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3.1 Employees

Management Policy

Employees are the core competitiveness of business management. The Bank's efforts to realize the principles of "right person in the right place" and fair and reasonable performance appraisal are our commitment to all employees. The Bank attaches great importance to employees' career development, and continuously implements international financial talents cultivation plans and leaders development plans, along with diversified training channels, to enhance employees' professional knowledge. In addition, the Bank has constructed a complete compensation system by considering market competitiveness and connecting the Bank's overall business performance with individual performance as the basis for compensation adjustment. Apart from work, employees are encouraged to participate in various recreational activities, and comprehensive health care assistance programs and welfare measures are provided to employees to help them balance work and family as well as care for their physical and mental health.

3.1.1 Human Resources Management

GRI 102-8, 102-41, 201-3, 202-1, 401-1, 401-3, 405-1, 406-1, 411-1

3.1.1.1 Employee Composition and Diversity

In order to meet the needs of development of various businesses, Chang Hwa Bank organizes campus recruitment campaigns and welcome young students to join us every year. In addition, for professional vacant posts in finance and marketing, technology, and legal affairs, the Bank also holds internal and external selections from time to time to gather experienced or cross-disciplinary digital talents, as to further strengthen human assets and improve business performance.

When recruiting employees, we adhere to the people-oriented, talent-based principles; comply with laws and regulations; and do not allow different treatment or discrimination due to gender, race, religion, political affiliation and other factors, all while providing market-competitive compensation standards, complete training programs, generous welfare measures and an annual promotion system to attract talents. In order to ensure the stability of the personnel system, the Bank does not hire part-time employees.

① All Employees of the Bank

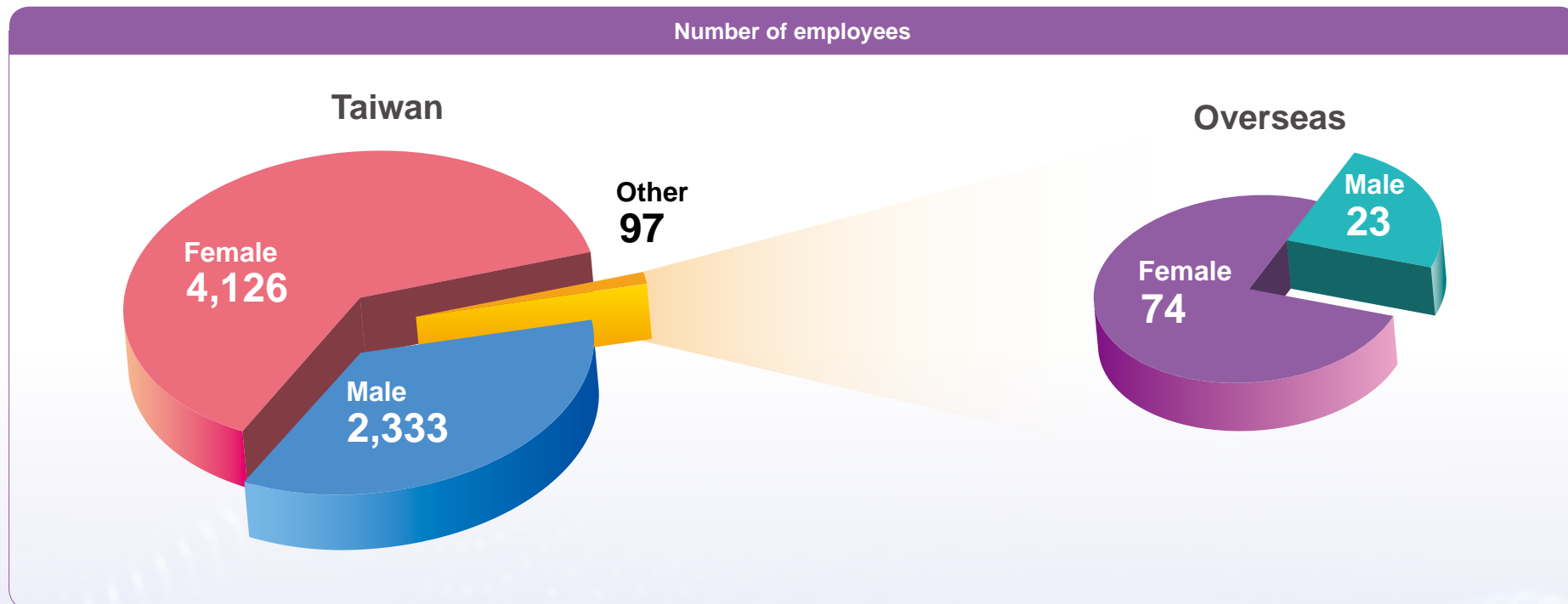
As of the end of 2018, the Bank had a total of 6,556 employees, among which 2,356 were male employees, accounting for 35.94% of the total number of employees; and 4,200 were female employees, accounting for 64.06% of the total number of employees.

② Educational Level Analysis

- Taiwan: There are 2 doctoral degree holders, 1,249 master's degree holders, 4,713 bachelor's or college degree holders,

