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Overview

To improve the communications with the stakeholders as well as to strike a balance between economic growth, environmental sustainability, and social development, we've taken the 2-year terms action plan of "S.T.E.P." since 2020 and completed.



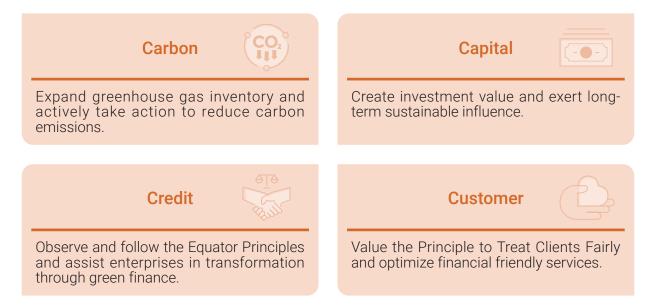


Our ESG reports have been prepared in accordance with SASB since 2020. We started to adopt the TCFD structure in 2019 and became a TCFD supporter in 2021.



We have gradually implemented the Equator Principles spirit since 2017 and signed up to join the Equator Principles Association in 2022.

Striving towards net zero, the Bank will focus on the following 4C in the next step

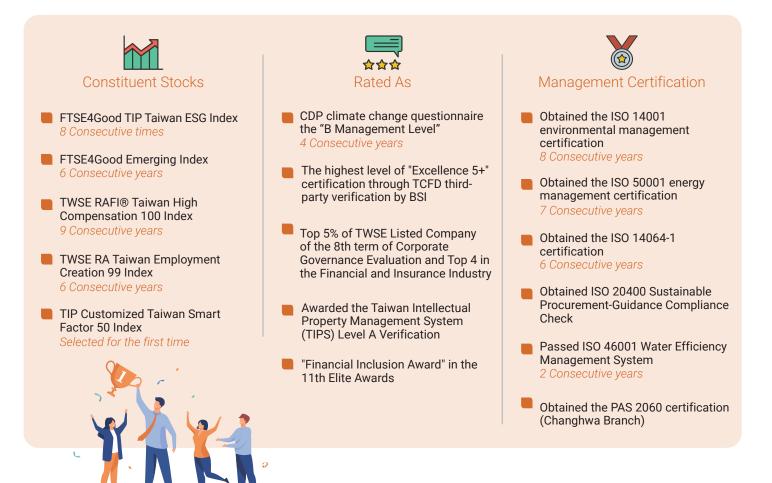


Sustainable Development Committee

The Sustainable Development Committee reports directly to the BoD and is composed of 5 members, including the Chairperson, the President, and 3 independent directors.



Major Awards and Recognitions



Credit Ratings

Credit Rating Agency	Release Date	Internatio	nal Rating	Domest	Outlook	
	Release Date	Long term	Short term	Long term	Short term	OULIOOK
Taiwan Ratings	2022/11	-	-	twAA+	twA-1+	Stable
S&P	2022/11	А	A-1	-	-	Stable
Moody's	2022/3	A2	P-1	-	-	Stable



Environmental

Climate Actions

The climate-related risks and opportunities are overseen on the board level. To increase the reliability of the information, the Bank obtained third-party verification of TCFD compliance review.

Key Environmental Goals and Results

Environmental Goals

2022 Goals	
Science-based targets initiative	 Signed up to the commitment of SBTi and is committed to aligning our daily operating activities with the goals of the Paris Agreement (limit global warming to 1.5°C). Adopt the methodology of Partnership for Carbon Accounting Financials (PCAF) in calculating portfolio's carbon emission impact.
Green building	Obtain the green building label, pass carbon neutral certification, or install the renewable energy power generation system.
Carbon neutral certification	Promote 1 branch to pass carbon neutral certification (PAS 2060).
Environmental indicators	Using 2020 as the base year, to reduce the environmental sustainability indicators, such as electricity consumption, fuel consumption, gas consumption, and water consumption, by more than 1% compared to the base year.
Carbon reductions	Using 2020 as the base year, to reduce Category 1 and Category 2 carbon emissions by more than 4.2% compared to the previous year.
International standards	Continuously promote environmental sustainability related to international standard inspection activities.
Mid-term Goals	
Green building	Commit to the promotion of green buildings and obtain "EEWH Labels" for the Bank's new premises and newly built proprietary premises or buildings, built through participation in an urban renewal project.
Carbon reductions	 Reduction of carbon emissions by more than 4.2%. Setting internal carbon pricing mechanism. Actively engage with main investees and listed corporates with high carbon emissions, and publicly disclose related engagement information.
Long-term Goals	
Carbon reductions	 Reduction of carbon emissions by 42% by 2030 with 2020 as the base year. Actively engage with more investees and corporates aligning with the approved goal by SBTi, and publicly disclose related engagement information.

