

TPEX 2020 Sustainability Report



證券櫃檯買賣中心
Taipei Exchange

TPEX 2020 Sustainability Report

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ABOUT THE REPORT

This is the 2020 Sustainability Report (hereinafter as the "Report") of Taipei Exchange (hereinafter as "TPEX"). TPEX, adhering to the principle of integrity and transparency, aims to present its communications with stakeholders throughout 2020, demonstrating its philosophy of sustainable development and involvement in various sustainability issues.



Scope of Disclosure

The disclosure period of this Report covers the year 2020 (January 1 to December 31). The Report covers the performance of TPEX in the economic, social, and environmental aspects. Considering the information comparability, certain performance information includes data from the past three years, except for some that have not been collected systematically.

The disclosure scope of this Report covers the TPEX Guting Office (Headquarter) in Taipei City, Banqiao Office in New Taipei City, Banqiao server room in New Taipei City, and remote backup server room in Taichung City. For data covering different scopes, clarifications are provided in the relevant texts or notes.

Reporting Basis

This Report is prepared in accordance with:

1. the Core option of the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI);
2. the Sustainability Accounting Standards Board (SASB) standards issued for the Security & Commodity Exchanges sector in the Financials industry.

Information Disclosure

The financial performance data disclosed herein are based on CPA-audited financial statements, and all financial figures are represented in New Taiwan Dollar (NT\$). Other non-financial data in the Report were compiled and calculated by TPEX and are presented in common values that are rounded. The data or information disclosed herein are provided by the respective responsible departments of TPEX, and compiled by the Sustainability Reporting Task Force. The Report has been published after approval.

External Assurance

This Report has been assured by Deloitte Taiwan in accordance with the GRI Standards and the Assurance Standards No. 1, "Assurance Engagement of Examinations and Audits of Non-historical Financial Information," issued by the Accounting Research and Development Foundation, ROC.

Report Issuance

Since 2019, TPEX has been publishing Sustainability Reports (formerly CSR Reports) on a yearly basis, with the previous Chinese and English reports issued in June 2020.

The annual Sustainability Reports of TPEX are available on the TPEX's official website and its dedicated Sustainability section:



www.tpex.org.tw/web/index.php?l=en-us



www.tpex.org.tw/web/csr/index.php?l=en-us

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MESSAGE FROM THE CHAIRMAN AND CEO

The outbreak of the COVID-19 in 2020 highlights the co-dependence, co-existence, and co-prosperity relationship between individuals, businesses, society, and the natural environment. This monumental change has unprecedented impacts on global businesses and capital markets and is an exceptional trial for TPEX as a market steward. In response, TPEX implemented measures to support companies and ensured the funding and listing processes were unaffected. Meanwhile, TPEX also continued bettering the trading mechanism by launching the Continuous Trading System and Intraday Odd Lot Trading System to improve transaction efficiency and encourage younger investors.

In the meantime, TPEX acknowledges and supports the United Nations' Sustainable Development Goals (SDGs), which raises comprehensive awareness on the environmental, social, and governance (ESG) aspects. Upholding the ESG values by incorporating sustainability into our daily operation, we further take the initiative to substantiate policies including Corporate Governance 3.0 and Green Finance Action Plan 2.0 to foster capital market sustainability with every market participant.

TPEX made remarkable progress in 2020 in promoting green finance and products in alignment with ESG criteria, with the vision of becoming a prominent exchange with a leading platform for sustainable securities. The record issuance volume of Green Bond is expected to direct more funding to environmentally friendly investment projects. TPEX also launched the "TIP Taiwan TPEX CSR Index" in June 2020, the first index considering the TPEX-listed companies' performance on the annual Corporate Governance Evaluation and their Corporate Social Responsibility (CSR) reports. With this index, TPEX hopes to promote ESG values and responsible investment by providing a comprehensive yet relevant reference to the market. TPEX further promulgated the "Operational Directions for Sustainability Bonds" in October and established the Sustainability Bond Market.