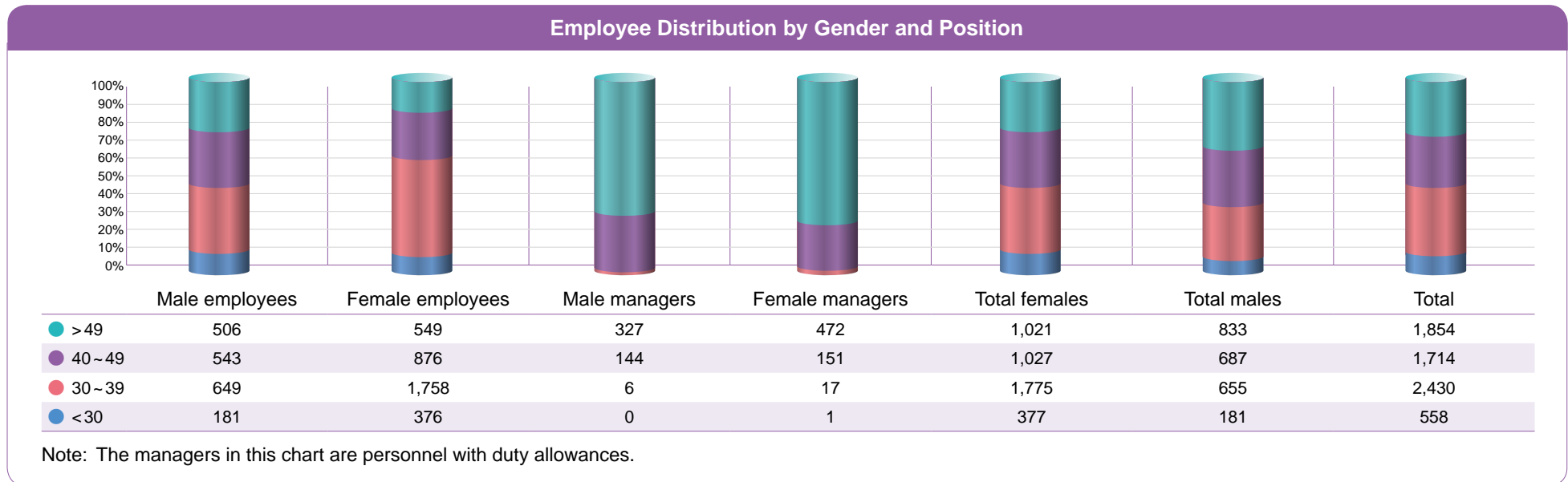
and 467 people with high school (vocational high school) diplomas; there are 28 people who have only received high school (vocational high school) education or below.

- Overseas: There are 14 master's degree holders, 68 bachelor's or college degree holders, 14 people with high school (vocational high school) diplomas, and 1 person who has only received high school (vocational high school) education or below.

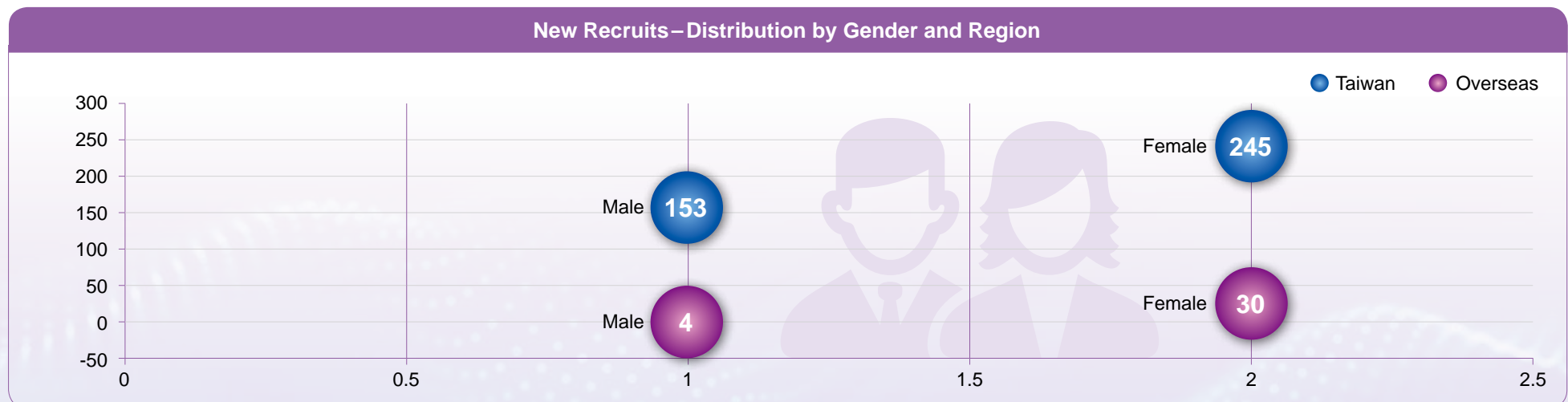


③ Employee Age Distribution

As of the end of 2018, the number of managers was 1,118 and the number of employees was 5,438. They can be divided by gender and age as follows:

