



## Fulfilling Our Social Responsibility

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## I . Promoting Corporate Governance

- (I) The management philosophy of Chunghwa Post consists of the following three principles: putting our clients on top priority; devoting ourselves to a corporate culture based on reliability, geniality, efficiency and innovation; and striving to improve with the society. We devise our annual business plans in accordance with the government's policies. In addition, we make timely adjustments by taking social changes into consideration. Our business policies and executive performance are periodically reviewed, and we also modify our management strategies and style when necessary.
- (II) We hold departmental management meetings on a regular basis. The Chairperson holds a high-level management meeting once every two weeks. Business reports and department meetings are held on a monthly basis. In order to strengthen the cooperation between senior managers and operative executives, debriefings of business expansions are conducted on a quarterly basis, so as to establish the foundation for decision formulation and implementation.
- (III) We provided postal capital in the amount of NT\$1,612,600 million to support the government's major construction projects, and also to offer project financing for private investments.
- (IV) A total of 48 directors and supervisors have attended the corporate management courses offered by the Securities and Futures Institute, the Taiwan Corporate Governance Association, the Ministry of Transportations and Communications, the Ministry of Labor, the Ministry of Finance and the Taiwan Institute for Sustainable Energy in 2017.
- (V) In order to enhance our robust operation, a set of internal control procedures are stipulated and should be followed by the board of directors, management personnel and all staff members, so as to ensure the attainment of the following objectives:
1. To boost the efficiency of our company operation and to maintain the security of our assets.
  2. To ensure the credibility and integrality of our financial and management information.
  3. To abide by related laws and regulations.
- (VI) To encourage our staff to engage in online learning, digital courses on public service ethics, management ethics and service ethics are offered on our "Postal Service e-University" learning website.
- (VII) An employee who puts our corporate ethics into practice can be recommended by the department head to participate in our company's "Outstanding Postal Service Personnel Competition" or the "Exemplary Civil Servant Competition" held by the Ministry of Transportation and Communications.



The Company has been honored with two excellent awards for the "Office Staff Team" and "Field Staff Team" of the most desirable life insurance company by the graduates of the finance or insurance departments and institutes nationwide for seven consecutive years.



Conducting a promotion examination for rank personnel



## Fulfilling Our Social Responsibility

### II. Maintaining Social Welfare

- (I) We have continuously offered disaster relief donations accounts for the Ministry of the Interior with the exemption of administration fees. Additionally, we have devised and continuously practiced the "Guidelines for Promoting Social Welfare via Postage Discounts" to aid disadvantaged groups. The discounted postage reached NT\$9,460,000 in total in 2017.
- (II) We have helped maintain the order of the financial market and safeguard transaction security by successfully preventing 813 scam cases in 2017, thereby securing approximately NT\$152 million from scammers.
- (III) We have continuously set up barrier-free ATMs at appropriate sites to provide physically challenged customers with easy access to ATMs. By the end of December 2017, 1,980 barrier-free ATMs in total have been installed at 1,280 sites. Moreover, 65 ATMs with voice features suitable for visually impaired customers have been set up by the end of December 2017, and more will be installed at appropriate locations in the future.
- (IV) In order to be in line with the government's public welfare policies, we have continued to provide discounts for physically and mentally challenged customers. Physically and mentally challenged depositors can enjoy inter-bank ATM transactions free of processing fees 3 times per month after filing applications to our company.
- (V) We have continued to run the "Post Office Cares for Solitary Elderly Citizens Campaign" and encouraged our postmen to send greetings to solitary elderly citizens and watch out for their daily needs while delivering mails. Our postmen reached out to 64,388 elders in total in 2017.
- (VI) In order to be in line with the government's policies to support economically disadvantaged families, we have helped to process the payment and saving collections of the "Saving Accounts for the Future Education and Development of Children and Teenagers" via counter collection and direct debit services. Through the cooperation between public and private sectors in promoting the saving mechanism, the government and families can together help accumulate future education and career development funding for the saving accounts of children and teenagers.
- (VII) We organized a series of nationwide blood donation campaigns called "Donate Hot Blood to Send Warm Love" from March 1 to March 31 in 2017, collecting 30,593 bags of blood in total, each containing 250cc. per bag.
- (VIII) We offered "Scholarship for Postal Life Insurance Clients' Children" in 2017. The scholarship totaling NT\$4,760,000 was awarded to 2,844 recipients.
- (IX) We held a series of campaigns called "Mailing Handwritten Letters with Warmth—Fountain Pen Writing Lectures and Competitions" from March to April in 2017, attracting 1,936 participants in total.
- (X) We held a series of Mother's Day activities from April to May in 2017, including "Let's Handwrite Mother's Day Cards and Send Millions of Cards to Transmit Heart" and "Mailing Postcards to Dear Mommy," each attracting 746,314 and 500,855 participants respectively.
- (XI) We held the "Postal Life Insurance National Table Tennis Contest for the Physically and Mentally Challenged" in August 2017. A total number of 60 teams and 129 contestants and team staff members attended the event.
- (XII) We held a series of Teacher's Day Campaigns called "Thank You Dear Teacher" from August to September in 2017, attracting 24,552 participants in total.



