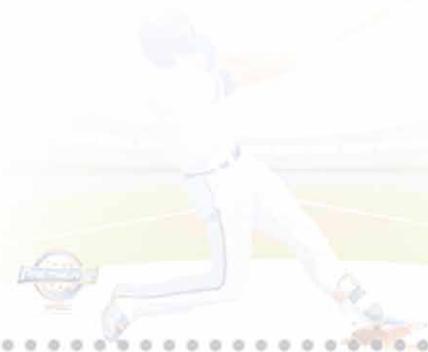




# V

## Fulfilling Our Social Responsibility

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中華民國郵票  
REPUBLIC OF CHINA  
(TAIWAN)



## 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 91 directors and supervisors 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 Academy of Banking and Finance in 2019.
- (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 integrity of our financial and management information.
  3. To abide by related laws and regulations.
- (VI) 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 Transportations and Communications.
- (VII) Online courses on public administration ethics, management ethics, and public service ethics are designed and provided on the Chunghwa Post e-University website to facilitate online learning for all employees.



President Tsai Ing-wen attended the commendation ceremony for postal staff caring for the elderly living alone

## 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\$7,410,000 in total in 2019.
- (II) We have helped maintain the order of the financial market and safeguard transaction security by successfully preventing 921 scam cases in 2019, thereby securing approximately NT\$154.94 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 2019, 2,077 barrier-free ATMs in total have been installed at 1,320 sites. Moreover, 97 ATMs with voice features suitable for visually impaired customers have been set up by the end of December 2019, 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. The number of the applicants totaled 3,417 by the end of December 2019.
- (V) 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". 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. The number of saving collections processed in 2019 totaled 54,536.
- (VI) 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 82,519 elders in total in 2019.
- (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 2019, collecting 41,005 bags of blood in total, each containing 250cc. per
- (VIII) We offered "Scholarship for Postal Life Insurance Clients' Children" in 2018. The scholarship totaling NT\$4,775,000 was awarded to 2,855 recipients.



Care for the Elderly Living Alone



"Donate Your Blood – Post Your Heart", a blood donating event

- (IX) We held the “Postal Life Insurance National Table Tennis Contest for the Physically and Mentally Challenged” in September 2019. A total number of 24 teams and 152 contestants and team staff members attended the event.
- (X) We held a series of elderly fitness activities called “Chunghwa Post Senior Citizens Outing Trips,” and the number of participants reached 3,161.
- (XI) We held 49 Mother’s Day postcard-writing events from April to May in 2019, attracting 22,223 participants in total; we also held 21 Teacher’s Day postal card-writing events in September, attracting 8,615 participants in total.
- (XII) 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 2019 we organized 15 marketing campaigns for local agricultural products, with the sum of public interest donations reaching NT\$760,000. The donations went to 15 public interest groups, including Disability Employment Assistance Association, Kaohsiung City; Donation Account for Meal Delivery Service of Disadvantaged Elderly in Dashu District, Kaohsiung City; Daniel A. Poling Memorial Babies' Home, Taichung City; Private Tainan Luway Opportunity Center of Catholic; Catholic Holy Cross Hospice for the Chronically Ill; Genesis Social Welfare Foundation Douliu Branch; Yi-xin Children's Home; Genesis Social Welfare Foundation Pingtung Branch; Pingtung County Chiaote Elementary School; Erhlin Happy Christian Homes; Genesis Social Welfare Foundation Caotun Branch; Yilan Hushan Elementary School; Watch Tower Bible and Tract Society Branch Office in Taiwan; Hualien 193 County Rd. Care Center; Put-lin Private Disability Care Home, Tainan City.



Joyous Hike for the Silver-haired by Chunghwa Post



Postal card writing event for Mother's Day



Support for Aboriginal Young Farmers



Care for Agricultural Produce Marketing

### III. Developing Sustainable Environment

- (I) We established the Taiwan Occupational Safety and Health Management System (CNS 45001).
- (II) 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.
- (III) 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.
- (IV) 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.
- (V) 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 2019.
- (VI) We have cooperated with the government's Green Public Procurement Policy and reached the green purchasing achievement rate of 99.54% in 2019, surpassing the annual goal of 90%.
- (VII) 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.



