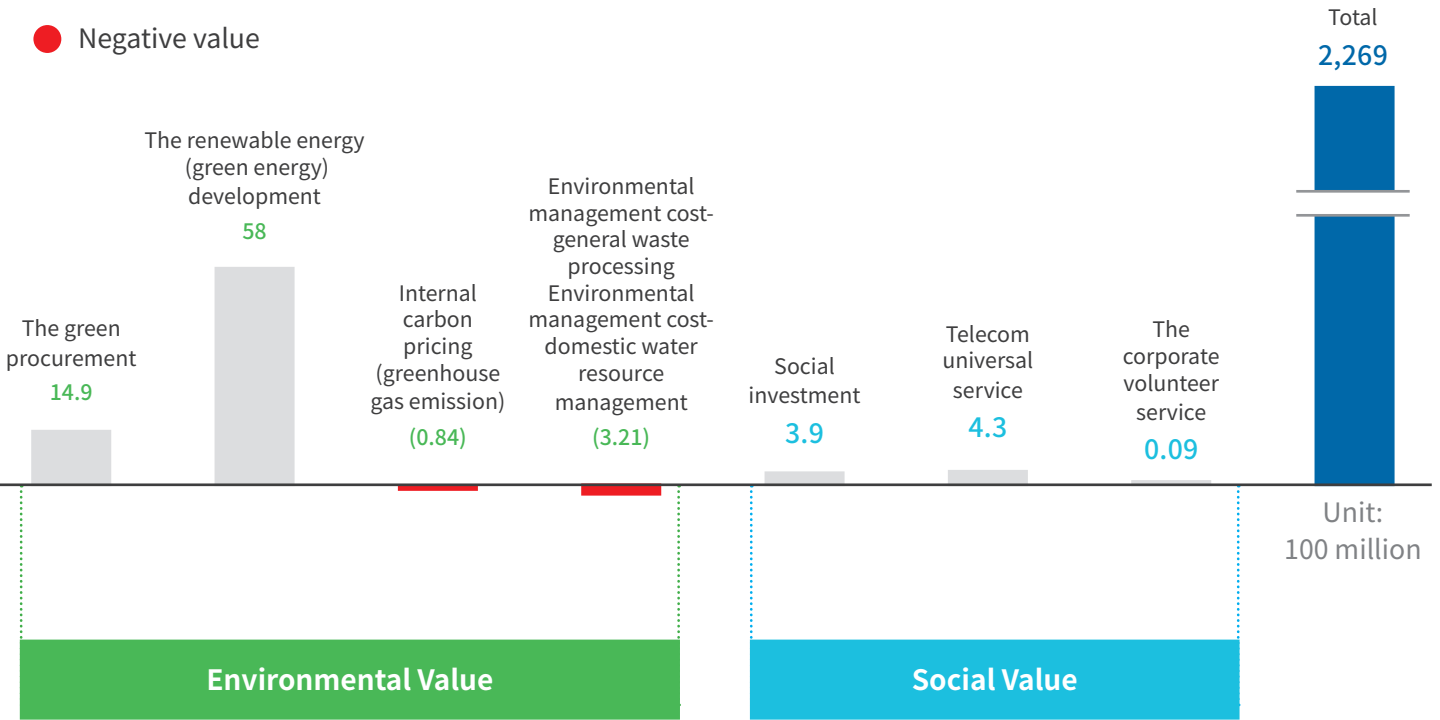




▶ Creating Sustainability Value 26

We have used a “True Value” method of calculation. Positive (+) and negative (-) currency values have been assigned in an assessment of our influence on society and the environment. This gives a sound idea of the real environmental and social value (profit and cost) of our sustainability efforts in 2018. The economic, social and environmental currency value CHT created on operation has also been blended in.

- Positive value
- Negative value



1. Source of true value calculation for corporate volunteer service : <https://www.volunteeringwa.org.au/resources/volunteer-benefits-calculator>
2. Source of true value calculation for Telecom universal service : Research conclusion, Journal of China Institute of Technology Vol.40-2009.06

Employees **Clients / Costumers** **Communities / NPOs** **Supply Chain Partners**



- Employee salary and benefits are NT\$ **47,024** million
- The average training hours per person are **41** hours
- The total training cost is NT\$ **502,370** thousand
- The total service hours of the corporate volunteer service are **6,368** hours
- The occupational injury rate per thousand workers is **1.26** for men and **2.54** for women
- We have **799** employees with disabilities (the legal amount is 208 people)
- **46** aboriginal employees
- The employee satisfaction score is **81.74** (out of 100)



- We have more than **57** thousand public Wi-Fi hotspots
- The customer satisfaction score is **6.89** (10-point system)
- The customer hotline service satisfaction score is **4.71** (5-point system)



- We provide the disadvantaged groups' communication for **53,712** households
- The subsidy amount is NT\$ **137,865** million
- Coverage rate of the 12Mbps universal broadband service is over **98.01%**
- The voice assistant App for the blind has been downloaded **51,360** times
- The location of good digital neighbor has accumulated to **85** places



- The local procurement percentage takes up **90%** of the total procurement
- The green procurement amount is NT\$ **1,487** million