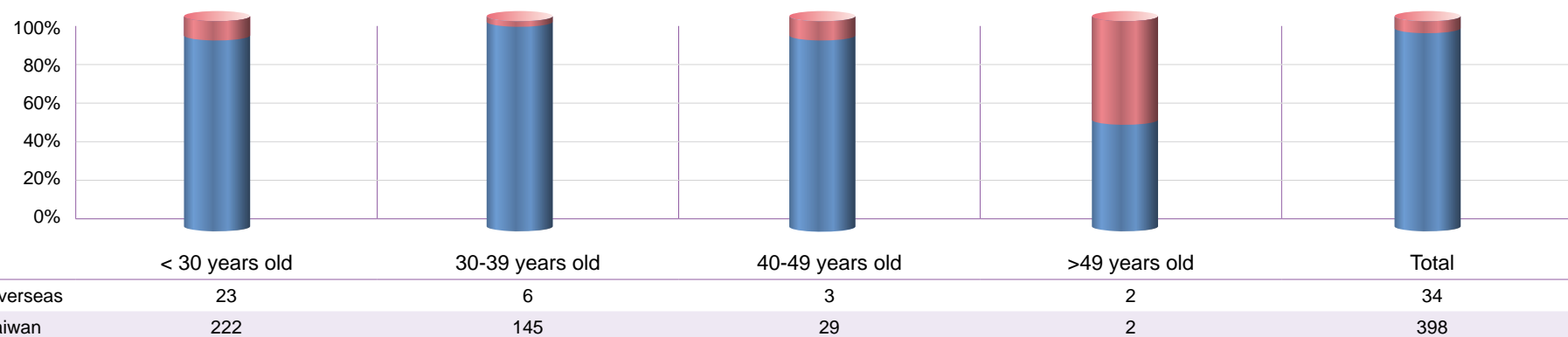


④ New Recruits–Distribution by Gender and Region



⑤ New Recruits—by Region and Age

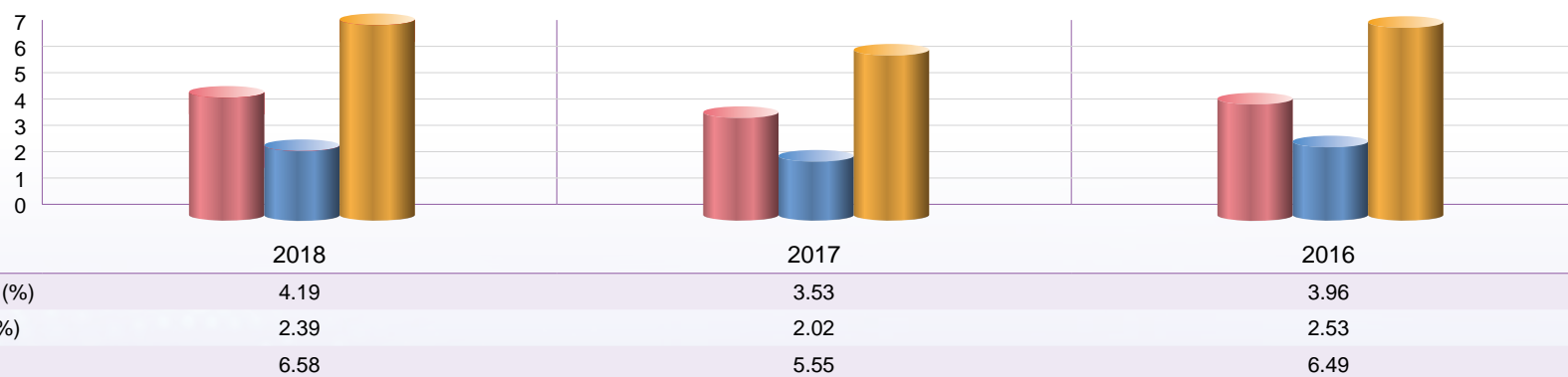
New Recruits—by Region and Age



Note: New recruits ratio = total number of females or males/number of personnel at the end of the year, based on the total number of personnel in 2018.

⑥ Accession Rate in the Last Three Years—by Gender

Accession Rate in the Last Three Years—by Gender



Note: Accession rate = total number of females or males/number of personnel at the end of the year, based on the total number of personnel in 2018.

⑦ Status of Unpaid Parental Leaves

Item	Male	Female	Total
(1) Number of employees entitled to unpaid parental leave in 2018	69	174	243
(2) Number of employees that applied for unpaid parental leave in 2018	11	76	87
(3) Number of employees expected to return from unpaid parental leave in 2018 (A)	10	68	78
(4) Number of employees that actually returned to work from unpaid parental leave in 2018 (B)	7	60	67
(5) Return rate (B/A)	70%	88.24%	85.9%
(6) Number of employees that returned to work from unpaid parental leave in 2017 (C)	5	73	78
(7) Total number of employees that returned to work from unpaid parental leave in 2017 and completed one year of service in 2018 (D)	5	69	74
(8) Retention rate (D/C)	100%	94.52%	94.87%

Note 1: The number of employees entitled to parental leave is based on employees that applied for paternity leave and maternity leave.

Note 2: In this table, the number of employees that actually returned to work includes those who returned to work early.

⑧ Unpaid Parental Leave Ratio in the Last Three Years by Gender

Gender	FY	2018		2017		2016	
		Number of employees	Ratio (%)	Number of employees	Ratio (%)	Number of employees	Ratio (%)
Female		76	87.36	82	92.13	71	93.42
Male		11	12.64	7	7.87	5	6.58
Total		87	100	89	100	76	100

⑨ Demission Rate—by Region, Gender and Age

Region	Item	Demission Rate (%)	Age				Gender		Total
			29 years old and below	30-39 years old	40-49 years old	50 years old and above	Male	Female	
Taiwan		4.68	99	77	19	112	157	150	307
Overseas		0.40	15	8	2	1	3	23	26
Total		5.08	114	85	21	113	160	173	333

Note 1: Except for employees "on unpaid leave" and who "resigned when on unpaid leave", the remaining resigned and retired employees are all considered for calculation.

Note 2: Demission rate = total number of females or males/number of personnel at the end of the year, based on the total number of personnel in 2018.

⑩ Demission Rate of the Most Recent Three Years—by Gender

Gender	FY	2018	2017	2016
Female		2.64%	2.41%	2.83%
Male		2.44%	2.32%	2.57%
Total		5.08%	4.73%	5.4%

Note: Demission rate = total number of females or males/number of personnel at the end of the year, based on the total number of personnel in 2018.

3.1.2 Respect for Human Rights and Gender Equality

GRI 102-41, 404, 406-1, 412-1

3.1.2.1 Human Rights Policy

- ① The Bank adheres to the people-oriented principle and guarantees the basic human rights of all employees. The recruitment, compensation and benefits, education and training, promotion and retirement plans for employees do not differentiate or present discrimination based on race, gender, age, religion, political affiliation, physical and mental disabilities and union affiliation. The Bank also provides market-competitive compensation standards, diversified training programs, complete welfare measures, and smooth promotion channels to implement equality in the workplace.

3.1.2.2 Upholding the Concept of “Equal Pay for Equal Work”

	2018		2017		2016	
	Female	Male	Female	Male	Female	Male
Managerial role	100%	98%	100%	100%	100%	102%
Non-managerial role	100%	104%	100%	104%	100%	105%

Note: The average compensation of male and female employees of the Bank is based on the average compensation of female employees (shown as 100%)

- ② In addition to actively fulfilling its own corporate social responsibility, the Bank also promotes such practices among its suppliers by devising the *Supplier Corporate Social Responsibility Policy*, which provides advocacy on several issues, including corporate social responsibility, protection of employee rights and interests (including human rights protection, prohibition against forced labor and child labor, and encouragement of freedom of association) as well as environmental protection (including GHG inventory and setting of carbon reduction goals). For a single transaction amount of more than NT\$1 million, the Bank also requests suppliers to sign a declaration to abide by such Policy.
- ③ In addition, according to the British Government’s 2015 Modern Slavery Act, the Bank disclosed the measures adopted in 2018 to prevent slavery and human smuggling in the supply chain or various businesses, and reported them to the 23rd meeting of the 25th Board of Directors on April 26, 2019 for deliberation.