2021 Environmental Results

Item	Units	Targets	Results
Carbon reduction in categories 1 and 2	tCO2e	16,987	16,361.208
Electricity saving	MWh	29,033	28,712
Water saving	Million cubic meters	0.1623	0.1608
Waste reduction in the Head Office in Taipei	tons	120.16	118.63
Recycling reduction in the Head Office in Taipei	tons	20.13	17.44
Increase in renewable energy certificates	%	1	12.5



2022 CHB ESG SUMMARY

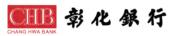
For the full CHB TCFD report, please visit: https://www.bankchb.com/chb_2a_csr_resource/leap_do/ gallery/1674118127905/CHB_TCFD_eng.pdf



Environmental Metrics

Item		Units	2017	2018	2019	2020	2021
GHG Emissio	ons (GHG emis	ssions invento	ry boundaries:	82.2%)			
GHG emissions inventory s protocol, or methodology		standard,	ISO 14064-1:2006		ISO 14064-1:2018		
Category 1 ^{Note1} Category 2 ^{Note2}			1,999.749	1,717.690	1,896.699	2,231.307	1,947.895
		metric tons CO₂e	15,257.404	15,621.010	15,683.359	14,926.995	14,413.313
Category 1 +	Category 2		17,257.153	17,338.700	17,580.058	17,158.302	16,361.208
GHG emissior (Category 1+ /person		metric tons CO₂e /person	2.618	2.645	2.654	2.570	2.475
Category 3: Indirect GHG	Business travels				264.203	117.475	90.673
emissions from transportation Note3	Other emissions from transportation				1,836.298	5,124.677	5,153.636
Category 4: indirect GHC from produc organization		metric tons CO₂e	-	3,335.210 Note6	9,641.621	7,541.974	8,077.079
Category 5: indirect GHG associated wi products from organization	ith the use of n the				0.007	239.003	266.894
Energy (Data	coverage: 82.	2%)					
Energy Cons Capita (electr natural gas +	ricity + fuel +	mJ/ person	-	17,633.228	16,372.364	16,236.129	15,963.299
Electricity				112,670,253	105,928,880	105,574,033	103,362,403
Fuel				2,005,649	1,786,131	2,173,986	1,649,248
Natural Gas		mJ	-	927,216	751,557	644,051	505,517
Gas				327	344	324	239
Water Resour	rces (Data cov	/erage: 82.2%)					
Water Resour	rces	Million cubic meters	-	-	0.1599	0.1639	0.1608
Wastes (Cove	erage: the Hea	ad Office in Tai	pei)				
General Wast	е	metric		124.61	121.60	121.37	118.63
Recycling		tons		13.73	16.53	19.93	17.44

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- Note1: Category 1 (defined as Scope 1 in ISO 14064-1:2006) emissions are mainly emissions from the combustion of company vehicles, diesel generators, gas, natural gas, etc., as well as fugitive emissions from greenhouse gas fire extinguishing agents, refrigerant filling equipment, and septic tanks.
- Note2: Category 2 (defined as Scope 2 in ISO 14064-1:2006) emissions are mainly the consumption of purchased power.
- Note3: Category 3 emissions are indirect greenhouse gas emissions caused by transportation, including employee business travels, employee commutes, and transportation of consumables for business use.
- Note4: Category 4 emissions are indirect greenhouse gas emissions related to the products purchased for the organization, including the emissions of consumable products and information assets during their lifecycles, incineration of trash, and transportation of recycled waste.
- Note5: Category 5 emissions are indirect greenhouse gas emissions in the downstream of the products manufactured by the organization, including the disposal of debit cards and credit cards.
- Note6: According to ISO 14064-1: 2006, Scope 3 emissions are fuel and energy-related activities (not including scope 1 and 2)
- Note7: The choice of emission factor is based on the greenhouse gas emission factor management table of the Environmental Protection Administration, Executive Yuan (version 6.0.4). The GWP value used is based on the IPCC Fifth Assessment Report.
- Note8: The listed data is rounded it to three decimal places.

Renewable Energy Progress



From 2016 to Oct. 2022, purchase of green electricity certificates and renewable energy certificates was equivalent to a cumulative reduction of around 309,413 kg CO₂e of carbon emissions from Taipower's electricity.