In terms of corporate governance, TPEX continued to align our regulations in response to Financial Supervisory Commission's roadmaps and encouraged listed companies to disclose through



CSR reports. We also included the disclosure recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and standards by the Sustainability Accounting Standards Board (SASB) in the Rules Governing the Preparation and Filing of CSR Reports. Moreover, we have been actively urging all the TPEX-listed companies to adopt the Corporate Social Responsibility Best Practice Principles to support sustainable growth.

In October 2020, TPEX was committed and signed as a supporter to TCFD to raise employees' comprehensive awareness towards the environment and climate change and reduce energy consumption and carbon emissions. As an exchange, we enforced policies and measures on employees' ethics, discipline, avoiding any forms of conflict of interests. Also, we addressed operational risks by implementing Business Continuity Management (BCM) system and obtaining the ISO 22301 certificate. Strict cybersecurity and confidentiality policies were also in place to strengthen internal governance. The World Federation of Exchanges also recognized our efforts in promoting workplace gender equality. Meanwhile, TPEX continued with our donation to various charitable programs that provide care for the elderly and the underprivileged and bring medical services to remote areas. We also sponsor research projects on topics relating to the capital markets.

Looking forward, TPEX plans to expand the scope of the Sustainable Bond Market by establishing the Social Bond Market in the 2nd quarter of 2021 and incorporating the Green Bond and Sustainability Bond Market. The introduction of the Sustainable Bond Market will facilitate the capital market to direct more funding towards realizing co-prosperity and sustainability. In addition, TPEX plans to introduce the Market Making scheme in June 2021 to boost the trading volume of stocks with low liquidity. Furthermore, a new "Pioneer Stock Board" will be established in the 3rd quarter to complement the current multi-tiered market framework, supporting startups and businesses from Taiwan's Six Core Strategic Industries.

TPEX believes that a responsible securities exchange, pursuing high quality and sustainable growth, is a better proposition for investors and issuers. The sound development of the capital market is the key driver of economic, social, and environmental sustainability. We commit to becoming a prominent exchange for sustainable financial instruments, upholding the ESG values to strengthen our core businesses. TPEX will continue to promote information transparency, capital raising functionality, efficient and fair-trading mechanisms, and financial literacy, building a vibrant and innovative world-class capital market.

Philip Chen
Chairman

Edith Lee
Managing Director & CEO

INTRODUCTION TO TPEX

TPEX serves as a service center for corporate financing and financial products trading. The services provided include assisting characteristic companies with the potential to enter the capital market to obtain financing, improving primary and secondary markets for bonds, and providing platforms for centralized trading and over-the-counter negotiated trading. Since TPEX's incorporation in November 1994, it has been echoing with the international capital markets to improve securities issuance and trading by revising relevant regulations. Also, TPEX facilitates the listing of high-tech companies, creative ventures, small and medium enterprises, and even micro-businesses, making it a multi-purpose and well-rounded securities exchange.

