

# V

## Fulfilling Our Social Responsibility

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# V Fulfilling Our Social Responsibility

## 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 over 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 113 directors and supervisors attended the corporate management courses offered by the Taiwan Corporate Governance Association, Taiwan Academy of Banking and Finance, Securities & Future Institute, Taiwan Insurance Institute, Ministry of Labor, Ministry of Finance, KPMG TAIWAN INC., and Chunghwa Post in 2022.



Chunghwa Post participated in the 2022 ESG Summit

- (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) To boost the employee morale, 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 for commendation.

## 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\$ 7,040,000 in total in 2022.
- (II) We have helped maintain the order of the financial market and safeguard transaction security by successfully preventing 1,451 scam cases in 2022, thereby securing approximately NT\$585.63 million from scammers.
- (III) To fulfill our social responsibilities, we have continuously set up barrier-free ATMs at appropriate sites to provide wheelchair users and the visually impaired with easy access to ATMs. By the end of December 2022, 2,407 barrier-free ATMs in total have been installed at 1,434 sites. Moreover, 189 ATMs with voice features suitable for visually impaired customers have been set up by the end of December 2022.
- (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 5,301 by the end of December 2022.
- (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 2022 totaled 121,479 with a total saving of over NT\$136.84 million.
- (VI) In order to help improve inclusive financial services and introduce the public to the Postal VISA Debit Card and digital services for postal savings and remittances, we hold the "Campus Lectures on Financial Knowledge" and "Community Lectures on Financial Knowledge" on a yearly basis, through which financial education can be promoted and enhanced and financial literacy can be popularized. In 2022, a total of 64 sessions of such lectures were held, with about 3,561 participants.





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- (VII) In 2022, we held the fundraising event “2022 Post Your Love: Illuminate the Growth Path for Rural Children” in collaboration with Eden Social Welfare Foundation from June 1st to August 31st to show our care and provide assistance for disadvantaged groups with practical actions, fulfilling the company's social responsibility.
- (VIII) We have continued to run the “Post Office Cares for Solitary Elderly Citizens Campaign” and encouraged our postmen to pay visits to solitary elderly citizens and watch out for their daily needs while delivering mails. A total of 91,641 visits was made in 2022.
- (IX) In response to the severe COVID-19 pandemic, we have participated in the real-name mask distribution project as demanded by the government. From February 4, 2020, we collected masks from factories requisitioned by the government across Taiwan, and through our seamless postal system, collected and distributed masks to the NHI contract pharmacies, health centers, institutions, industries, ministries, and the 8 major convenient stores and supermarkets. In 2022, the number of masks collected was approximately 3.46766 billion, and the number of masks distributed was approximately 3.35858 billion.
- (X) From April 28 to December 31, 2022, in cooperation with the government, which launched the name-based rationing system for at-home COVID-19 test kits, we distributed the test kits to NHI contract pharmacies, health centers, ministries and agencies, and county (city) governments; in 2022, the number of the test kits distributed was approximately 193.61 million.
- (XI) We organized blood donation campaigns called Donate Hot Blood to Send Warm Love and Donating Blood with Chunghwa Post in 2022, collecting 52,803 bags of blood in total, each containing 250cc.
- (XII) We offered “Scholarships for Dependents of Postal Life Insurance Policyholders” in 2022. 3,000 recipients were awarded with a total amount of NT\$5,000,000 in such Scholarships.
- (XIII) In 2022, we held a series of elderly events called “2022 Chunghwa Post Rejuvenation Campaign”, and the number of participants reached 4,708.
- (XIV) We held 24 Mother's Day postal card-writing events from April to May in 2022, attracting 24,442 participants in total; we also held 20 Father's Day postal card-writing events in July and August, attracting 1,827 participants in total.



Spring Festival Couplet Writing Event



Postal Card Writing Event for Mother's Day

(XV) In 2022, we built a welfare fundraising platform on the website of Chunghwa Post Co., Ltd.; the free-of-charge platform allows social welfare organizations to launch donation campaigns and raise funds upon approval of application. As of the end of December 2022, fundraising applications from 150 social welfare groups had been approved.

(XVI) In order to promote high-quality agricultural products, support local small farmers in Taiwan, integrate postal virtual, physical marketing systems and home delivery services, we have implemented the agricultural marketing plan to benefit small farmers, who, in return, donate NT\$10 for each carton of produce they sell, and we have created a multiple-win situation among farmers, consumers and disadvantaged groups. In 2022, a total of 26 caring agricultural marketing activities were held. The donation amount totaled about NT\$700,000, and the donations include 24 charity organizations: Watch Tower Bible and Tract Society Branch Office in Taiwan, Heng Chun Christian Hospital, Pingtung County Private Education and Nursing Institution, Tobias Social Welfare Foundation (Tainan), Donation Account for School Lunch for Disadvantaged Students at Ji Dong Elementary School (Meinong District, Kaohsiung), Tatzu Children's Home, Private Catholic Rui Fu Special Education Center (Tainan), The Mind Farm Center for Individuals for Disabilities (Taitung), Taiwan Fund for Children and Families Yilan Branch – Toucheng Office, Lingya Tribal Culture and Health Station, Tainan Association for Self-reliance and Entrepreneurship of the Disabled, School Lunch for Elementary Schools in Jinshan District of New Taipei City, Li Shan Junior High and Elementary School (Taichung), Yi-Xin Children's Home, Disability Employment Assistance Association (Kaohsiung City), Donation Account for Meal Delivery Service of Disadvantaged Elderly in Dashu District (Kaohsiung City), Erlin Happy Christian Home (Changhua County), Daniel A. Poling Memorial Babies' Home (Taichung City), National Yilan Special School, Lelin Food Bank (Changhua County), Guanyin Kind Garden (Taoyuan City), Genesis Social Welfare Foundation Caotun Branch, Genesis Social Welfare Foundation Douliu Branch, Genesis Social Welfare Foundation Kaosiung Branch.