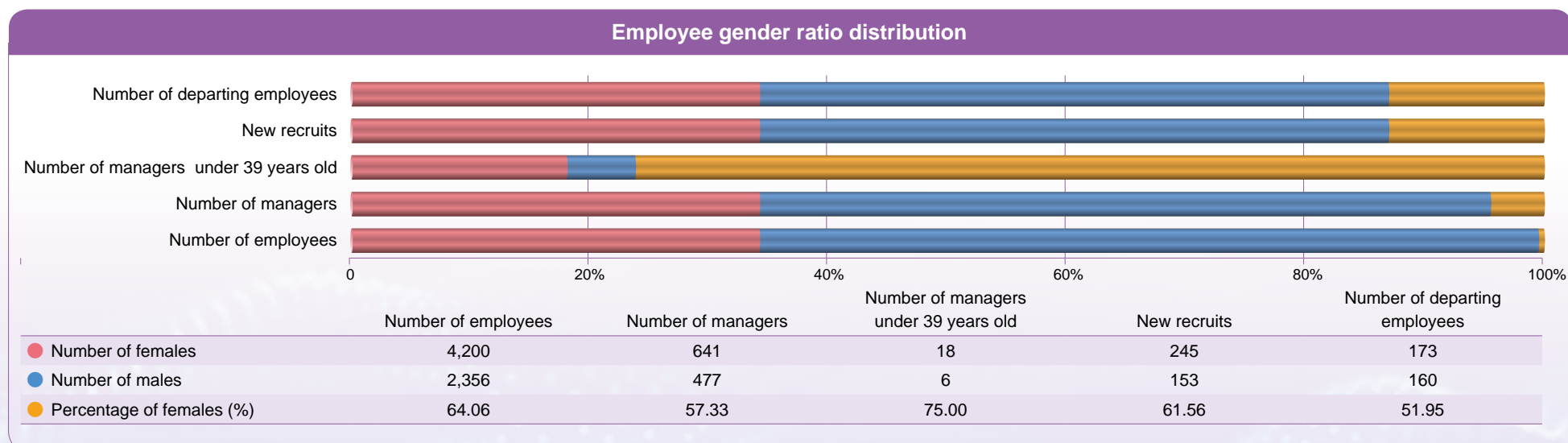
3.1.2.3 Gender Equality

- ① The Bank is committed to achieving gender equality and implementing equal rights for men and women. The Bank established the *Chang Hwa Commercial Bank Safety and Health Work Rules*, and taking into account the protection and equal rights of employment for female employees, relevant maternal health protection measures shall be taken. Furthermore, four major programs for occupational safety and health prevention have been established, i.e., ergonomic hazard prevention program, workload induced disease prevention program, workplace violation prevention program, and maternal health protection program, respectively; among which the latter is for the protection of safety and health of female employees.

💡 To improve employee benefits, employees who have served the Bank for one year are entitled to an employee maternity pension of NT\$5,000 per child from January 1 to December 31, 2019.

② Percentage of Female Employees

As of the end of 2018, the percentage of female employees in Chang Hwa Bank was 64.06%; with female managers accounting for 57.33% of all management personnel; the percentage of female managers under 39 years old was 75%; the percentage of female new recruits was 61.56%; and the percentage of female departing employees was 51.95%.



3.1.2.4 Measures for Sexual Harassment Prevention

The Bank has set up the *Guidelines for Sexual Harassment Prevention and Complaints Handling*, providing complaint hotlines (the telephone number of all branches of the Bank and the Human Resources Division's complaint hotline: (02) 2560-3658), taking appropriate preventive, corrective, disciplinary and handling measures for sexual harassment incidents, and strictly prohibiting any behaviors of sexual harassment, gender discrimination or violence, and threat and intimidation, as to build a friendly workplace with gender equality.

Implementation Status The Bank had no sexual harassment complaints in 2018.

3.1.2.5 Freedom of Association

① Employer-employee Meetings

In order to achieve friendly interaction with its employees, the Bank has been holding employer-employee meetings 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.

Implementation Status

By the end of 2018, 89 employer-employee meetings had been held, the employer-employee relations were harmonious and stable, and good interactions were maintained.

	2018	2017	2016
Number of meetings	4	4	4
Number of matters	11	11	14

② Protection by the Collective Agreement

In response to changes such as amendments to labor policies, laws and regulations, the Bank and the CHB Corporate Union representatives re-initiated negotiations regarding collective agreement. The Bank and the CHB Corporate Union signed the collective agreement again on May 14, 2018.

The contents of this collective agreement signed were established after being fully discussed by the representatives of the employer and the employees, and after taking into account labor-related laws and collective agreements of peers in the financial industry. Many of the provisions in this collective agreement are superior to the current laws and regulations, such as paid annual personal leaves, family care leaves and sick leaves; compensation payment

for employees who passed away due to illness or accident while on unpaid leave due to military service, injury, or illness, as to take care of their surviving dependents; and bone marrow or organ donor leaves with duration adjusted according to actual needs, as to encourage employees to participate in public welfare. In addition, in order to enhance the harmony of employer-employee relations, one seat of the Personnel Appraisal Committee is reserved for a representative designated by the corporate union.

Implementation Status

As of the end of 2018, the number of members of the CHB Corporate Union was 6,050 (male: 2,273, female: 3,777), and the employees under the protection of the collective agreement accounted for 92.28% of all employees.

	2018		2017		2016	
	Female	Male	Female	Male	Female	Male
Number of employees that joined the corporate union	3,777	2,273	3,951	2,286	3,832	2,267
	6,050		6,237		6,099	
Percentage of employees that joined the corporate union	92.28%		94.6%		93%	

3.1.3 Compensation and Benefits

GRI 201-3, 202-1, 401-2, 405-2

3.1.3.1 Policy

- ① The Bank has established the *Work Rules*, and all matters including employment, service guidelines, working hours, performance appraisal, reward and punishment, salary and benefits, etc., shall be handled in accordance with such rules.
- ② The Bank has established the *Regulations Governing Retirement Pension, Compensation Payment and Severance Pay*. Matters regarding employees' retirement pension, compensation payment (including occupational disaster compensation), and severance pay shall be handled in accordance with these regulations; matters not provided therein shall be handled in accordance with relevant laws and regulations such as the Labor Standards Act.

3.1.3.2 Compensation System

- ① Each year, the Bank considers the consumer price index, the salary adjustment standards of the financial industry, and the Bank's annual business performance and profitability, and determines the salary adjustment standards for the current year after comprehensive consideration. At the same time, the Bank takes into account the concept of "equal pay for equal work" and implements reward differentiation, striving

Performance Appraisal



According to the annual goals, the business strategy and specific action plan are drawn up, and the goals are assigned to each department and extended to each employee.