Green Finance and Products

Green Financial Products

Green Financing

- Solar photovoltaic equipment installation project loan
- Machine and equipment upgrade loan
- Low-carbon sustainable home project loanlow-interest financing for private enterprise's pollution prevention equipment
- Low-carbon sustainable home project loanredemption for large diesel vehicle
- Offshore wind power loan

Green Insurance Products

• Solar photovoltaic equipment loan insurance





Product	ESG-related product volume (Unit: NTD)	Total product volume (Unit: NTD)	ESG-related product ratio
Onshore and Offshore Fund	6,613,665,800	100,861,088,849	6.56%
Foreign Bond	2,428,760,494	2,436,555,590	99.68%
ETF	247,811,353	1,468,411,809	16.88%
Investment-linked Insurance Products	4,235,973,125	8,370,262,105	50.61%
Total Amount	13,526,210,772	113,136,318,353	11.96%

Assisting in the Development of Green Industries

Unit: Million NT\$/account

ltem		Green Technology Industry Financing (Balance of Ioan) Financing for Renewable Energy Power Generation Enterprises (Balance of Ioan)		Offshore Wind Power Industry Loan (Approved amount)
2010	Amount	92,065	2,492	-
2018	Number of accounts	1,050	74	-
2010	Amount	91,474	3,076	1,757
2019	Number of accounts	1,162 115		2
0000	Amount	70,241 3,017		726
2020	Number of accounts	1,285 133		1
0001	Amount	79,322	79,322 3,444	
2021	Number of accounts	1,543 160		1
		Financing for Green Techr Powe	Offshore Wind Power Industry Loan (Approved amount)	
2022	Amount		129,964	900
Oct	Number of accounts		2,922	1

Note: The competent authority revised the definition and adjusted the content of the item accordingly.

Green Industries

Sustainability-Linked Loans

After inspection of indicators, "Sustainable-Linked Loans" create incentive for corporate customers who meet sustainability performance indicator by reduction of interest rates. Through financial influence, customers are encouraged to set mid- and long-term sustainable performance goals.

Green Deposits

Since September 2022, the Bank has launched "Green Deposits" Project. Green deposits are term deposits from corporate customers and digital deposits with green themes. The funds are used for the development of renewable energy, related technologies, improvement of energy efficiency and conservation, waste recycling or reuse, water conservation, cleaning or recycling among other categories.



Social

Human Rights Protection

	Human Rights	• We support and respects the concept of human rights as revealed in the International Bill of Human Rights , and therefore we ensure that all operating sites around the world comply with the labor-related laws and regulations of the place of operation as well as our Human Rights Policy .				
	Policy	• According to the British Modern Slavery Act 2015, we disclose and state the measures we have taken to mitigate the risk of slavery and human trafficking in our business and supply chains. Such statement has been approved by our Board of Directors and disclosed on our website.				
2 0 2	Human Rights Due Diligence	• We conduct human rights due diligence on a regular basis every year and the 2021 due diligence results have been reported to the Sustainable Development Committee and the Board of Directors.				
	Human Rights Training	 Total training hours of the Bank's human rights policies or procedures are 26,262 hours, with 98.82% of employees being trained. 				
Human	Rights Risk Ass	essment Ratio	2020	2021		
Risk Ide	entification Ratio	(Note 1)	7.7%	7.59%		
Impact	Occurrence Rati	o (Note 2)	0.07%	0.1%		

Note1: Risk identification ratio = number of people in the risk identification/ number of employees of the Bank

Note2: Impact occurrence ratio = number of people affected by the impact/ number of employees of the Bank

Diversity and Equality

Employee Structure

The total number of employees as of Oct. 2022 was 6,711, all of whom are full-time employees and enjoy complete remuneration and benefits. There are also 269 workers who are non-employee workers, such as dispatched workers, interns, part-timers, drivers, etc.

Gender Equality

Item	2021	2022/10
Female Employees	65.65%	64.39%
Females in the Management Positions	58.96%	59.41%
Females in the Junior Management Positons	58.63%	59.14%
Females in the Top Management Positons	71.43%	70.37%
Female Managers in Revenue-generating Functions	58.82%	58.94%
Female Employees in STEM Positions	35.54%	34.01%



Social Co-prosperity

Awards and Milestones

- 2022 Sports Activists Awards «Sports Administration, Ministry of Education»
- 2022 Golden Award as Happiness Enterprise (Financial and Management Consulting)

👞 Archery Team

The Bank established an archery team in March this year and joined the Chinese Enterprise Archery League in order to cultivate the grassroots athletes. We applied "Competition Instead of Training" to help young outstanding athletes accumulate domestic competition experience and cultivate strength to compete in the international competitions.

