

Chapter 2

Sustainability Value Strategy

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 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 contributes to in this chapter: 8, 9





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 Creative Industry Pilot, 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”

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⚙️ Six Main Capitals Create Sustainability Value



Financial Capital

- Share capital
77,574,465 thousand
- Capital expenditures
24,165,857 thousand



Human Resource Capital

- Salary and welfare expenses
46,155,421 thousand
- Training expenses
497,901 thousand



Intelligence Capital

- R&D expenses
3,941,446 thousand
- Marketing expenses
22,219,688 thousand

⚙️ Five Major Forces Drive the Sustainable Cycle

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





Social Capital

- Social investment **760,701** thousand
- Universal telecom services **425,633** thousand



Manufacturing Capital

- Equipment installation and maintenance expenses **20,221,618** thousand
- Cell tower installation expenses **4,438,241** thousand



Nature Capital

- Green procurement **1,023,939** thousand
- Environmental management expenses **328,558** thousand

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 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.

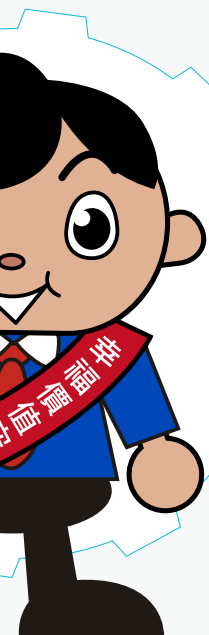
The Happiness Value Protector

Vision

Happy corporation & Considerate services

Strategy

- Establish a healthy and happy workplace
- Protect cyber and labor human rights
- Provide 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 since 2006. 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.

Shareholders

- EPS NT\$ **4.23**
- Consolidated revenue NT\$ **207.5** billion
- Selected for the Emerging Index of the Dow Jones Sustainability Index for the **8th** time

Employees

- Employee salary and benefits are NT\$ **46,155** million
- The average training hours per person are **44** hours
- The total training cost is NT\$ **497,901** thousand
- The total service hours of the corporate volunteer service are **21,375** hours
- The occupational injury rate per thousand workers is **0.69** for men and **0.18** for women
- We have **751** employees with disabilities (the legal amount is 201 people)
- **49** aboriginal employees
- The employee satisfaction score is **83.63** (out of 100)



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 2019. The economic, social and environmental currency value CHT created on operation has also been blended in. The true value CHT creates in 2019 is NT\$ 22.73 billion.

Consolidated revenue

2,075

The innovative research and development

39.4

The green procurement

10.2

The renewable energy (green energy) procurement

75

Internal carbon pricing (greenhouse gas emission)

0.03

Unit: 100 million

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Clients / Costumers

- We have more than **53** thousand public Wi-Fi hotspots
- The customer satisfaction score is **8.98** (10-point system)
- The customer hotline service satisfaction score is **4.74** (5-point system)



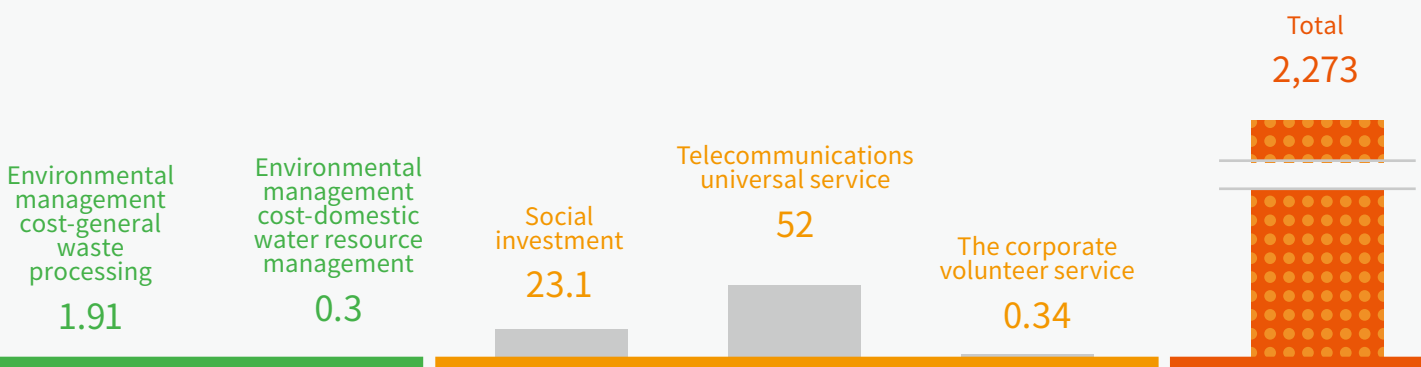
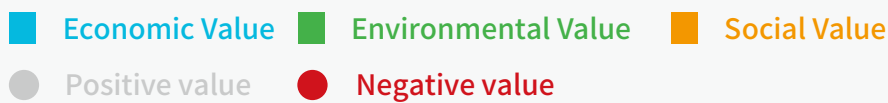
Communities / NPOs

- We provide the disadvantaged groups' communication for **62,387** households
- The subsidy amount is NT\$ **172,682** thousand
- Coverage rate of the 12Mbps universal broadband service is over **97.6%**
- The voice assistant App for the blind has been downloaded **54,270** times since 2013
- The location of digital good neighbor has accumulated to **89** places



Supply Chain Partners

- **10** certified Gold-tier sustainable partners
- The local procurement percentage takes up **95%** of the total procurement
- The green procurement amount is NT\$ **1,024** million



[Source of true value calculation for corporate volunteer service](#)

Source of true value calculation for Telecom universal service :
 Research conclusion, Journal of China Institute of Technology Vol.40-2009.06