The mid-term appraisal combines the follow-up on performance progress, guidance, and adjustment of performance goals.



The annual performance appraisal is an evaluation conducted based on the employee's functional skill development, performance of employee's responsibilities, achievement of goals, and the business performance of the employee's unit.

for fairness of the salary structure; according to the performance appraisal results of employees, different salary adjustments are given: the better the performance, the higher the pay raise.

- ② We have followed the performance appraisal policy, implemented the connection between strategic goals and performance appraisals, and made appraisal results the basis for employee compensation, promotion, training and development, as to create incentives and a win-win situation for the Company and employees.
- ③ The Bank issues annual holiday bonuses (including Chinese New Year bonuses and Mid-Autumn Festival bonuses) and variable bonuses (performance bonuses, sales bonuses, employee

remuneration, etc. issued depending on the nature of a job and employee's performance).

3.1.3.3 Implementation Results of Compensation

- ① According to the Bank's employee performance appraisal regulations, appraisals have been conducted on all of those qualified for appraisal.
- ② The average pay increase for employees was 3.31% in 2018

In order to show consideration for employees' basic living expenses, and to continue to implement performance-differentiated salary adjustments and

motivate employees with outstanding performance, the Bank's 2018 annual salary adjustment was handled by means of combining "fixed salary adjustment" and "performance salary adjustment". The "fixed salary adjustment" was \$1,000 per person per month; The "performance salary adjustment" was based on individual employees' annual performance appraisal rating in 2017, 4% of whom attained a rating of 6 points, 3% attained a rating of 5 points, 2% attained a rating of 4 points, and 1% attained a rating of 3 points; no pay raise was made for ratings of 2 and 1 points. In addition, to take care of entry-level employees from grades 5 to 7 with seniority of 5 years (inclusive) or less, and whose rating of the annual performance appraisal in 2007 was between 4 to 6 points, the amount of "fixed salary adjustment" was increased to \$1,200 per person per month.

③ Constituent of the *Taiwan High Compensation 100 Index* for 4 Consecutive Years

The Bank has been selected as a constituent of the Taiwan High Compensation 100 Index by the TWSE for four consecutive years since 2014, showing recognition for a number of quantitative criteria, including average salary, net profit, net asset value per share, and total compensation.

④ Salary Information of Non-managerial Full-time Employees

Unit: Thousand NTD

	2018	2017
Total Salary of Non-managerial Full-time Employees	7,655,840	7,480,157
Total Number of Non-managerial Full-time Employees	5,988 persons	5,959 persons
Average Salary of Non-managerial Full-time Employees	1,279	1,255

Note 1: In reference to the Description of Salary Information Reporting Operations for Non-managerial Full-time Employees compiled and released by the TWSE.

Note 2: The 2017 information was self-assessed; the 2018 information was audited by an accountant.

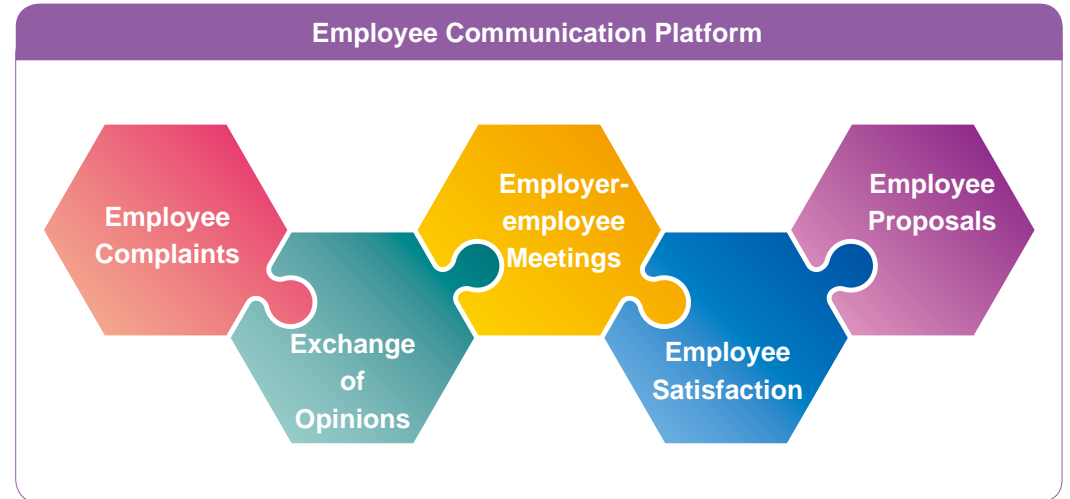
⑤ Welfare measures

Insurance planning	Leave system	Employee Welfare Committee	Recreational activities	Other
<ul style="list-style-type: none"> Labor insurance National health insurance Employer's liability insurance 	<ul style="list-style-type: none"> 3 to 30 days for every 6 months 	<ul style="list-style-type: none"> Holiday recreational activities Scholarships Employee convenience store 	<ul style="list-style-type: none"> Physical education Hiking Mountain climbing Arts and culture appreciation Finance Cup competition 	<ul style="list-style-type: none"> Group health examination Health educational lectures Employee uniform Library Day care service

⑥ Employee Stock Ownership Trust (ESOT): under discussion.

3.1.4 Employee Communication Platform

Employees are the most important and most valued assets of the Bank; thus, the Bank is committed to building a work environment where human rights are respected, free of discrimination and harassment, as well as safe, healthy, and friendly. In order to truly understand the needs of employees, the Bank has established diverse, bilateral communication channels to hear the voices of our employees.



3.1.4.1 Employee Complaints

The Bank has established *Chang Hwa Bank Employee Complaint Notice* to provide employee complaint channels.

Implementation Status The Bank had 2 employee complaint cases in 2018, both of which were settled in accordance with the procedures of the Bank's *Employee Complaint Notice*.

3.1.4.2 Employee Proposals

The Bank has established the *Employee Proposal Incentive Policy* to encourage employees to propose constructive plans for the Bank's internal operating procedures and development of various businesses. After the employee files a proposal, the evaluation panel will decide on the award level and grant the prize money, as to achieve development in the Bank's business through employees' collective awareness towards management, proactive research, and drawing up of improvement programs.