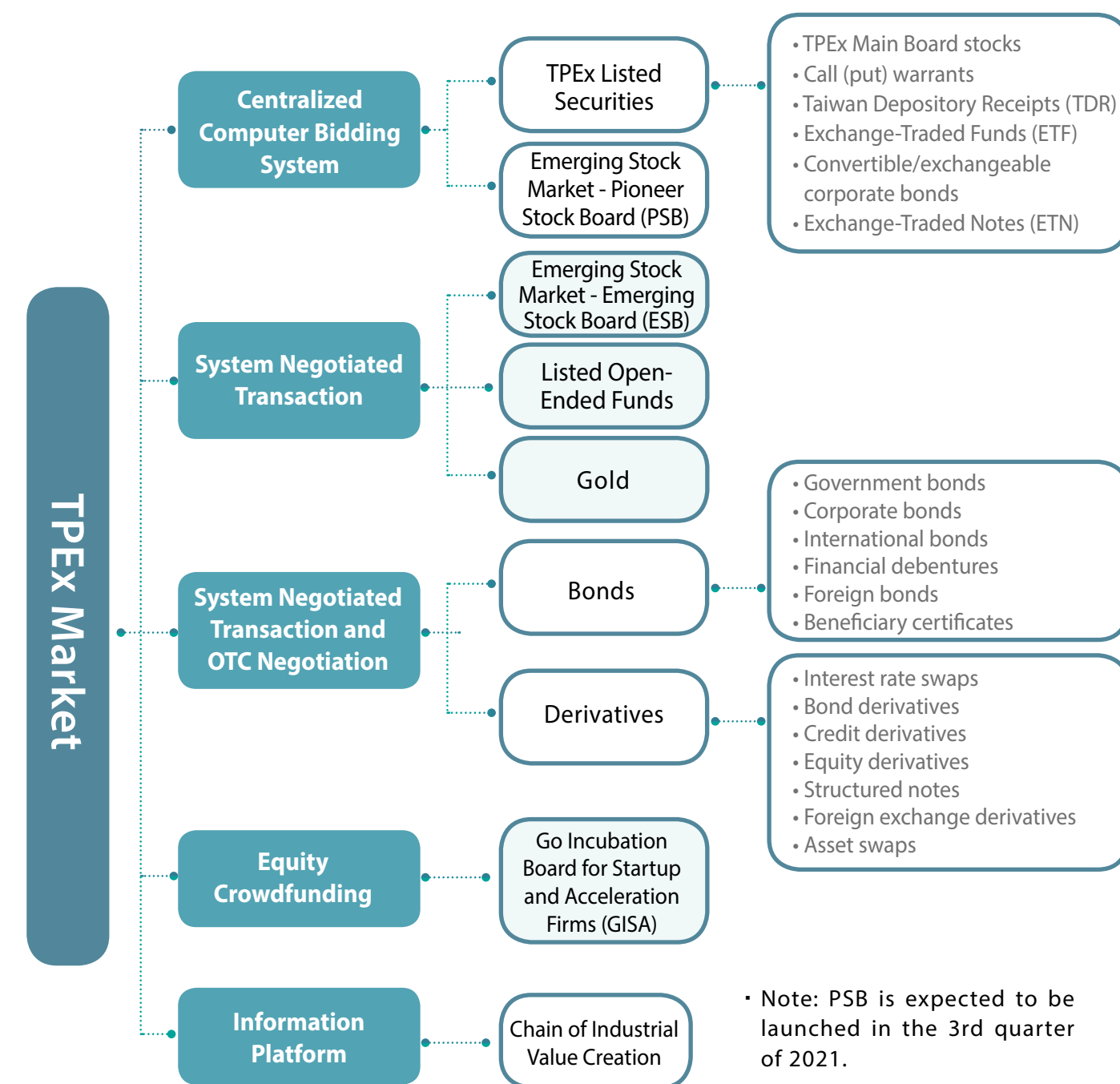
TPEX prides itself on being the force that drives the economy and cradles successful businesses. It operates a multi-tiered listing system that distinguishes listed entities among the Main Board, the Emerging Stock Board (ESB), and the Go Incubation Board of Startup and Accelerated firms (GISA) and supports the listing of bonds. It offers a high degree of versatility to satisfy the fundraising needs of businesses of varying sizes. TPEX also supports the nation's economic policies to grow specialized businesses and takes the initiative to develop new financial instruments and optimize the trading system.

In its 26th year, TPEX has become an all-rounded securities exchange and was recognized by the World Bank as one of the most experienced securities exchanges in supporting SMEs. Driven by the motto of becoming the preferred securities exchange for capital market participants, TPEX will continue bringing innovation with better services and more diverse products.

Profile

Name	Taipei Exchange
Headquarter	15F., No. 100, Sec. 2, Roosevelt Rd., Zhongzheng Dist., Taipei City
Year established	1994
Main scopes of service	Helping emerging small-to-medium-sized and micro-enterprises primarily in the high-tech industry, and the innovation and creativity industry to become listed and raise funds. Operating the market trading business of diverse instruments, such as stocks, bonds, ETFs, ETNs, call (put) warrants, and over-the-counter derivatives, including centralized trading and negotiation features.
Main market	Taiwan
Operating sites	Guting Office, Taipei City Banqiao Office, New Taipei City Banqiao Server Room, New Taipei City, Taichung Remote Backup Server Room, Taichung City
Number of employees	297 persons
Total assets	NT\$13.59 billion

TPEX Trading Services and Financial Products



History

Taiwan's over-the-counter (OTC) stock market took shape with the Taiwan Securities Association' efforts since February 1988. The Ministry of Finance subsequently decided in 1993 to establish TPEx, a non-profit institution, to formalize and strengthen Taiwan's capital market and specifically the OTC market. TPEx was established in accordance with the Securities and Exchange Act on July 27, 1994, and became officially operative on November 1. The initial funds were joint donations from the Taiwan Stock Exchange (hereinafter as TWSE), the Taiwan Securities Association, and the Taiwan Depository & Clearing Corporation (hereinafter as TDCC). The competent authority is the Financial Supervisory Commission (hereinafter as FSC).