We have been promoting sports development and sponsoring sports events for a long time. We also awarded the "2022 Sports Activists Awards" by the Sports Administration, Ministry of Education. In addition, we have enhanced young, healthy and energetic brand image.

CHB Archery Team Data File				
Established Date	March 2022			
Number of Members	10 players 2 coaches			
Average Age of Players	average under 20 years old			
Awards won in Taiwan (Number of medals)	6 gold medals 1 silver medal			
Awards won abroad (Number of medals)	5 gold medals 4 bronze medals			

Cender Pay Gap

The Bank offers equal salaries to both male and female employees, and there is no difference because of gender or other factors.

ltom	20	20	20	21	2022/10	
Item	Female	Male	Female	Male	Female	Male
Managerial Positions	100%	96%	100%	95%	100%	97%
Non-managerial Positions	100%	102%	100%	101%	100%	100%

Turnover Rates

Item	2020	2021	2022/10
Separation Rate (%)	4.64	4.63	4.04
Voluntary Separation Rate (%)	3.07	3.30	2.92

Note: Separation rate = total number of resignation and retirement/number of employees as of Oct. 2022.





Policies

- Chang Hwa Bank Business Continuity Plan, Pandemic Prevention Program.
- Occupational safety and health policy, Work Rules, Management Program, Automatic Safety and Health Inspection Plan.

Maternal Care

• The maternal health protection program is for the protection of safety and health of female employees.

Programs

• Ergonomic hazard prevention program, workload induced disease prevention program, workplace unlawful infringement prevention program, and maternal health protection program.



Employer-Employee Meetings and Collective Agreement

Employer-employee Meetings and Collective Agreement have been held once every three months according to the "Chang Hwa Bank Directions for Implementing Employer-employee Meetings" since July 28, 1999, to conduct discussions and negotiations regarding matters such as employer-employee relations, employer-employee cooperation, employee salaries and benefits, and labor safety.

101 employer-employee meetings has been held from 1999 to end 2021.		2020	2021	2022/10	
	Number of meetings	4	4	3	
	Number of matters	8	6	5	

Employee Stock Ownership Trust (ESOT)

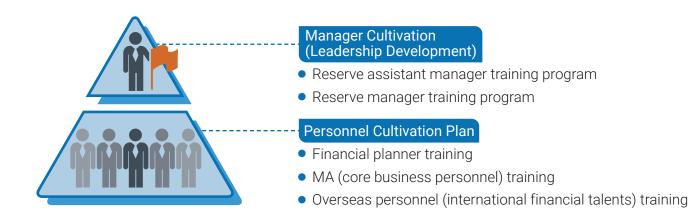
Offering 6 types of self-appropriation amounts according to the employees' grade and title, employees are encouraged a long-term perspective on saving and preparation for future retirement. The Bank motivates the employees to join by appropriating NT\$1,000 or NT\$1,500 for the members each month.

The first payment deduction was made in November 2019. At the end of 2022, the total number of members was 6,325 (Including 91 people who were on unpaid leave; their membership was retained without payment deducted) with a participation rate of 97.94%.

Talent Cultivation Plan

The Bank strengthened the cultivation of financial talents, and actively arranged comprehensive financial professional courses according to the overall annual business goals and plan, and established a complete talent training system and mechanism to develop human capital.





On Job Training

- Three core supervisors on-the-job training
- Credit account officer (AO) training
- Foreign exchange personnel training
- Deposit and remittance personnel training

As of October 31, 2022, the total number of training hours conducted was 366,624.10 hours, with an average of 58.09 training hours per employee and the average amount spent per employee on training was 4,418NT Dollars.

Training Method	Online Learning	Offline Course			
	Internal Training	Internal Training	External Training	Self-development ^(Note)	
Hour (s)	236,064.10	85,417.50	45,142.50	0	
Total (hours)	366,624.10				

Note: Self-development refers to employees' self-learning, and participation in external and business-related education and training at their own expense.

Sexual Harassment Prevention

The Bank has set up the **Guidelines for Sexual Harassment Prevention and Handling Complaints**, taking appropriate preventive, corrective, disciplinary, and handling measures for sexual harassment incidents.

Two sexual harassment complaints were received in 2022, as of November. The Harassment Complaints Processing Committee has investigated and reviewed the case. After the resolution was passed, the resolution was notified in writing to the complainant and the counterpart, and the cases were appropriately closed.

