



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 the clients on top priority; devoting ourselves to a corporate culture based on reliability, geniality, efficiency and innovation; striving to improve with the society. We devise our annual business plans in accordance with the government 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 needed.
- (ii) With the aim of facilitating company operation and promoting our social responsibility, we have set up a President's Office to perform relevant tasks.
- (iii) 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 on business expansions are conducted on a quarterly basis, so as to lay down the foundation for decision formulation and implementation.
- (iv) We provided postal capital in the amount of NT\$1,611,200 million to support the government's major construction projects, and also to offer project financing for private investments.
- (v) A total of 54 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 Chinese National Association of Industry and Commerce, and the College of Management of National Taiwan Normal University in 2015.
- (vi) In order to enhance our robust management, a set of internal control procedures is established and should be followed by the board of directors, management personnel and all staff, so as to accomplish the following objectives:
 - 1. To boost the efficiency of our company 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.
- (vii) To encourage staff participation in online learning, digital courses of corporate ethics, management ethics and service ethics are offered on our "Postal Service e-University" learning website.
- (viii) 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 Service Competition" held by the Ministry of Transportations and Communications.
- (ix) Chunghwa Post was awarded the "Golden Quality Credit Communication Service Prize" in the "2015 Golden Safety Award and Golden Quality Award" granted by the Joint Credit Information Center.
- (x) Chunghwa Post was awarded the "Best Social Responsibility Prize" in the "17th Faith, Hope, and Love Insurance Award" granted by the Risk Management and Insurance Foundation.
- (xi) Chunghwa Post won the "Outstanding Accomplishment Prize" in the 2015 "Micro-Insurance Competition" organized by the Insurance Agency of the Financial Supervisory Commission.
- (xii) Chunghwa Post won the "Special Contribution Prize" in the "Futures Diamond Award" granted by Taiwan Futures Exchange.
- (xiii) Our Taichung Post Office was awarded the "7th Government Service Quality Award" by the National Development Council of the Executive Yuan. The prize is considered the highest honor for government institutions aiming to promote service quality.



II. Maintaining Social Welfare

- (I) We have offered disasters relief donations accounts for the Ministry of the Interior with the exemption from administration fees. Additionally, we have set and continuously practiced the “Guidelines for Promoting Social Welfare via Postage Discount” to aid disadvantaged groups. The discounted postage reached NT\$10,710,000 in total in 2015.
- (II) We have helped maintain order of the financial market and safeguard transaction security by successfully preventing 622 scam cases in 2015, thereby securing approximately NT\$178 million from scammers.
- (III) We have set up barrier-free ATMs at various sites to provide physically challenged clients with easy access to ATMs. By the end of December 2015, 969 ATMs in total have been installed at 751 sites. Moreover, 33 ATMs with voice features were set up for visually impaired clients, and more will be installed at appropriate locations in the future.
- (IV) We have continued to run the “Post Office Cares for Solitary Elderly Campaign” and encouraged our postmen to send greetings to solitary elderly and watch out for their needs while delivering mails. Our postmen have reached out to 64,744 elders in total in 2015.
- (V) We have organized a series of community charity events in the name of “Chunghwa Post Connects with Joyful Communities.” Local post offices have arranged different kinds of social welfare activities such as mountain cleaning and beach cleaning events, charity bazaars, free concerts, voluntary medical consultations, hiking tours, etc. Also, we care for elders who live alone and low-income households.
- (VI) We organized a nationwide blood donation campaign named “Warm up Cold Winter with Hot Blood—Postal Life Insurance Monthly Blood Donation” from February 9 to March 27, collecting 29,003 bags of blood in total, each containing 250cc. per bag.
- (VII) We offered “Scholarship for Postal Life Insurance Clients’ Children” in 2015. The scholarship totaling NT\$4,757,000 was awarded to 2,841 recipients.
- (VIII) We hosted the “2015 Postal Life Insurance National Children’s Sketching Competition,” drawing 5,145 entries from all over Taiwan. Outstanding pieces are compiled into a picture album for the award winners as a memorial record.
- (IX) We held the “2015 Postal Life Insurance National Table Tennis Contest for the Physically and Mentally Challenged” in July 2015. A total number of 16 teams and 182 participants attended the event.
- (X) To help promote quality local produces and support Taiwanese farmers, we have launched a series of activities named “Care for the Marketing of Local Produces” on our online PostMall since May 2014. By integrating online and offline marketing systems with home delivery services, we help local farmers expand the distribution channels of their goods, and allow consumers to easily enjoy locally grown food. Furthermore, whenever a box of produce is sold, NT\$10 is donated to disadvantaged groups. In so doing, a multi-win situation is realized among local farmers, consumers and non-profit organizations. In 2015, we created a “Calendar for the Transportation and Marketing of Local Agricultural Products” and launched 10 marketing campaigns according to the change of seasons. 183 local farmers in total have benefited from these campaigns, with the sum of public welfare donation reaching NT\$701,660.