Care Campaign for the Elderly Living Alone



Blood Donating Event "Donate Your Blood - Post Your Heart"





# V Fulfilling Our Social Responsibility

## III. Developing Sustainable Environment

- (I) To implement self-management of safety and health and prevent occupational disasters, from December 19th to 20th, 2022, we commissioned SGS Ltd. to perform the validation of occupational health and safety management systems conforming to ISO/CNS 45001 and obtained the third-year accreditation.
- (II) To 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 construction projects are applied for in our buildings, contractors will be given the *Guidelines for the Hazardous Factors* 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) Specialist staff members are assigned to be in charge of the cleaning, disinfection and disease prevention tasks of our workplaces. Cleaning, waxing, and disinfection 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.



Chunghwa Post Logistics Center Inauguration Ceremony

- (V) We have cooperated with the government's Green Public Procurement Policy and reached the green purchasing achievement rate of 99.80% in 2022, surpassing the annual goal of 95%.
- (VI) 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. The results of the environment assessment in 2022 were as follows. Taoyuan Post Office ranked top, Changhua Post Office second, and Yunlin Post Office third.
- (VII) In 2022, we offered online courses on workplace violations and communication skills, environmental education, and energy management systems on our e-University website to strengthen our employees' awareness of occupational safety and health, environmental protection, and energy use.
- (VIII) In compliance with the Operational Guidelines on Usage Reduction of Disposable Tableware and Packaged Drinking Water for Administrative Bodies and Schools stipulated by the Environmental Protection Administration, Executive Yuan, since December 26, 2022, we have no longer provided disposable tableware, packaged water, and disposable cups in meetings, training sessions, or events. Instead, we offer reusable tableware (lunch boxes) and provide water dispensers or bottled water, encouraging our colleagues to make good habits in line with the new environmental protection concept of "refill, reuse to reduce waste," and implement energy-saving and waste-reduction actions.
- (IX) We 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. A meeting is convened by the Energy Conservation Promotion Team every six months to strengthen energy conservation training and publicize energy conservation measures. The total electricity consumption in 2022 was 102,024,908 kWh. Compared to the 121,607,112 kWh in 2015 (the base year), we saved 19,582,204 kWh of electricity, with a power saving rate up to 16.1%.
- (X) In 2022, we established energy management systems in 19 offices, including 17 responsibility center offices in Keelung, Banqiao, Sanchong, Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Yunlin, Chiayi, Nantou, Tainan, Kaohsiung, Pingtung, Yilan, Hualien, and Taitung (including branch 901 at the same address), Taipei Xinyi Post Office, and Chunghwa Post Jinshan Building. We will continue to improve energy efficiency, create an energy-saving and safe environment, and expand the procurement of energy-saving products and support energy-saving innovative designs to optimize our energy management systems.
- (XI) Since 2019, we have been progressively conducting greenhouse gas emissions inventories. In 2021, the scope of the inventory covered 21 business sites, including the headquarters, responsibility center offices, and Taipei Mail Processing Center. In 2022, in addition to the greenhouse gas inventory and verification of the aforementioned sites, we further expanded the inventory to include the identification the main sources of greenhouse gas emissions of the branch offices under the 19 responsibility center offices, so as to facilitate subsequent greenhouse gas verifications of the branches at all levels. Step by step, we aim to fully track total greenhouse gas emissions of Chunghwa Post Co., Ltd.
- (XII) Caring for the environment and the disadvantaged, we held the computer donation project "Supporting Rural Students: Refurbished Computers to Let Love Pass on", where our 1,298 scrap computers were collected and 200 of them were refurbished and donated to primary and secondary schools in Miaoli County and Pingtung County to improve the digital learning environment for students in these rural areas while extending the life of the computers by recycling and reusing them.