- (XIII) We held the "Aboriginal Culture Postbox Circuit" campaign from January to November in 2017, attracting 3,477 participants in total.
- (XIV) We held a series of elderly fitness activities called "Chunghwa Post Senior Citizens Outing Trips," attracting 1,611 policyholders to participate.
- (XV) To help promote quality local produces and support Taiwanese farmers, we have selected local farm produces suitable for package or express mailing and created a "Postal Calendar for the Transportation and Marketing of Local Agricultural Products" to help local farmers market their products. Furthermore, as we offer on-call pickup and delivery services, consumers can enjoy fresh produces delivered straight from the source. In addition, our partner farmers donate a small portion of their loans to aid local disadvantaged groups, thus creating a multiple-win situation among farmers, consumers and disadvantaged groups. In 2017 we organized 13 marketing campaigns for local agricultural products, with the sum of public interest donations reaching NT\$571,840. The donations went to 13 public interest groups, including Eden Social Welfare Foundation; Taiwan Fund for Children and Families Yunlin County Branch; Genesis Social Welfare Foundation; Sheen-Nan Elementary School in Zhuangwei Township, Yilan County; House of Hope in Yujing District, Tainan County; Daniel A. Poling Memorial Babies' Home in Taichung City; Erhlin Happy Christian Home; Taiwan Fund for Children and Families Nantou County Branch; Taiwan Fund for Children and Families Taitung County Branch; Donation Account for Meal Delivery Service of Disadvantaged Elderly in Dashu District, Kaohsiung City; Charitable Organization in Hengchun Township, Pingtung County; Catholic Private Savior Home for Disabled Persons; and Taiwan Fund for Children and Families Tainan City Branch.



"Forever Young - Senior Citizens Outing Trips" activities



# Fulfilling Our Social Responsibility



Providing friendly foreign language services for immigrant residents



Charity activities: Tasting fresh pears to support farmers



"Summer Parent-child Stamp Collecting Training Camp" activities



Caring for solitary seniors

## III. Developing Sustainable Environment

- (I) We provide our employees with a safe and healthy work environment. All of the offices are equipped with central air conditioning systems and sufficient lighting, comfortable workspaces, evacuation routes and emergency exits. Elevators are checked and maintained regularly. Fire protection facilities are installed all over the buildings, and fire drills are practiced periodically. Access control systems are implemented to ensure staff security.
- (II) When our buildings undergo construction projects, contractors will be given the "Guidelines for the Work Environment and Hazardous Factors of Contract Projects" and will be advised to follow the guidelines, in order to improve the safety of our work environment and reduce the occurrence of occupational accidents. In addition, we organize "Educational Trainings of General Laborers' Safety and Health" to raise our employees' awareness of safety and health.
- (III) Cleaning, waxing, disinfection and disease prevention are periodically performed in our offices. We add an extra tinge of beauty to our work environment by constantly cleaning up wastes and tending potted plants. Several staff members are designated to patrol the offices and keep a close check on the environment.
- (IV) Specialist staff members are assigned to be in charge of the cleaning, disinfection and disease prevention tasks of our workplaces. In addition, all of our employees attended the four-hour long Work Environment Education and Training Session in 2017.



- (V) We have cooperated with the government's Green Public Procurement Policy and reached the green purchasing achievement rate of 98.30% in 2017, surpassing the annual goal of 90%.
- (M) We have digitalized our business process by establishing the "Public Key Infrastructure," and have practiced paper-free policies by promoting online signatures of official documents.
- (VII) We regard neatness as a core value of our corporate culture. By regularly holding cleaning contests and environment assessments, we create comfortable workspaces and postal user friendly environments, improve our service quality, and cultivate a positive corporate culture and image that emphasize cleanness.
- (VIII) We make the first day of every month our car-free day to protect our planet by saving energy and reducing carbon emissions.
- (IX) We promote green architecture by installing solar power generation systems on the rooftops of several branch offices to save energy and reduce carbon emissions.
- (X) We have launched the introduction plan of electric vehicles to gradually reduce carbon emissions, aiming to achieve green logistics with low noise and zero carbon emission.



Promoting the introduction plan of electric vehicles to gradually reduce carbon emissions to achieve green logistics with low noise and zero carbon emission performances.