"Donating Heartwarming Blood, Giving Love, from You and Me" Activity

III. Developing Sustainable Environment

- (I) We provide our employees with safe and healthy work environments. 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 devices are installed all over our buildings, and fire drills are practiced periodically. Access control systems are implemented to ensure staff security.
- (II) When our buildings are to undergo construction projects, contractors will be given the "Guidelines about 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 our potted plants. Several staff members are designated to make the rounds in the offices and keep check of the environment.
- (IV) Professional staffs are assigned to be in charge of the cleaning, disinfection and disease prevention tasks. In addition, all of our employees attended for four hours the 2015 Work Environment Education and Training.
- (V) We have cooperated with the Government's Green Public Procurement Policy and reached the green purchasing achievement rate of 91.9% in 2015, surpassing the annual goal of 90%.
- (VI) We have digitalized our business process by establishing a "Public Key Infrastructure," thus reducing paper usage by implementing online signatures of official documents.



Chunghwa Post 120th Anniversary Celebration

- (VII) We consider neatness a core value of our corporate culture. By regularly holding cleaning contests and environment assessments, we create comfortable workspaces and post offices, improve our service quality, and cultivate a positive corporate culture and image that emphasize cleanness. Furthermore, post offices are required to participate in community environment protection activities to foster a clean environment together.
- (VIII) We drafted a set of carbon-reduction strategies and implemented them strictly. Compared with the base year of 2009, the consumption of electricity reduced by 5.35% to 692,176kWh in 2015, while that of water decreased by 3.93% to 2,938m³.
- (IX) We encourage our employees to give up their car for a day by making Monday our car-free day. In so doing, we help save energy and reduce carbon emission.

IV. Protecting Our Clients' Rights and Interests

- (i) We offer mails, savings and remittances, and life insurance services to help improve the people's livelihood, maintain social stability and meet policy requirements. Our information security control system 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 is upgraded. By adopting innovative information security techniques and practicing tight information protection procedures, we create a reliable trading environment and high-end services for our clients.
- (ii) 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 of personal information

protection.

- (III) We have set up different levels of postal service establishments all over Taiwan. As of the end of 2015, a total of 2,463 establishments have been founded, including 1,327 self-run post office branches, 613 post agencies and 502 licensed stamp distributors.
- (IV) 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 difference, the postage fees are fixed at a reasonable rate. Approximately 228 post office branches have been set up in the non-commercial postal service areas nationwide.
- (V) To protect the rights and interests of our clients, we provided various SMS notification services for free, with the details listed below:
 1. Cash-on-delivery Mail Payment Record SMS Service:

When the payment of a cash-on-delivery mail has been received and recorded, a SMS message will immediately be sent back to the sender. The payment record can also be tracked on the Chunghwa Post website.
 2. International Express Mail Taxation SMS Notification:

Before an international express mail is delivered, the amount of import tax will be automatically sent to the addressee, so that the mail recipient can prepare the tax payment in advance, thus accelerating the mailing process.
 3. Failed or Indirect Express Mail Delivery SMS Notification:

When an express mail is not duly delivered, or is not received by the addressee in person (e.g. when the mail is delivered to the mailroom of an apartment building), an SMS message will be sent to the recipient.
- (VI) The application of termination or transfer of joint bank accounts can be processed at any post office. Users can report the loss of passbooks or seals at any branch, and clear the settlement of the lost items as well.
- (VII) Our "Online Collection and Payment Service" has been available online since January 1, 2015, offering buyers and sellers a safe and convenient online payment method. The transaction can be saved in a special deposit account opened by our online collection and payment platform, and the deposit will not be transferred to the seller until the buyer receives the ordered product(s) or service(s).



"Care for Taiwanese farmers, care for local produces." - supporting small farmers with positive steps



Care for living-alone elders



- (VIII) Our "Failed or Indirect Express Mail Delivery SMS Notification" service has been available since February 2 2015. If a cash-on-delivery express mail fails to reach the designated address, or if it is collected by someone other than the addressee, the sender will be notified of the delivery status and the amount of payment by a SMS message.
- (IX) Our Customer Service Center is on duty all year round, offering 24/7 support and services. Any complaint or suggestion concerning our postal services can be posted online immediately and faxed to the unit in charge. Cases will be handled as soon as possible, and we will inform our clients of the case status.
- (X) In conjunction with our Bank3.0 service, "Online Account Cancellation Service" has been provided since December 29, 2015. Instead of visiting post offices in person, users can cancel their accounts which are low in balance and have been unused for a long period of time via this more convenient online service.
- (XI) If the maturity payment or pure endowment of a life insurance has not been claimed for over a year, a notification will be sent to guarantee the rights of the insured.
- (XII) Conditions for telephone interviews with regard to extending a fixed term insurance, reducing a paid-up insurance, terminating a contract, and loaning against the insurance policy have been laid down based on the method and amount of payment since September 1, 2015. Telephone interviews with the insured are conducted by the staff from our headquarters.
- (XIII) When the heir of an insurance contract applies for a beneficiary change, our computer system automatically sends a reminder to inquire whether the insured desires to apply the change to other insurance policies as well.

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 regulations are established in pursuance of administrative laws such as the "Labor Standards Act." Additionally, our employees are enrolled in civil servant and teacher insurance, labor insurance, health insurance programs, and defined contribution plans.
 2. To enhance our employees' physical and mental health, ensure their quality of life, and enable



Nangang Post Office



Minsheng Post Office

them to realize their full potential without worries, all staff is required to take regular health checks. Mental health consultation sessions are also provided.

- (II) To enhance the expertise of our employees so as to improve the overall competence of our company, we hold various educational trainings 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 fruitful lectures and speeches for our staff.
- (III) We boast a well-rounded remuneration system and a fair promotion structure. We foster talents with concrete step-by-step measures; for instance, we organize educational training programs for different ranks of managerial staff, 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 a stable and harmonious relationship between both sides.
- (V) We set "Guidelines for Prevention, Complaint and Investigation of Workplace Sexual Harassment." The Sexual Harassment Complaint and Investigation Commission is established to take appropriate preventive, corrective, or punitive measures in the occurrence of sexual harassment cases, and to thus 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 soon as possible, we hope to create a sense of belonging and an enthusiastic urge to serve among our employees. 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



Green Tunnel Marathon and Integrity Propagation



One Day Activity at the Post Office



increasing our employee retention rate and improving our company's competitiveness.