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## 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 account opening office.
- (II) When a beneficiary applies for death benefits or disability 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) For better disability-friendly services, the physically or mentally challenged who wish to purchase insurance, make changes to their policies, or file insurance claims may contact us at our 24-hour customer service hotline or post offices at all levels in advance to make an appointment so that when they come to the counter, a specially assigned service clerk will assist them in filling the relevant documents, and explain the operation process clearly to them by handwriting or other appropriate methods.
- (VI) To maintain the interests of our policyholders, starting from July 1, 2021, the policyholders who originally purchased the Postal Simple Life Insurance- An-xin Whole Life Insurance can apply for conversion to the same type of insurance with a lower premium rate in the form of policy conversion.
- (VII) We have joined the "Life Insurance Association to provide the Electronic Policy and Attestation Service on the InsurTech Sharing Platform." The Service offers electronic policies, allows for digital signatures with certificates issued by a certificate authority, and ensures that the digitally signed policies are verified and attested by the Life Insurance Association, the third party for attestation, which also record insurance purchases and changes made to the policies. Through this Service, where there is any dispute over the authenticity of an electronic policy, the content of the policy can be provided by an impartial third party as the proof of insurance coverage.
- (VIII) We have set up different levels of postal service establishments all over Taiwan. As of the end of 2022, a total of 2,068 establishments have been founded, including 1,299 self-run post office branches, 466 postal agencies and 303 licensed stamp distributors.
- (IX) We have expanded the Non-Commercial Postal Service Areas to offshore islands and other rural areas by offering quick, dependable and efficient services and establishing sufficient postal facilities.



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.

- (X) 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.
- (XI) 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 Personal Information Protection Law of the R.O.C. 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.
- (XII) In order to optimize our configuration of the firewall and intrusion prevention system, we replaced the firewall and intrusion prevention system linked to the outbound network in November 2022, detected and blocked intrusions and malicious traffic (caused by, for example, malware unnecessary search requests) from internal and external sources on the gateway, and upgrade the network bandwidth from 150Mbps to 750Mbps, and established a comprehensive automatic backup switching solution.
- (XIII) In compliance with the Directions Governing Financial Institutions for ATM System Security stipulated by the Bankers Association and 2020 Cyber Security Assessment Recommendations, we configured settings for ATM network access control to restrict the internet access only to ATM-related systems and ATMs so as to implement the information security protection policy and ensure the security of transactions; the re-configured systems and devices have started functioning since May 2022.
- (XIV) In October 2022, we configured Dynamic Multipoint VPN (DMVPN) for our network equipment rooms to provide high availability of our transaction network. The routing technique ensures that the network systems of our branch offices automatically switches to a backup route when the single-connection equipment fails to function, so as to enhance overall transaction availability and continuously provide high-quality services.



Chunghwa Post was honored with Excellence Award for National Critical Infrastructure Protection Exercise



Chunghwa Post was recognized as Outstanding Financial Institution in Fraud Prevention



## V Fulfilling Our Social Responsibility

- (XV) In order to strengthen the stability, security and operational efficiency of our information system platform, and to meet operational needs and achieve convenience in system operation with new functions, we have upgraded the version of the mainframe operating system and subsystem, enhancing the functions of the operating system and application software, the stability and operational efficiency of the mainframe system operating platform to protect the property and rights of our customers while maintaining our reputation and improving service quality. The version was upgraded to z/OS V2.5 in October 2022.
- (XVI) In order to strengthen the protection against Distributed Denial of Service (DDoS), in November 2022, we replaced the equipment vulnerable to such attacks, improved the protection of systems against external threats (interface data rate upgraded from 1Gbps to 10Gbps), optimize the existing protection strategies, and adopt different protection policies for different types of services (such as Web, DNS, and Mail), and implemented DDoS protection measures for the outbound network for important transactions.

### 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 the physical and mental health of all employees, we provide regular employee health checks and employee assistance programs that offer psychological, legal, financial, health, and management counseling services and take various employee-assistance measures to ensure our employees work with a healthy mind and body as well as improve their morale and our service effectiveness.
- (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 and keynote speeches on diverse topics as per each year's annual training plan. Also, we offer a great variety of online self-learning courses on the e-University website.
- (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.



General Meeting of Members' Representatives, Headquarters Division, Chunghwa Postal Workers' Union

(VI) Implementing the 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 positive 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) In compliance with occupational safety and health regulations, we carried out health checks for employees aged 40, 65 and field employees aged 50 or above in 2022. We also held health seminars to enhance employees' correct health knowledge.

(VIII) Every year we hold educational trainings on safety and health regularly to reduce the occurrence of occupational accidents, ensuring workplace safety.

(IX) 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.

(X) In accordance with labor health protection rules, we employ or contract physicians or nursing staff to provide regular on-site labor health services.

(XI) In line with the Covid-19 pandemic prevention policy, we offer masks, alcohol-based sanitizers and at-home COVID-19 test kits to employees who need them at work.





# V Fulfilling Our Social Responsibility

## 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 each post office, with the digitization process of the document implemented at the end of 2022.
- (IV) We created webpages about micro-insurance and elderly 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.
    - (1) 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.
    - (2) 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, July 2018, and July 2021, with the certificate upgraded to the BS10012:2017 version in July 2018. The certificate remains valid by successively passing the biannual reexaminations.
  2. Implementation of Information Security Management System and Privacy Information Management System
    - (1) 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, July 2018, and July 2021. We also introduced the ISO 27701:2019 system and obtained the certificate for privacy information management, which 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, July 2018, and July 2021, with the ISO 27701:2019 certificate for privacy information management obtained in July 2021. The certificate remains valid by successively passing the biannual reexaminations.