#### IV. Protecting Our Clients' Rights and Interests

(I) Dormant postal passbook saving accounts have automatically restarted interest accruals since 20 March 2014. As for joint passbook saving accounts, in addition to applying for account termination or transfer at branch offices nationwide, depositors can also report the loss of passbooks or seals and close the accounts after making new replacements at branch offices nationwide free of charges. However, for depositors without joint passbook saving accounts, such settlements should be made at the branch office where the account is opened.

(II) When a beneficiary applies for death benefits, our computer system will jointly search for all the tracking numbers of valid contract policies that the insured has not yet claimed settlements, thus enabling related units to notify the relevant beneficiary upon death or accident of the insured to initiate the procedures of claim settlements as soon as possible.

(III) Units in charge of life insurance claims conduct cross comparisons between the data of the deceased insured provided by the Life Insurance Association with the data of our insured clients on a daily basis. If the insured is found deceased and has not yet filed for claims, the office in charge of processing the life insurance contract will be notified to contact the contract beneficiary to apply for relevant claims and payments.

(IV) We have established a "Database of Unclaimed Benefits." When an insured client visits our branch office counters to make relevant life insurance transactions or consult with our staff at our Customer Service Center, our staff member will notify the client to claim relevant benefits as soon as possible if data of unclaimed benefits is retrieved. As for the unclaimed benefits of the insurance contracts that have filed changes in addresses, we will resend notices of benefits claim according to the new addresses every six months.

(V) We have set up different levels of postal service establishments all over Taiwan. As of the end of 2017, a total of 2,341 establishments have been founded, including 1,308 self-run branch offices, 579 postal agencies and 454 licensed stamp distributors.



Taipei Jinnan Post Office is the first digital post office in the country.



"i Mailbox" was launched at the Taiwan Railways stations, providing multiple convenient delivery services.



- (VI) By offering quick, dependable and efficient services and establishing sufficient postal facilities, we have expanded the "Non-Commercial Postal Service Areas" to offshore islands and other rural areas. Regardless of regional differences, the postage fees are fixed at reasonable rates. Approximately 234 branch offices have been established in the non-commercial postal service areas nationwide.
- (VII) We offer mailings, savings and remittances, and life insurance services to help improve people's livelihood, maintain social stability and meet national policy requirements. The information security control system of Chunghwa Post aims to safeguard the confidentiality, authenticity and availability of important personal and trading information. To ensure the safety of private information, operating system, hardware equipment and Internet network, our information security management system has been reinforced. By adopting innovative information security techniques and practicing tight information protection procedures, we create a reliable trading environment and provide high-end services for our clients.
- (VIII) We respect every client's right to privacy. Any act with regard to collecting, processing, utilizing and protecting our clients' personal information should be governed and regulated by the R.O.C. "Personal Information Protection Law" and our company's policies concerning the protection of personal information. Necessary actions will be taken when needed as per the two sets of regulations.
- (IX) In order to maintain the security of our ATM operations, 669 of our 1,280 ATMs installed with Windows XP operating systems have been upgraded to newer versions by May 2017. In addition, 611 new ATMs have been purchased to replace old machines by the end of 2017.
- (X) In order to prevent distributed denial-of-service attacks from malicious hackers, which can cause disruptions of our information system services, we introduced a defense mechanism on the enterprise side to ward off distributed denial-of-service attacks in July 2017. Furthermore, we improved the availability of our system services by applying flow-cleaning services.
- (XI) As the occurrence numbers and frequencies of exposures of information system weaknesses have been rising increasingly, it has become more and more difficult for enterprises to repair weaknesses timely, and the unrepaired weaknesses could fall prey to hackers' attacks. In order to reduce information security risks, we introduced a virtual repairing mechanism in August 2017. By blocking weaknesses in advance with intrusion prevention technologies, the repairing mechanism can prevent weaknesses from being attacked.
- (XII) By November 2017, we have conducted the Type 1 and Type 3 Information System Security Assessments as per the "Methods for Information Security Assessments of Computer Systems of Financial Institutes" formulated by the Bankers Association of the Republic of China and the "Regulatory Guidelines for Information Security Assessments of Computer Systems of Life Insurance Corporations" formulated by the Life Insurance Association of the Republic of China.
- (XIII) In order to reduce our systems' reaction time after being attacked by drive-by downloads or being uploaded with malwares through system vulnerabilities by hackers, we installed a monitoring and notification mechanism for changes in our websites' system programming in November 2017 to immediately detect changes of important website documents. System administrators will be notified about whether the changes are legal or not, thus reducing the risks of system intrusions.