UAV logistics test in remote areas of Alishan Township



Unveiling ceremony for "Incoming Air Mail Terminal Warehouse"



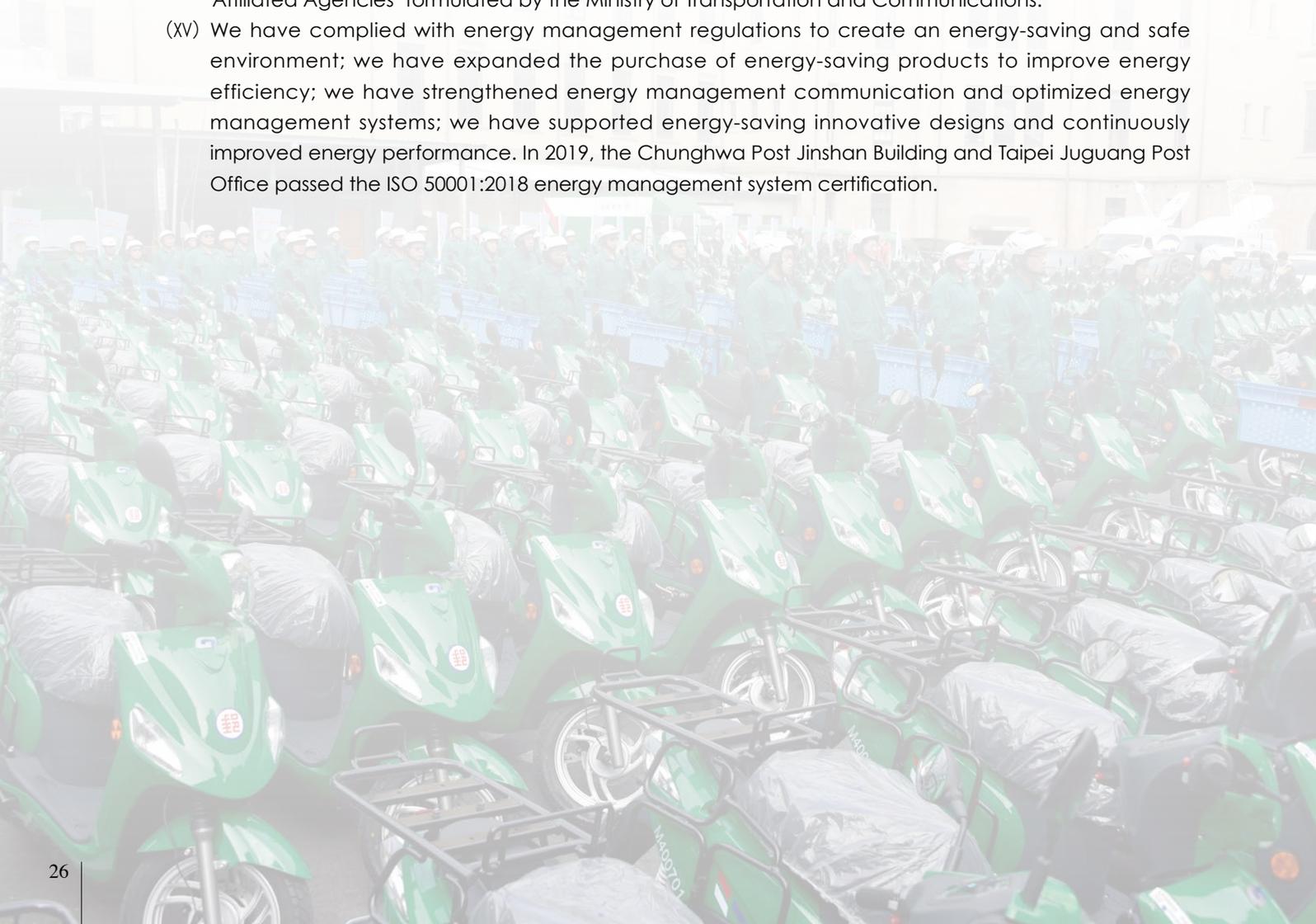
2019 Audit by the central authority Committee on Transportation and Procurement Affairs, the Control Yuan



The delegation led by the Deputy Prime Minister, Belize, visited the Postal Museum