Implementation Status There were a total of 7 employee proposals in 2018, 3 of which were awarded; the rest were not awarded.

3.1.4.3 Exchange of Opinions with Employees

In order to exchange opinions with employees, the Bank has set up an employee communication e-mail: EVP@chb.com.tw, so that employees' voices can be heard and responded to, as a way to improve the management of the Bank.

Implementation Status The Bank did not receive any emails from employees in 2018. If any employee email is received, it will be properly handled by the relevant department according to the rules.

3.1.4.4 Employee Satisfaction Survey

In order to understand the needs of employees, the Bank conducted an employee questionnaire survey on in-service employees in 2018, which were divided into five aspects: job duties, workplace, salary and appraisal, education and training, and health examination and consultation services. The survey was optional and was conducted online. The survey results showed that employees were satisfied with the first four aspects, and the opinions provided by employees on the aforementioned aspects will be used as reference for the establishment of Bank's future personnel management strategy. In addition, for health examination and consultation, the Bank will strengthen the promotion in the future occupational safety training courses or health promotion campaigns, as to encourage colleagues to take advantage of this program.



3.1.5 Education and Training

GRI 404-1, 404-2, 404-3

Facing the rapid changes in the financial environment, the Bank strengthened the cultivation of financial talents, and actively planned comprehensive financial professional courses according to the overall business goals and plans of the year. In addition to the organizing courses such as credit extension, foreign exchange, deposit and remittance, legal compliance, wealth management, digital banking and operation and management training, the Bank also established reserve AO personnel and foreign exchange personnel training programs, and sent personnel to study abroad, so as to cultivate international financial talents and accumulate human capital.



3.1.5.1 Diversified Talent Cultivation

The Bank actively cultivates the necessary skills of employees, and provides diversified and systematic education and training to assist employees in diversified development. It continues to nurture employees' professional competence and second professional specialties, and regularly provides diversified offline/online training courses for in-service employees, including (elementary/advanced) credit loans, (elementary/advanced) foreign exchange, wealth management, compliance with trust laws and regulations, AML, derivative financial product business regulations and practices, etc. We have established an e-learning system (CHB E-learning System), which currently provides more than 690 digital online courses for employees to read and use through mobile phones or other mobile devices without time and space restrictions, so as to achieve the expected goals of cultivating employees' second professional specialties and cross-disciplinary abilities.

Training Accomplishments

As of December 31, 2018, the total number of training hours conducted was 405,911 hours (an increase of 2,842 hours compared to 2018), with an average of 61.91 training hours per employee. Described as follows according to the internal training (offline/online), external training and self-development categories:

Training Method	Online Learning	Offline Course		
	Internal Training	Internal Training	External Training	Self-development*
Hour (s)	219,809	150,548	35,465.5	88.5
Total (hours)	405,911			

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

Offline Training Status

Gender	Total number of enrollments		Total number of hours		Average hours	
	Managerial	Non-managerial	Managerial	Non-managerial	Managerial	Non-managerial
Male	2,946	5,008	23,786.5	43,377	49.87	22.87
Female	3,832	10,572	32,507.5	86,431	50.48	24.60
Total	6,778	15,580	56,294	129,808	50.22	23.99

Online Learning Status

Gender	Total number of enrollments		Total number of hours		Average hours	
	Managerial	Non-managerial	Managerial	Non-managerial	Managerial	Non-managerial
Male	17,873	58,507	19,844	57,799	41.60	30.47
Female	23,038	120,323	26,093	116,073	40.52	33.03
Total	40,911	178,830	45,937	173,872	40.98	32.13

3.1.5.2 Personnel Transformation in Response to FinTech

In response to the wave of digital banking and FinTech, from warm-up to integration, the Bank introduced digital banking expertise, actively cultivated digital banking professionals, fully assisted employees in extensive learning, and enhanced employees' digital banking application skills in cooperation with business development and innovation, in order to build a sturdy foundation for talent cultivation, and improve the digital competitiveness of the Bank's business step by step.

Implementation Status

- ① Sent personnel to participate in professional training, seminars and lectures organized by various training institutions in Taiwan.
- ② Established the *Chang Hwa Commercial Bank FinTech Club*.
- ③ Supported the development of digital banking business and continued to organize digital banking courses.

Outlook and Future

Going deeper and deeper from the essentials and solidly learning about various topics, employees are encouraged to enhance their cross-disciplinary skills, and the Bank constructs a digital banking environment, assists employees in smooth transformation, and cultivates in-service employees' financial expertise to embrace the coming of the digital banking era.

3.1.5.3 Educational Clubs

① FinTech Research Club—NEW

In order to encourage the learning of FinTech new knowledge and to foster FinTech talents, the Bank established the FinTech Research Club in March 2018. In the monthly offline FinTech lecture, industry experts lead the topic-focused exchange of FinTech knowledge. At the same time, the lectures are live broadcasted in the internal Facebook group, so that sharing and learning are not limited by time and space.

② Chinese Reading Club

In the twinkling of an eye, the Chinese Reading Club has already celebrated its first anniversary. From the first book *Thoughtfulness in a Second* read when it was

first established in August 2017, to the book in March 2019 *Procrastination: Why You Do It and What to Do About It NOW*, the members have read 16 books together up to date, and 2 outdoor events and 2 lectures have been organized. The magic of reading has enriched the body, mind, and spirit of every participant!

③ English Reading Club

The Bank established the Toastmasters International Chang Hwa Commercial Bank Club. In addition to the regular meetings, it participates in the holding of English speech contests and table topics contests in Taiwan every spring; holds the humorous speech contests and evaluation contests in Taiwan every autumn; and also organizes regular networking and outdoor activities, etc., to enhance the friendship and the sense of identification and coherence of employees.