Improvement plan

- 1. Emphasized Guidelines and announced at the Bank's internal website and Chang Hwa Bank Global Information Network for employees to review.
- 2. Continue to arrange related law courses for topics such as prevention and relief against sexual harrasment in trainings for: pre-employment, supervisors, and assistant managers.

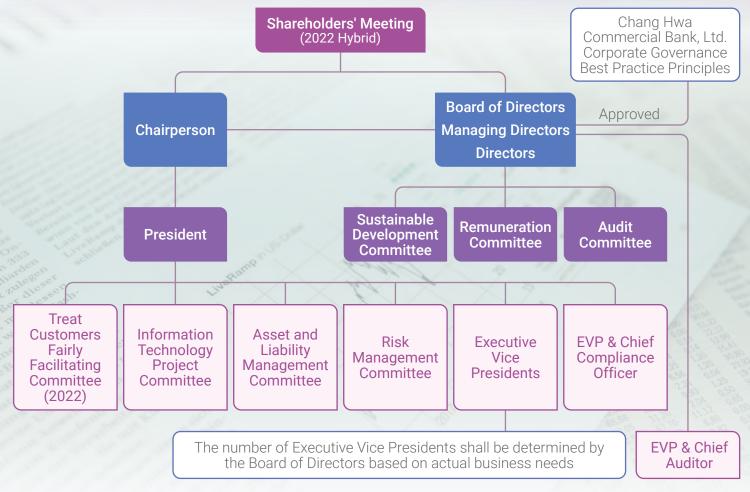


Communication & Whistleblowing Channels

Types of Stakeholders	Types of Issues	Mechanisms	Implementation Status	
Consumers	Disputes regarding the products or services provided by the Bank	 A 24/7 customer service hotline, webpage, e-mail, and other open channels. Customer satisfaction surveys. 	Customer Satisfaction Digital Banking • Corporate satisfaction: 89.64% • Personal banking satisfaction: 88.38% Physical Channels • Professional Competence: 91.11% • Overall Service: 90.18% • Financial Products: 88.73%	
Employee	Employee Complaints	 Hotlines and a dedicated employee communication e-mail. 	No emails were received as of October 2022 and in 2021.	
		 The Employee Proposal Incentive Policy is established to encourage employees to propose constructive plans for the operating procedures or business development of the Bank. After receiving the proposals filed by the employees, the evaluation panel will decide on the award level and grant the prize money. 	17 employee proposals were filed in 2021, among which 1 won the excellent award, 4 won the proposal a ward, 10 have not won the award, 1 has not met the proposal requirements, and 1 was deferred to next year for review.	
Public	Corruption, acceptance of bribery, confidentiality mechanisms etc	 Both internal and external whistleblowing channels are provided if the public finds employees of CHB commit criminal acts, fraud, or violations of laws and regulations. 	No reports of whistleblowing cases were received as of October 2022 and in 2021.	

Governance

Board Structure and Operations



The 26th Board of Directors (June 19, 2020-June 18 2023)

Title	Name	Non- executive	Gender	Age	Independence	Attendance (%) (Note 1)
Chairperson	Jong-Yuan Ling	\checkmark	F	61-70	✔ Note 2	100
Managing Director	Chao-Chung Chou	×	М	51-60	N/A Note 3	100
Independent Director	Jung-Chun Pan	~	М	71-80	~	100
Director	Shiu-Yen Lin (Appointed on November 1, 2022)	~	F	51-60	~	100
Director	Chien-Yi Chang	\checkmark	Μ	51-60	 Image: A second s	92.31
Director	Wen-Siung Lee	 Image: A second s	Μ	61-70	 Image: A set of the set of the	100
Director	Hwai-Chou Chen	 Image: A second s	М	81-90	 Image: A second s	92.31
Independent Director	Jong-Horng Lin	~	М	51-60	~	100
Independent Director	Chih-Jong Suen	~	Μ	71-80	~	100
Director	Chia-Chi Hsiao (Discharged on November 1, 2022)	~	М	61-70	~	100

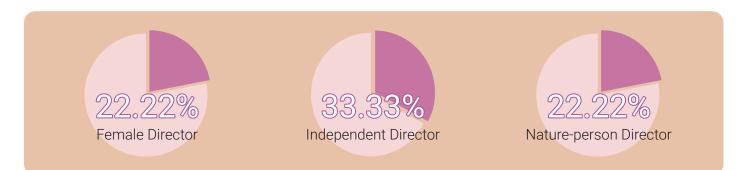


Note:

1. As of November 2022.

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- 2. Chairperson Jong-Yuan Ling does not concurrently serve as a manager of the Bank and meets the independence criteria under RobecoSam's DJSI.
- 3. Managing Director Chao-Chung Chou serves as the President of the Bank concurrently, and the criteria for the independence of the outside directors above do not apply.