1994~1999 Starting

- (1994/11)TPEx formally established
- (1996/7)Foreign investment permitted into the TPEx market
- (1998/12)Implemented the Joint Responsibility System Clearing and Settlement Fund system
- (1999/1)Permitted margin trading
- (1999/8)Promulgated relevant rules and regulations for the block trading system of Main Board stocks

2000~2004 Growing

- (2000/7)Introduced the Electronic Bond Trading System (EBTS) outright trade function
- (2002/1)Established the Emerging Stock Market
- (2002/5)Joined IOSCO as an affiliate member
- (2002/8)Officially launched the "Market Observation Post System (MOPS)"
- (2003/3)Launched OTC call (put) warrants

2005~2009 Maturing

- (2005/3)Introduced the EBTS repo trade function
- (2005/10)Obtained ISO9001 certification
- (2006/11)Issued the Formosa Bond
- (2006/11)Obtained the new version of ISO27001 information security standard certification
- (2007/3)Launched the Derivatives Trading System
- (2009/5)First foreign company registered on the Emerging Stock Market
- (2009/11)Launched the Foreign Bond Trading System

2010~2014 Expanding

- (2010/4)Became an affiliate member of The World Federation of Exchange (WFE)
- (2010/6)First foreign company became listed on the TPEx Main Board
- (2010/12)Officially launched the "TPEx Industry Value Chain Information Platform"
- (2011/1)First issuance of 2 ETFs, "Yuanta Taiwan GreTai 50 ETF" and "Polaris Taiwan Government Bond ETF," on the TPEx Main Board
- (2011/2)First foreign enterprise TDR listed on TPEx
- (2011/10)Became full member of the WFE
- (2013/4)Became full member of the AOSEF
- (2013/9)Become a member of CCP12, a global centralized clearing organization
- (2014/1)Launched the "Go Incubation Board for Startup and Acceleration Firms (GISA)"
- (2014/11)Officially launched the IRS Unwind Service Operating System
- (2014/12)Officially launched the IRS Platform

2015~2019 Deepening

- (2015/1)Officially launched the gold trading platform
- (2015/4)Permitted equity fundraising by securities firms
- (2016/9)Issued gold warrants
- (2017/5>Listed first batch of green bonds
- (2018/3)Awarded as a Green Bond Exchange
- (2019/3)Launched the TPEx 200 Index
- (2019/4)First issuance of 3 OTC ETNs
- (2019/6)Permitted the issuance of Sukuk by foreign issuers in Taiwan
- (2019/9) Recognized as "Designated Offshore Securities Market" by the U.S. Securities and Exchange Commission