3.1.6 Healthy Workplace

GRI 403-1, 403-4, 410-1

3.1.6.1 Occupational Safety and Health Organization

- ① Establishment of Occupational Safety and Health Responsible Unit
The Bank's Occupational Safety Section in the General Affairs Division is the responsible unit for occupational health and safety, which has dedicated occupational health and safety personnel. It has been reported to the competent authority in accordance with the law for reference and has obtained approval from the Taipei City Labor Inspection Office, showing that the Bank attaches great importance to occupational safety and health.
- ② Establishment of the Occupational Safety and Health Committee
In order to implement occupational safety and health management, the Bank established the Occupational Safety and Health Committee in December 2016. The Committee has one chairperson and eight members, with the labor representatives accounting for one-third of the members. The meetings of the Committee are regularly convened once every quarter in order to strengthen the supervision over the occupational safety of employees, and improve the quality of safety and health management. A total of 4 meetings were held in 2018 to assist the promotion of the Bank's occupational safety policy.

3.1.6.2 Operating Status

- ① Safety and Health Related Issues Covered by Official Union Agreements
The *collective agreement* signed by the Bank and the CHB Corporate Union was renewed on May 14, 2018, in which a total of 11 articles are related to employee safety and health, accounting for 17.5% of all provisions.
- ② Monitoring of Operational Environment
In the first and second half of 2018, professional institutions were commissioned to implement two types of operational environment monitoring for 186 units of the Bank: indoor carbon dioxide and lighting. In 2018, monitoring for a total of 372 units was completed. The monitoring results were all compliant with standards. The operational environment monitoring plan and monitoring results were announced on the Bank's intranet, and publicly disclosed so that employees were informed.
- ③ Occupational Health and Safety Related Education and Training
The Bank has appointed occupational safety and health operation supervisors, first-aid personnel, and fire fighting management personnel in every business unit, and assigns appropriate personnel to participate in training.

Occupational safety and health education and training:

Number of people trained in 2018: 310, with a total of 2,223 hours.

Type		Number of people	Hour(s)	Total number of hours
Occupational safety and health business supervisor	First-time training	30	35	1,050
First-aid personnel	Re-training	243	3	729
Fire fighting management personnel	First-time training	37	12	444
Total		310	-	2,223

Security guard education and training:

Number of people trained in 2018: 810, with a total of 3,240 hours.

Time of the Training	Number of people	Hour(s)	Total number of hours
Q1	204	4	816
Q2	202	4	808
Q3	202	4	808
Q4	202	4	808
Total	810	-	3,240

④ Accredited Healthy Workplace

On July 19, 2018, the Bank applied with the Health Promotion Administration, Ministry of Health and Welfare and was obtained the *Badge of Accredited Healthy Workplace* on December 6, 2018. For the sustainable protection of employees' health, the Bank will continue to strive for the *Badges of Health Promotion and Excellent Healthy Workplace*, and other related certifications in the future, which help the Bank become a happy workplace.



⑤ Healthy Diet

In order to strengthen the healthy diet knowledge of the employees, develop good eating habits, and balance the intake of six major food groups, thereby reducing the incidence rate of chronic diseases, the Bank cooperated with the employee cafeteria and held the *Eating Healthy Together* healthy diet campaign from November 12, 2018 to December 22, 2018. During the campaign duration, response by employees was quite good; not only did their metabolism improve, but some even successfully lost weight!

⑥ Psychological Counseling and Consultation

In order to care for the mental health of employees and solve certain psychological problems such as stress and disturbed emotions faced by employees, the Bank has appointed professional psychologists from professional psychological counseling organizations since December 1, 2018 to provide psychological counseling and guidance to employees, as to boost the inner potential of employees, thereby improving the quality of work and the overall business performance, and building a happy enterprise with a friendly workplace. As of the end of 2018, there were 4 cases. This service is paid for by the Bank to certain extent.

⑦ Be Smoke-free

Since May 2018, the Bank has been promoting the smoking cessation campaign *Be Addiction-Free—Quit Smoking for Love*, urging colleagues to quit smoking for love and stay smoke-free. This campaign obtained splendid



results, with a total of 24 participants. Among them, 20 people won the *Early Bird Incentive Award* for 5 consecutive days of non-smoking, and in the end, 17 people persevered, refrained from smoking for 4 consecutive weeks, and successfully quit smoking; a wrap-up presentation was held.

In addition, in order to enhance the professional knowledge of colleagues with regard to tobacco hazards prevention, Dr. Chen Jin-Shing, Chairman of the *Taiwan Lung Foundation*—the most authoritative institution in the treatment of lung cancer in Taiwan that has spared no effort in promoting the prevention and treatment of lung diseases—was invited to give lecture on “Taiwan’s New National Disease—Screening, Prevention and Treatment of Lung Cancer” at the Bank. The lecture was recorded and uploaded to the e-learning network for employees to refer to.

3.2 Social Welfare

Management Policy

With the ideal of a “happy family”, and through people-oriented care, the Bank continues to care for the disadvantaged groups, strengthen the organization of public welfare activities, and actively promotes participation by employees in corporate volunteer services, thereby implementing social care through practical actions, and fulfilling Bank’s corporate social responsibility.

GRI 203-1, 203-2, 413-1, FS13, FS14, FS16

3.2.1 Caring for Disadvantaged Groups

Campaign	Accomplishments in the Most Recent Year
 <p>Caring for the disadvantaged in remote rural villages</p>	<ul style="list-style-type: none"> Made donations to “TFT Teaching Program” organized by Teach For Taiwan, which improved inequality of lacking the necessary resources to deliver proper education for children in rural areas. Participated in “6th ADA Charity, Christmas Road Running” fundraising event held by Advanced Developers Association and Kids’ Bookhouse Foundation to care for financially vulnerable children in Taitung’s rural areas. 
 <p>Disadvantaged families</p>	<ul style="list-style-type: none"> We participated in the <i>2018 Taiwan Lantern Festival</i> held by the Chiayi County Government, and gifted the small lanterns of the Festival to the social welfare groups in Chiayi and Yunlin to care for the economically disadvantaged families and let them feel the love and caring from society. Sponsored “Angel’s Voice” year-end blessing concert of Taichung City Welfare for The Disabled Association to help perfect the learning and caring environment for the disabled. Sponsored “Hand in Hand with Newcomer~ Cherish Taiwanese New Baby Exhibition” held by Pearl S. Buck Foundation to encourage the public to respect diverse cultures and care for the children of new immigrants.  