Implementations Status of the Board of Directors

 Since the election of the 24th Board of Directors, the Bank has adopted the candidate nomination system for independent directors and the system was put into force in the 25th Board of Directors. Nomination principle: Gender and professional background diversity, industry expert, financial and economic knowledge, banking, accounting, business, trade and law, etc.
 The average term of the Board is 4.62 years. For independent directors, one has served the position for eight years and two for two years; thus, none of the independent directors has served the position for more than nine years.
 For the 14 Board meetings held in 2022 as of Nov. (including one extraordinary Board meetings), the attendance was 98.29%.
• An internal evaluation is conducted at the end of each year, while an external evaluation is conducted by an independent professional institution or a panel of external experts and scholars at least once every 3 years.
• The Bank entrusted EY Business Advisory Services Inc. (EY) to conduct the external performance evaluation of the Board of Directors and (including the Functional Committees) for the year 2021.
 EY and its experts are independent, professional, and aren't finance and tax auditing accountants of the Bank.
 The evaluation result of the Board of Directors for the year 2021 assessed by EY were all appraised as "Advanced" in "Structure", "People" and "Process and Information".



Functional Committees

Title	Members	Independence / Identity	Meetings held and attendance in	
THE			2021	2022 as of Nov.
	Jung-Chun Pan	Independent Director		12, 100%
Audit Committee	Jong-Horng Lin	Independent Director	13, 100%	
	Chih-Jong Suen	Independent Director		
	Jung-Chun Pan	Independent Director		8, 100 %
Remuneration Committee	Chih-Jong Suen	Independent Director	11, 100%	
Committee	Yu-Hsueh Wu	Remuneration Committee Member (Note)		
	Jong-Yuan Ling	Chairperson (Convener)		5, 100 %
	Chao-Chung Chou 🋈	Managing Director and President		
Sustainable Development Committee	Jung-Chun Pan	Independent Director	3, 100%	
	Jong-Horng Lin	Independent Director	3, 100%	
	Chih-Jong Suen	Independent Director		
	Jui-Mu Huang 왿	Managing Director and President		

Note:

- 1. Not an employee of the Bank or its affiliates.
- 2. Not a director or supervisor of the Bank or its affiliates.
- 3. Not a natural person shareholder who holds more than 1% of the Bank's total issued shares or holds the top ten shares in the name of himself/herself, his / her spouse, minor children, or others.
- 4. Person and his / her spouse, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship do not have any of the preceding three circumstances and have no direct or indirect interest in the Bank.
- 5. Not serving as a director, supervisor, or employee of a company with a specific relationship with the Bank that meets the requirements of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".
- 6. Have not provided the Bank or its affiliates with business, legal affairs, finance, accounting, and other services in the last 2 years and have not received relevant remuneration.
- Appointed on April 20, 2021.
- 2 Discharged on March 15, 2021.