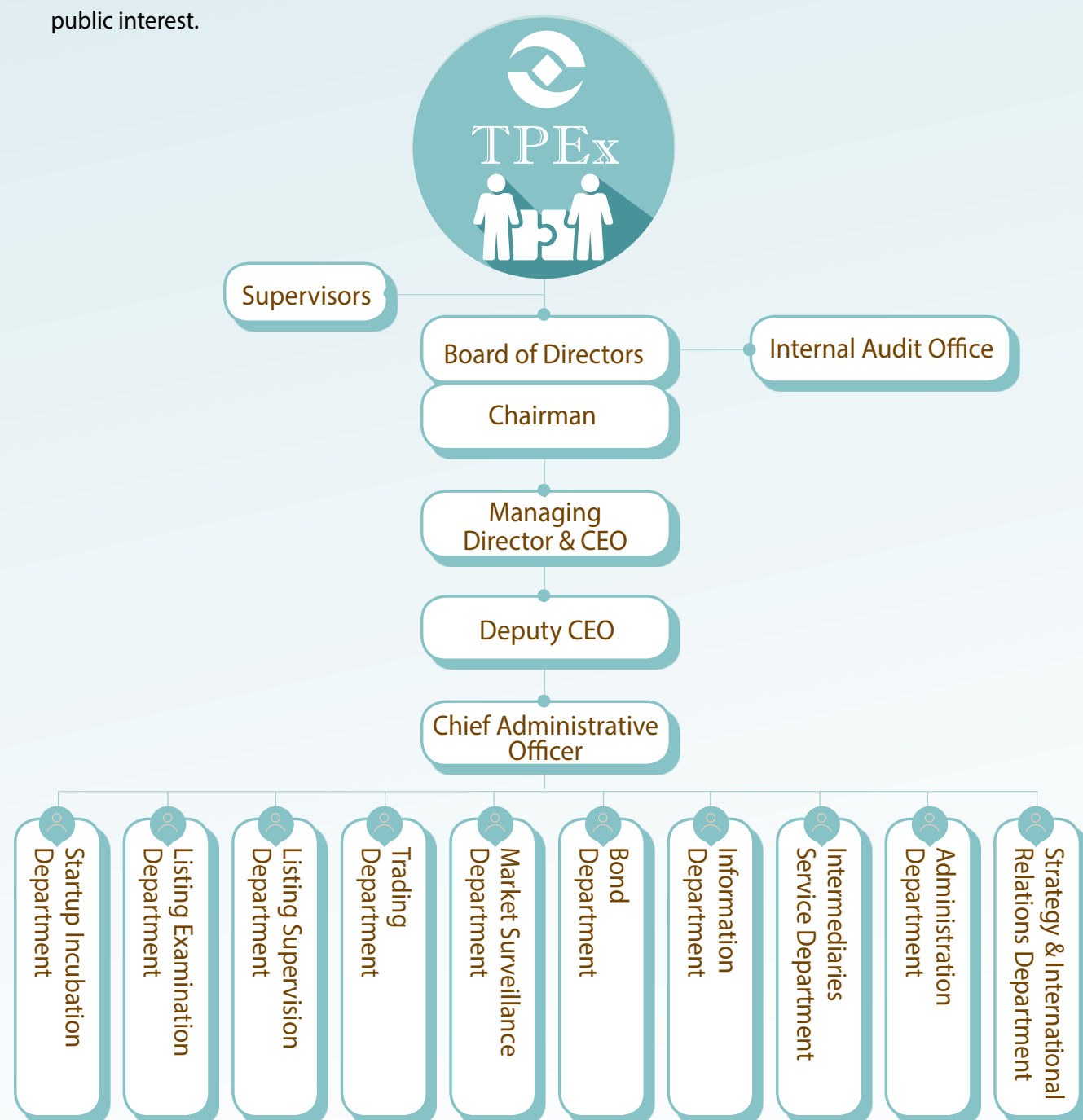
2020~2024 Leaping

- (2020/1)Promulgated the management measures and relevant regulations for security tokens (STO)
- (2020/3)Implemented the Continuous Trading System
- (2020/6)Released the TIP Taiwan TPEx CSR Index
- (2020/10)Established the Sustainability Bond Market
- (2020/10)Implemented the Intraday Odd Lot Trading system
- (2020/11)Annual issuance volume of the bond market in 2020 exceeded the NT\$3 trillion mark

Organizational Structure

The Joint Meeting of Directors and Supervisors is TPEX's highest governance unit, responsible for decision-making on economic, environmental, and social issues. The Board of Directors consists of 15 members, either delegated by the competent authority or elected among benefactors, experts, scholars, and securities firms. The five Supervisors were further appointed to supervise the Board of Directors. Relevant information on TPEX's governance is publicly available on the TPEX website.