Campaign	Accomplishments in the Most Recent Year
 Disadvantaged families	<ul style="list-style-type: none"> In order to increase the number of mobile e-banking users, promote Taiwan Pay mobile payment, and enhance the social image of the Bank, Chang Hwa Bank and Orphan Welfare Foundation jointly launched the project <i>Love from Chang Hwa Bank—Helping Orphans with Actions</i>. Chang Hwa Bank took the lead in donating NT\$200,000 to attract others into participating as well. When people donated money to the Orphan Welfare Foundation through Taiwan Pay CHB Wallet, Chang Hwa Bank would donate NT\$5 for each donation of more than NT\$50. In this project, a total of 16,520 donations were made by the public through the Taiwan Pay CHB Wallet, the total donation amounted to NT\$1,067,508 in combination with the Bank's donations. The project struck a chord with the public and had extraordinary significance. 
 Caring for the Elderly	<ul style="list-style-type: none"> Sponsored the 6th <i>Love the Elders and Stay Active</i> charity event of Huashan Social Welfare Foundation, and acted as volunteers on the day of the event to accompany the elders to have fun and pass the challenges, as well as encourage the vulnerable elders to live and be active. Sponsored the efforts of Huashan Social Welfare Foundation in delivering new year meals and cold weather outfits or supplies, these volunteer services to underprivileged elders before lunar new year's eve. 
 Post-disaster Reconstruction	<ul style="list-style-type: none"> Made donations to Hualien County Government, which supported related disaster relief and reconstruction work after strong earthquake happened in Hualien area. Made donations to Social Affairs Bureau of Chiayi County to assist post-disaster reconstruction work of floods in Southern Taiwan on August 23, 2018.
 Poverty Subsidy	<ul style="list-style-type: none"> Established "CHB Tuition Support Program" organized by Taiwan Fund for Children and Families, which assisted financially disadvantaged elementary school and junior high school students in their studies. Made donations to the program—"Tuition Subsidy for Financially Disadvantaged High School Students" organized by Twilight Elite Development Association. As support to "2018 Internship Program for the Financially Self-reliance Youths" organized by Youth Department Administration, Ministry of Education, the Bank had offered 35 internship opportunities for existing students during the summer vacation, and catered to the needs of financially disadvantaged youths by helping them learn, experience, explore, and develop their own competitiveness in future careers, which may potentially reduce wealth inequality within the nation.
 Development Rewards	<ul style="list-style-type: none"> Made donations to the various athletes training programs organized by Taitung County Athletics Committee, which assisted the development of sports and athletics. Sponsored the Keelung City in organizing "27th Union Cup Basketball Championship," which promoted citizens' physical and mental health, and carried out the objective of nurturing basketball talents and country-wide exercise. During summer break of 2018, the Bank joined China Youth Corps in offering 10 internship opportunities to university students. The internship program was aimed at cultivating independence and comprehending banking jobs on the spot early in young adults and increasing their experiences. Participated in the General Association of Chinese Culture's "2018 Happy Birthday to Taiwan" film shooting with cheers for Taiwan to demonstrate excellent talents cultivated in Taiwan.

3.2.2 Community Engagement

The Bank regularly holds lectures every year and invites customers and locals to participate, integrating financial knowledge and daily life, as to enhance interaction with the public.

Campaign	Date of the Campaign	Goals of the Campaign	Number of Participants
Banking Bureau On-campus Financial Knowledge Promotion Campaign	March 26, 2018	Measures to enhance financial knowledge of the public	200 people in Dongshan High School
<i>Formosa Smart Wealth Management</i> High-net-worth Customer Lecture	From May 23 to May 29, 2018	In addition to explaining the current market overview and investment trends to customers, the Bank specially invited Charlie Chu, director of <i>Formosa 3D</i> , who was awarded the Creative Arts Awards, to share with the invited customers his experience and concept of using special filming techniques to record the beauty of Taiwan.	A total of 400 attendants in the Taipei, Taichung, Tainan, and Kaohsiung sessions
<i>Travel in Taiwan and Enjoy Life</i> High-net-worth Customer Lecture	From September 25 to October 17, 2018	Mr. Lin Lung, a well-known tour guide, was invited to take the customers to enjoy the beauty of Taiwan and travel in Taiwan through his many years of field experience.	A total of 400 attendants in the Taipei, Taichung, Tainan, and Kaohsiung sessions



3.2.3 Development of Supporting Industries

The Bank also actively supports business activities and industrial development, attaches importance to the development of the capital market and local cultural and creative industry, and continues to encourage the development of relevant talents.

In 2018, the following projects were organized:

- ① The *Dreams-come-true SME Financing in Keelung* was launched to help small and medium enterprises in Keelung successfully obtain the funds needed for their operations.
- ② The *Financing for Young Farmers' Entrepreneurship and Agricultural Enterprises in Taichung* was launched to assist young farmers and agricultural enterprises in Taichung to obtain funds needed for their entrepreneurship.

- ③ Made donations to “Small and Medium Enterprise Credit Guarantee Fund,” which helped SMEs obtain the funding they needed and contributed to the growth of the nation’s economy and the social stability.
- ④ Made donations to “Overseas Credit Guarantee Fund,” which helped overseas Chinese and Chinese enterprises obtain funding in ASEAN countries from Chinese financial institutions.
- ⑤ Sponsored Taipei Foundation of Finance in organizing “23rd Cross-strait Banking Collaboration Conference.”
- ⑥ Participated in “2018 Financial Services for charitable Carnival” held by Taiwan Financial Services Roundtable in Keelung and Taoyuan to promote financial knowledge and education.
- ⑦ Participated in the General Association of Chinese Culture’s a series of events “South Taipei Fun Carnival” and “the Soul of the Craftsman” film series shooting to encourage cultural heritage and implement policies to support the development for cultural and creative industries.
- ⑧ Participated in “2018 Taiwan Lantern Festival” held by Chiayi County Government to be actively involved in local cultural activities.
- ⑨ Participated in Accounting Research and Development Foundation’s “30th Anniversary Accounting Elite Cup Debating Competition” to help nurture accounting professionals and advance capital market in Taiwan by rising more accounting professionals’ mutual communication and interaction.
- ⑩ Participated in “2018 Taichung World Flora Exposition” held by Taichung City Government to implement actively joining local cultural activities in Taiwan and make contributions to increasing the country's cultural soft power.