- (VII) In order to provide our employees with a safe and healthy workplace with necessary health and emergency facilities devoted to reducing hazardous factors that can harm our employees' safety and health and preventing occupational injuries, we established a "Code of Conduct on Labors' Safety and Health." Safety related issues ranging from the safety and health standards of workplaces to the maintenance and inspection of work equipment are stipulated in the code. Dedicated staff is assigned to carry out regular machinery inspections to ensure smooth equipment operation, reduce accidents and protect employees' personal safety. In addition, all employees are required to take health checks to ensure their physical and mental health.
- (VIII) In order to ensure our employee's safety and health, we founded the Labor Safety Section under the Department of Labor Safety to take charge of safety and health affairs. Staffed with a Certified Class-A Administrator of Occupational Safety and Health Affairs, an Occupational Safety Technician and an Occupational Safety and Health Supervisor, the section has been registered to the Taipei City Labor Inspection Office. A physician by contract provides monthly medical services at our headquarters at Jinshan District and Da-an District, with two full-time nurses being stationed on a long-term basis. A healthcare center and a nursery room are provided as well.

VI. Reinforcing Information Disclosure and Other Related Services

- (i) We have expanded our mails, savings and remittances, and life insurance services to our mobile app. We have also developed new services for our app "e-Post Office," including "Postal Museum Info," "Health Control Record" and "Postage Fare Chart."
- (ii) In addition to paying freeway tolls free of service charge at our post offices, our clients may also utilize the "FETC eTag Toll Payment Online Instant Payment Service" newly added in July 2015.
- (iii) "PSP TSM Mobile Debit Card and Credit Card Service" has been available online since October 15, 2015. Our clients can enjoy a great shopping experience after downloading the "Mobile Debit Card" and "Mobile Visa Credit Card" apps on their cellphones and creating their own accounts. Purchases can be made via our online payment systems, including the "Near Field Communication Service" (NFC), and the "Remote Payment Service" which supports online purchasing, transfer, bill payment, etc.
- (iv) We launched our "QR Code Mobile Payment Service" on December 16, 2015. We have cooperated with Chunghwa Telecom in developing our "QR Pay" mobile payment platform. After downloading the "QR Code Mobile Payment Service" app on their cellphones, our clients will be asked to verify their identity and to register for an account. This service allows app users to buy goods or pay

their bills with our Visa debit card by simply scanning the QR codes.

- (V) We launched our "Online Bank Account Opening Reservation Service" on December 16, 2015. Clients can save themselves from the trouble of waiting in line at post offices by finishing some of the necessary procedures online in advance, such as filling out their personal information, making a reservation for account opening application, selecting a post office, etc.
- (VI) The Certification Standards for Our Certified Products and Services:
 1. We have completed the installation of the "Personal Data Protection Management System" by stages. During the first stage we have focused on certain sections for certification, including savings and remittances, life insurance, online PostMall, and information management. 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 have extended our scope of certification to other areas such as printing and packing operations. With our efforts in expanding the certification scope, we were granted the BS10012 international standards certificate in October 2013. The certification remains valid as we passed the re-examination in June 2015.
 2. Our email printing and packing operations obtained the ISO27001:2005 information security certificate. The certification remains valid as it was upgraded to the ISO27001:2013 version in July 2015.
 3. Our Customer Service Center passed the ISO9001:2008 quality control system examination and the certificate was conferred.
 4. Our "Baking Operation System" received the BS7799 information security system certificate in February 2005, and was upgraded to the new ISO 27001:2005 version in January 2007. The certification scope was extended to our Taichung Disaster Recovery Center on November 27, 2009. We passed the re-examination conducted in December 2015, so the validity of the certificate holds.



A7 Postal Service Logistics Park



- (VII) The “Instructions for Public Disclosure of Personal Life Insurance Data” were drafted pursuant to the “Regulations Governing Public Disclosure of Information by Life Insurance Enterprises.” In addition to posting the electronic file of the instructions on the “Market Observation Post System” website of the Insurance Bureau and Chunghwa Post website, paper copies are also provided for inspection at every post office.
- (VIII) We created a web page about micro-insurance for further information disclosure, so as to make product and sales information more transparent, and to promote the products and concepts of micro-insurance.
- (IX) Essential information such as our business operation, interest rate, exchange rate and service rate are fully disclosed on our website.
- (X) In order to protect our clients’ privacy, all of the necessary information to be informed upon collecting our clients’ personal data is fully disclosed on our website as per the regulations of the “Personal Information Protection Act.”