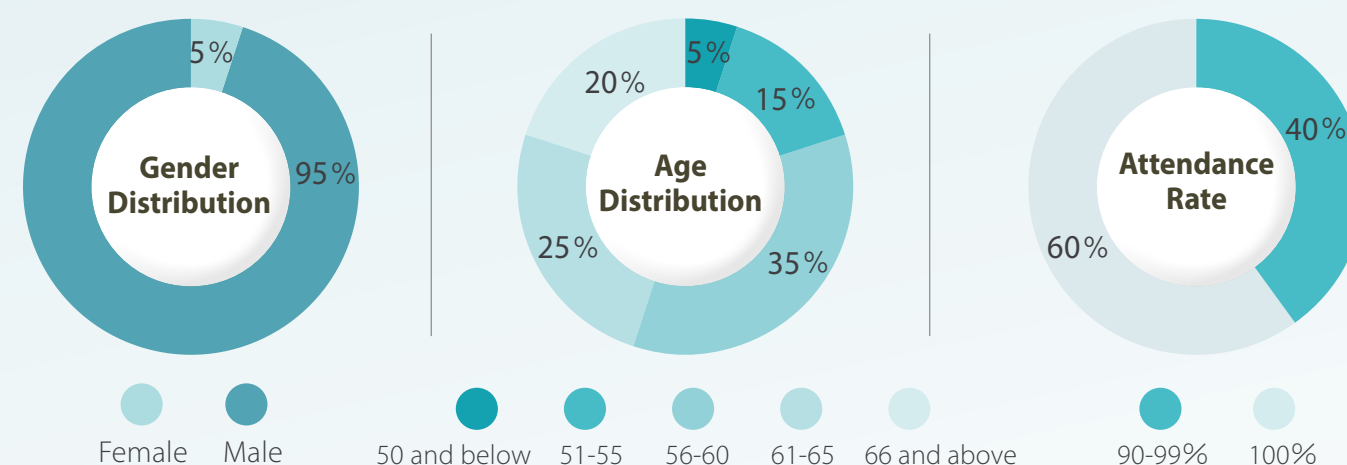
The current Board of Directors' three-year term is from August 10, 2018, to August 9, 2021. With expertise in management, finance, accounting, mathematics, law, and public finance, all directors are outstanding talents in the industry and academia with the commitments of being independent and upholding the public interest.



Chaired by the Chairman, TPEX convenes Joint Meetings of Directors and Supervisors every month. In 2020, TPEX held 12 meetings with a 97% average attendance rate of all directors and supervisors.

TPEX management team consists of the Managing Director & CEO, who implements the Board of Directors' resolutions and oversees TPEX business operations. There are up to two Deputy CEOs and one supporting Chief Administrative Officer. With the respective manager and up to two deputy managers heading the ten departments, the management assigns a team leader and a deputy team leader according to the business needs. In addition, an Internal Audit Office reports directly to the Board of Directors.

Members of the Joint Meeting of Directors and Supervisors














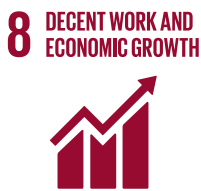




Business Performance

TPEX proactively promoted the listing on the TPEX market, launched diversified yet innovative instruments, enhanced domestic and foreign publicity, and participated in international organizations and conferences. The above efforts and the consequent daily average stock value growth contributed to the outstanding 2020 business performance and overall profit.

(Unit: NT\$)	2018	2019	2020
Operating Revenues	2,114,443,094	2,116,174,900	2,744,010,944
Operating Expenses	1,615,786,126	1,658,300,580	1,809,056,754
Non-Operating Income and Expenses	81,192,644	96,866,662	86,969,920
Surplus After Income Tax	479,942,233	463,147,449	833,896,408
Income Tax Expense	99,907,379	91,593,533	188,027,702