# Fulfilling Our Social Responsibility

## V. Caring for Our Employees

- (I) We protect the legitimate rights and interests of our employees by complying with related labor laws and regulations and devising appropriate management methods and procedures:
  - 1. The legitimate rights and interests of our employees are stipulated in laws and regulations. Our code of conduct and human resource service regulations are devised in accordance with administrative laws such as the "Labor Standards Act." Additionally, our employees are enrolled in civil servant insurance, labor insurance, national health insurance, and retirement pension plans.
  - 2. To enhance our employees' physical and mental health, ensure their quality of life, and enable them to realize their full potential at work without worries, we provide regular health checks and psychological counseling sessions for our staff.
- (II) To enhance the expertise of our employees so as to improve the overall competence of our company, we hold educational trainings of various business operations as per each year's annual training plan. Moreover, a great variety of online self-study courses are offered on our Postal Service e-University website. Also, we organize lectures and keynote speeches delivered by distinguished celebrities.
- (III) We boast a well-rounded remuneration system and a fair promotion structure. We foster talents with concrete step-by-step measures. Specifically speaking, we organize educational training programs for managerial staff of low, middle and high ranks, and job rotations are practiced periodically. In so doing, we recruit and retain great talents to make contributions for our company.
- (IV) We hold labor-management meetings periodically. Labors and managers communicate and negotiate with each other in terms of improving labors' working conditions, employees' rights, interests and welfare, so as to maintain stable and harmonious management-union relations between both sides.
- (V) We stipulated a set of "Guidelines for Prevention, Complaint and Investigation of Sexual Harassment at Workplace" and founded the Sexual Harassment Complaint and Investigation Commission pursuant to the "Sexual Harassment Prevention Act" and "Act of Gender Equality in Employment." Appropriate preventive, corrective, or punitive measures are taken upon the occurrence of sexual harassment cases in order to protect the rights, interests and privacy of our employees.
- (VI) Implementing "Newcomer Partnership Program":

Our "Newcomer Partnership Program" is implemented in order to take care of new employees and offer all kinds of information. By helping newcomers adapt to the workplaces and fit into their departments as early as possible, we hope to foster a sense of belonging and an enthusiastic urge to serve among our employees, thereby creating a benign corporate culture. We believe through this program, the important cultural assets and practical work experiences can be passed on to newcomers, resulting in positive outcomes such as increasing our employee retention rate and boosting our company's competitiveness.
- (VII) We formulate and implement the "Management Plan of Occupational Safety and Health" every year.
- (VIII) By holding cleaning contests and environment assessments, we create comfortable workspaces and postal user friendly environments, so as to improve our service quality and cultivate a positive corporate culture and image that emphasize cleanness.
- (IX) Every year we hold educational trainings on safety and health regularly to reduce the occurrence of occupational accidents. In addition, health checks are performed as per relevant regulations to ensure the health of our employees.



- (X) Nursery rooms have been set up to create a friendly environment for female colleagues to breastfeed at work without worries.

## VI. Reinforcing Information Disclosure and Other Related Services

- (I) Essential information such as our business operations, interest rates, exchange rates and service fees are fully disclosed on our website.
- (II) In order to protect our clients' privacy, all of the necessary information that our staff should clearly notify our clients upon collecting their personal data is fully disclosed on our website as per the regulations of the "Personal Information Protection Act."
- (III) The "Instructional Document for Public Disclosure of Life Insurance Information" was drafted pursuant to the "Regulations Governing Public Disclosure of Information by Life Insurance Enterprises." In addition to posting the electronic file of the document on the "Public Information Observatory of Insurance Industry" website of the Insurance Bureau and Chunghwa Post global website, paper copies are also available for public inspection at handling branch offices providing life insurance services.
- (IV) We created a webpage about micro-insurance on our website to reinforce information disclosure, so as to make our products and sales information more transparent, and to promote the product and concept of micro-insurance.
- (V) The Certification Standards for Our Certified Products or Services:
1. We have completed the installation of the "Personal Data Protection and Management System" by stages. During the first stage, we focused on certain sections for certification, including savings and remittances, life insurance, online PostMall, and information operations. We received the BS10012:2009 certificate of personal information management system from the British Standards Institution (BSI) in August 2012. During the second stage, we extended the scope of certification to the remaining operations of our company, including printing and packing operations. With our efforts in expanding the certification scope, we were granted the BS10012 international standards certificate in October 2013. In addition to passing the reexamination in June 2015, the certification remains valid by successively passing the biannual reexaminations in 2016 and 2017.
  2. Our ePost printing and packing operations obtained the ISO27001:2005 information security certificate. The certificate was upgraded to the ISO27001:2013 version in July 2015, and it passed the reexamination in December 2015. The certification remains valid by successively passing the biannual reexaminations in 2016 and 2017.
  3. Our "Savings and Remittances Operation System" received the BS7799 information security certificate in February 2005, and was upgraded to the ISO27001:2005 version in January 2007. The certification scope was extended to our Disaster Recovery Center in Taichung on 27 November 2009, and the certificate was upgraded to the ISO27001:2013 version in January, 2015. The certificate passed the reexamination in December 2015, and it remains valid by successively passing the biannual reexaminations in 2016 and 2017.