- (VIII) 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 environments, improve our service quality, and cultivate a positive corporate culture and image that emphasize cleanness.
- (IX) We make the first day of every month our car-free day to protect our planet by saving energy and reducing carbon emissions.
- (X) We promote green architecture by installing solar power generation systems on the rooftops of several post offices to save energy and reduce carbon emissions. Also, dual-flush toilets have been installed in the restrooms, the faucets have been replaced with water-saving ones, and water leaks have been reported.
- (XI) 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.
- (XII) We have been replacing fluorescent lamps with LED lamps year by year, and the replacement has been completed within the specified time period. In order to accelerate the replacement of old lamps and air conditioners, the device replacement schedule of affiliated units is released periodically on the "Action Program for Energy Saving in Government Agencies and Schools" website.
- (XIII) The total electricity consumption in 2019 was 112,733,238 kWh. Compared to the 121,179,496kWh in 2015 (the base year), we saved 8,446,258 kWh of electricity, with a power saving rate up to 6.97%.
- (XIV) We have compiled a corporate social responsibility report. We have checked greenhouse gas emissions since 2019 and have been promoting various energy-saving measures according to the "Energy Conservation Action Plan for the "Ministry of Transportation and Communications and its Affiliated Agencies" formulated by the Ministry of Transportation and Communications.
- (XV) We have complied with energy management regulations to create an energy-saving and safe environment; we have expanded the purchase of energy-saving products to improve energy efficiency; we have strengthened energy management communication and optimized energy management systems; we have supported energy-saving innovative designs and continuously improved energy performance. In 2019, the Chunghwa Post Jinshan Building and Taipei Juguang Post Office passed the ISO 50001:2018 energy management system certification.





## 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 post offices nationwide, depositors can also report the loss of passbooks or seals and close the accounts after making new replacements at post offices nationwide free of charges. However, for depositors without joint passbook saving accounts, such settlements should be made at the post 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 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 yet filed for claims, the bureaus 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 post 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 2019, a total of 2,230 establishments have been founded, including 1,299 self-run post office branches, 542 postal agencies and 289 licensed stamp distributors.
- (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 post office branches 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. Chunghwa Post aims to safeguard the confidentiality, authenticity and availability of important personal and trading information in our information security control system, and the system has been reinforced to ensure the safety of private information, operating system, hardware equipment and Internet network. 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 regards 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) We plan to establish a dual-mainframe Parallel Sysplex environment to reduce planned and unplanned outages and their duration with parallel processing so as to achieve our goal of zero interrupts of information services and increase our user satisfaction; We have been working on the implementation of a single-mainframe Parallel Sysplex since July 2018 and we will achieve the full implementation in May, 2020. After the overall operations and management are stabilized, we will continue to establish the dual-mainframe Parallel Sysplex environment as planned.



- (X) In response to Microsoft's termination of SQL Server 2008 technical support and security updates on July 9, 2019, we completed the transfer of the SQL database of each business application system to Microsoft SQL Server 2016 in December 2019.
- (XI) In order to prevent hackers from using advanced continuous attacks or other unknown malicious programs break through the defense at the gateway, we introduced an endpoint threat defense management system in June 2019 to strengthen our network defense by enhancing the capabilities of detecting abnormal information security activities and analyzing them afterwards.
- (XII) In order to strengthen the company's ability to prevent data leakage, we launched the email personal information transfer supervisor review mechanism system in December 2019 to implement the pre-review and post-review mechanisms. In order to strengthen the file transmission control of the Network Neighborhood, a mechanism for inspection of personal data and retention of access traces was activated in October 2019.



## V. Caring for Our Employees

- (I) In compliance with related labor laws, to protect the legitimate rights and interests of our employees and regulations, we have devised 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 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.



Mr. WU HONG-MO, chairperson of Chunghwa Post, led the staff to kick off the event of Sports Day



Book launch of "Postal Love in Sight", a special book dedicated to postal offices

(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 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. The Jinshan building and Ai-Kuo building of our company have been granted the “Badge of Excellent Breastfeeding Room” by the Department of Health of Taipei City Government.
- (XI) We cooperated with the Health Service Center of Daan District, Taipei City to hold workplace promotion health activities in order to encourage the health management of the staff with the goal of healthy weight loss, and we were granted the “Excellent Workplace” award.



Identity verification service for the postal savings account



## 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 post 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 Information 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. We also passed the reexaminations in June 2015 and July 2018, successfully readjusting our system to comply with the BS10012:2017 international standard, and the certificate remains valid by successively passing the biannual reexaminations.
  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 reexaminations in December 2015 and July 2018. The certification remains valid by successively passing the biannual reexaminations.
  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 reexaminations in December 2015 and July 2018, and it remains valid by successively passing the biannual reexaminations.