Compensation Policy

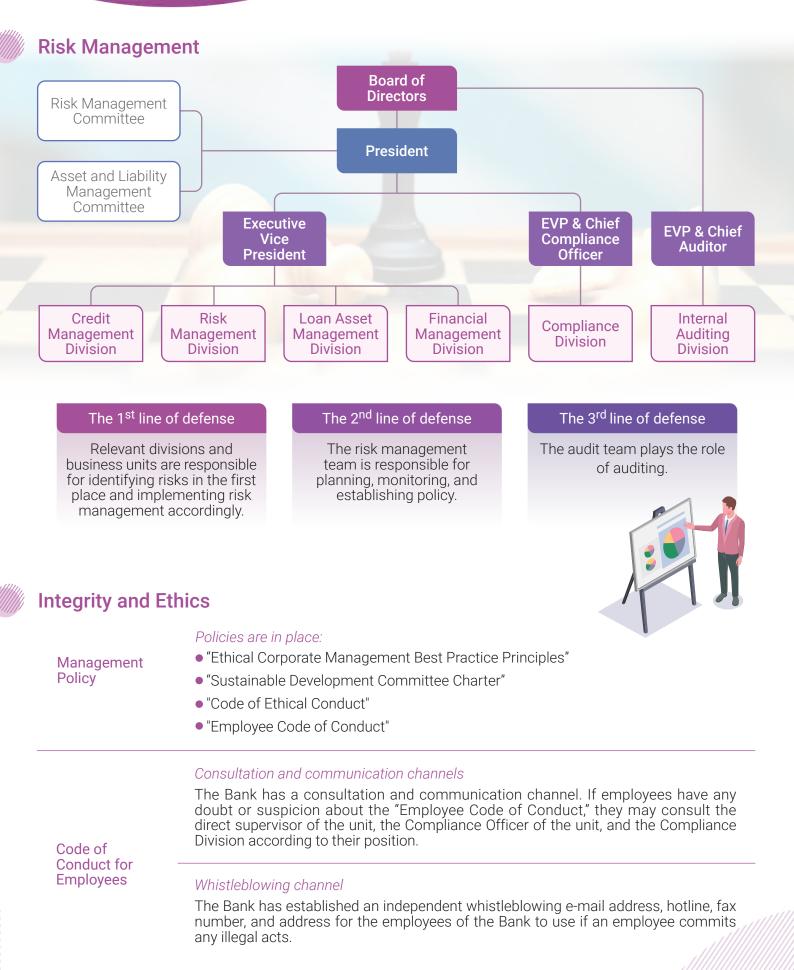
Remuneration Policy for Directors

The remuneration of the Directors is to be on par with the salary levels of Directors of financial institutions similar in size to the Bank. Based on annual evaluation results, and in compliance with relevant regulations. Factors evaluated includes: participation in the operation of the Bank, improvement of the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the Directors and internal control.

Remuneration Deferral Policy for Senior Managers

The bank has formulated a remuneration deferral policy for the top management, where 80% of their performance-related bonus would be paid first, and the remaining 20% would be deferred and paid three months later if the Board of Directors does not resolve a decision to retain the performance bonus due to a risk of improper conduct, which may cause the Bank to suffer losses.







Processing status All employees of the Bank are required to sign a "Compliance Statement with Employee Code of Conduct of Chang Hwa Bank," affirming that they shall comply with relevant regulations and uphold high ethical standards and moral codes. Code of Conduct for Employees Education and training To implement relevant values and legal norms, the Bank conducted an "Ethical Corporate Management and Code of Conduct" training course for employees in 2022, with a total of 6,428 participants. Evaluation report The 2022 Unethical Conduct and Internal Fraud Risk Evaluation Report was Implementation completed to serve as a reference for the internal auditors to implement relevant Status audit plans.

As of October 2022 and in 2021, the Bank was not involved in any legal proceedings due to fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, corruption, or violation of other financial regulations.

Internal Audits

- The Bank has been approved by the competent authority to adopt a risk-based internal auditing system, which will be officially implemented in 2022.
- The Chief Auditor reports to the Board of Directors and the Audit Committee on a quarterly basis.

Responsible Finance

ESG Investment as of December 31, 2021

In 2021, the Bank invested in 42 domestic publicly listed companies, and 26 of them were selected as constituent stocks of the Dow Jones Sustainability Index (DJSI) and the FTSE4Good TIP Taiwan ESG Index, and our investment in said companies accounted for approximately 74.38%.

👞 Green Bonds

For the second half of 2022, the Bank laid down commitments to issue Sustainability Bond amounting to NT\$1 billion, with an expected issuance period of 5 years.

As of October 31, 2022, the balance of the Bank's investment in equity and bonds in green industries was NT\$12.573 billion.

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As of October 31, 2022, the total balance of the Bank's investment in sustainability bonds, social bonds and sustainability-linked bonds was NT\$5.2 billion.

As of October 31, 2022, the balance of the Bank's cumulative investment in ESG equity and bonds

was NT\$17.773 billion, an increase of NT\$6.3 billion from the end of 2021.



Equator Principles (EPs)

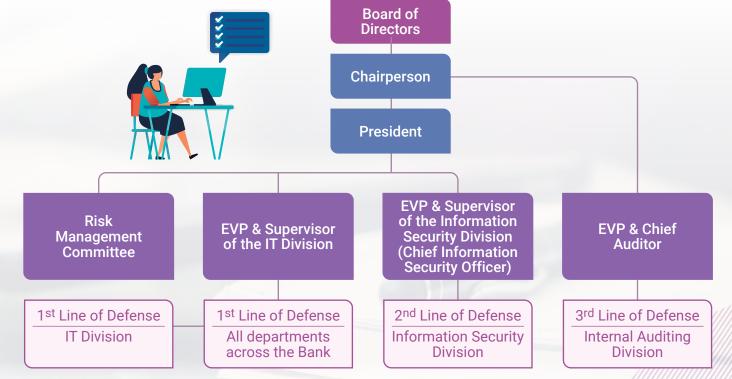
The Bank signed to join the Equator Principles (EPs) Association on Earth Day, April 22, 2022, as a member of the Equator Principles Financial Institutions (EPFIs) voluntarily.

