



# ASSURANCE STATEMENT

## SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE CHUNGHWA TELECOM CO., LTD.'S ESG REPORT FOR 2023

### NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by CHUNGHWA TELECOM CO., LTD. (hereinafter referred to as CHT) to conduct an independent assurance of the ESG Report for 2023 (hereinafter referred to as the ESG Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 High level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018) and Sustainability Accounting Standards Board (SASB) TELECOMMUNICATION SERVICES INDUSTRY STANDARD, VERSION 2023-12 during on-site assurance in the period between 02nd May 2024 to 17th May 2024 in CHT headquarter. The boundary of this report includes CHT Taiwan operational and service sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all CHT's Stakeholders.

### RESPONSIBILITIES

The information in the CHT's ESG Report of 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of CHT. SGS has not been involved in the preparation of any of the material included in the ESG Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all CHT's stakeholders.

### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B	AA1000ASv3 Type 2 High (AA1000AP Evaluation plus evaluation of Specified Performance Information)

## SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	GRI Universal Standard (2021) (In Accordance with)
2	AA1000 Accountability Principles (2018)
3	SASB(TELECOMMUNICATION SERVICES INDUSTRY STANDARD, VERSION 2023-12)
4	<IR> Framework (Chinese version 2015)
5	5 Specific indicators of S&P Global Corporate Sustainability Assessment(2024)

- evaluation of content veracity of the sustainability performance information in relation to the determined material topics at a high level of scrutiny for CHT and moderate level of scrutiny for subsidiaries, joint ventures, and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standard 2021 (GRI 2, GRI 3, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.
- evaluation of the report against the SASB Disclosures and Metrics included in the TELECOMMUNICATION SERVICES INDUSTRY STANDARD, VERSION 2023-12 and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.
- evaluation of the report against the IIRC International <IR> Framework (Chinese version 2015) requirements for content elements.

## SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The assurance has verified 5 indicators of S&P CSA which disclosed in the ESG report as follow:

- 1.7.5 KPIs for Supplier Screening
- 1.7.6 KPIs for Supplier Assessment and/or Development
- 2.2.2 Energy Consumption
- 2.3.2 Waste Disposal
- 2.4.2 Water Consumption

## ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, ESG committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

## LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts, and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

## **STATEMENT OF INDEPENDENCE AND COMPETENCE**

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from CHT, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

## **ASSURANCE/VERIFICATION OPINION**

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

## **AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

### **Inclusivity**

CHT has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, CHT may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

### **Materiality**

CHT has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

### **Responsiveness**

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

### **Impact**

CHT has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

## **GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

The report, CHT's ESG Report of 2023, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to CHT's contributions to sustainability development. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, including impacts on their human rights as well as the role of the highest governance body in overseeing these processes. In addition, an effective data management optimization is expected to be set in place which is for CHT to enhance the disclosure information reliability and its data quality.

## **SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

CHT has referenced with SASB's Standard, TECHNOLOGY & COMMUNICATIONS SECTOR- TELECOMMUNICATION SERVICES INDUSTRY STANDARD, VERSION 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundary is the same as CHT's ESG report. CHT used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. CHT has determined which disclosure topics and associated metrics are financially material to its business and has illustrated appropriately in the content index. By using both GRI and SASB standards together, the efficiency of communication and the identification of material issues are substantially increased during the whole reporting preparation process. Besides, it is best practice to implement a gap analysis and comparison of reported issues and benchmark within or across sectors in next reporting.

**Signed:**

**For and on behalf of SGS Taiwan Ltd.**



**Stephen Pao**  
**Business Assurance Director**  
**Taipei, Taiwan**  
**26 June, 2024**  
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