The Change of Scope	 Since August 2017, the bank has expanded the scope of application reviews from companies with a loan amount of more than US\$10 million or more or the equivalent in NTD to all companies.
Due Diligence	• Whenever receiving corporate loan applications, the Bank goes to the website of the competent authority to see if the applicant company has a violation record of related regulations of human rights, labor rights, environmental protection, and food safetyetc.
Implementation	 The Bank had 20,397 corporate credit applications by Oct. 2022, of which 1,009 used to have negative ESG news.
Status	• The Bank agreed to approve 997 cases on the premise that the borrowers had improved or promised to improve, of which 225 cases were conditionally approved.

Tax Governance

To ensure the effective implementation of tax governance policies, the Board has approved the "Chang Hwa Commercial Bank Co., Ltd. Tax Governance Policy,", in the meanwhile, the Finance Management Division also reports the tax matters to the Board on a non-periodically basis.







Implementations Status of Information Security

In 2021, a total of 6,304 employees (including those in overseas branches and excluding manual workers and drivers) received information security awareness training in Chinese and English.

Certificates

- ISO 27001: 2013 Information Security Management System
- ISO 22301: 2019 Business Continuity Management System
- BS 10012: 2017 Personal Information Management System
- Mobile Application Security (MAS) certificates

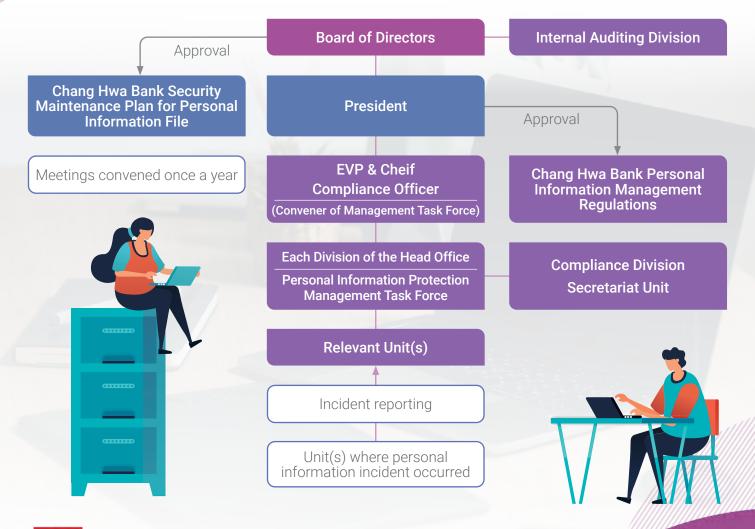
The Bank did not have any major information security incidents as of November 2022 and in 2021.

Personal Information Protection

🔢 彭化銀行

One complaint case involving personal data breaches was filed in 2022 which affected 1 customer. The Bank handled the matter prudently at the first moment and informed the affected customer, after which the Bank actively implemented the relevant improvement measures to prevent the recurrence of incidents affecting data security and the rights and interests of customers.

Personal Information Protection Case Evaluation Mechanism





Safeguarding Customer Rights and Interests

The Bank has set up the Treat Customers Fairly Facilitating Committee in 2022, chaired by the Bank's President and composed of Vice President, and Chief Compliance Officer.

Internal Policies

- CHB Consumer Complaint Handling Guidelines
- CHB Directions for Treating Elderly Customers Fairly
 CHB Policies to Protect Financial Consumers
- Fairly Facilitating Committee
- CHB Principle to Treat Customers Fairly
- CHB Regulations for Setting up the Treat Customers CHB Guidelines of Protecting Financial Consumers

The Bank has also requested all its personnel by circular letter to follow and put the above mentioned guidelines and policies into practice when providing financial products and services to customers so as to strengthen the consumers' interests and rights.

The Internal Auditing Division is responsible for the audit of financial consumer protection and the Principle to Treat Clients Fairly. It conducted 218 general audits and 529 special audits in 2021, and followed up on deficiencies until improvement completion.

As of October 2022 and in 2021, there was no non-compliance of marketing communication related to regulatory incidents nor non-compliance of the information and labeling of products and services related to regulatory incidents.