2020 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

Aspects	The United Nations' Sustainable Development Goals (SDGs)	2020 Actions	2020 Performance
Environmental	<div><div><div>7 AFFORDABLE AND CLEAN ENERGY</div></div><div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div></div> <div><div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div><div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div></div> <div><div><div>13 CLIMATE ACTION</div></div></div>	<ul style="list-style-type: none">· Promoting the TIP Taiwan TPEX CSR Index, Green Bonds, and Sustainability Bonds· Supporting the Task Force on Climate-related Financial Disclosures· Promoting a working environment with low environmental impacts	<ul style="list-style-type: none">· The Green Bond issuance reached a record high of NT\$56.6 billion, financing Taiwan's climate change adaptation, environmental protection, carbon emission reduction-related projects.· In June, TPEX launched the TIP Taiwan TPEX CSR Index, and the total returns reached 15.31% by the end of 2020.· In October, TPEX launched the Sustainability Bond Market supporting green and social projects. By the end of 2020, TPEX facilitated three tranches amounting to NT\$5.8 billion.· In October, TPEX established the dedicated Sustainable Bond Market section on the website, followed by the launch of the Sustainable Bond Market.· In October, TPEX formally supported the TCFD and promulgated amendments of the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies to strengthen climate-related disclosures.· TPEX promoted electronic operations, reducing paper consumption and saving 7% compared to 2019.
Social	<div><div><div>1 NO POVERTY</div></div><div><div>5 GENDER EQUALITY</div></div></div> <div><div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div><div><div>10 REDUCED INEQUALITIES</div></div></div>	<ul style="list-style-type: none">· Requiring suppliers to sign the "Suppliers' Commitment to Fulfill Corporate Social Responsibility"· Supporting and calling on companies to contribute to the "1919 Food Bank"· Financing rural medical service, elderly care, and educational resources for the disadvantaged· Holding the "Taipei Exchange online securities investment camp" to promote financial education	<ul style="list-style-type: none">· From November, 45 main suppliers signed the "Suppliers' Commitment to Fulfill Corporate Social Responsibility."· A total of more than NT\$1.32 million and 8,850 kilograms of rice and other supplies were donated, with joint participation from 16 listed companies.· The amount of funding for social welfare participation exceeded NT\$22 million.· Due to the pandemic's impact, the "Taipei Exchange online securities investment camp" was held online, with the participation of 37 colleges to promote financial inclusion.
	<div><div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div><div><div>17 PARTNERSHIPS FOR THE GOALS</div></div></div>	<ul style="list-style-type: none">· Supporting women's entrepreneurial activities· Providing equal opportunities in employment and promotion· Providing non-discriminatory and guaranteed parental leave	<ul style="list-style-type: none">· Collaborating with the Small and Medium Enterprise Administration (SMEA), Ministry of Economic Affairs (MOEA) in holding 4 "Women Entrepreneurship Salons" and 2 "Elite Entrepreneurs Conferences."· Females accounted for 54.5% of total employees and 50% of management positions.· Employees who took parental leave were 100% reinstated, and 100% continued to be employed one year after reinstatement.
		<ul style="list-style-type: none">· Taking the lead in purchasing socially innovative products or services· Developing the Pioneer Stock Board to assist innovative companies in Core Strategic Industries	<ul style="list-style-type: none">· TPEX has been awarded the Buying Power Award conferred by the SMEA, MOEA, for four consecutive years.· TPEX held a Pioneer Stock Board public hearing to consult innovative companies to improve and complete its planning.

Aspects	The United Nations' Sustainable Development Goals (SDGs)	2020 Actions	2020 Performance
Governance		<ul style="list-style-type: none"> Promoting the TPEX Main Board, Emerging Stock Board (ESB), and Go Incubation Board for Startup and Acceleration Firms (GISA) Boosting corporate financing and stock market transactions to create momentum for economic growth 	<ul style="list-style-type: none"> A total of 1,122 companies became listed on the Main Board, ESB, and GISA. The total market value of Main Board stocks increased to NT\$4.352 trillion, a 26.75% year-on-year growth. The average daily trading value of Main Board stocks and ESB stocks was NT\$49.335 billion and NT\$2.065 billion, respectively, exhibiting 56.94% and 179.43% growth. The total issuance of various bonds amounted to NT\$3.39 trillion, a record high.
	 	<ul style="list-style-type: none"> Promoting the Continuous Trading and Intraday Odd Lot Trading system Working with the competent authority to promote the Corporate Governance Roadmap Implementing supervision and maintaining market order to protect investors 	<ul style="list-style-type: none"> TPEX introduced Continuous Trading and Intraday Odd Lot Trading to improve transaction efficiency and lower the trading threshold of listed securities. In line with the new Corporate Governance 3.0, TPEX amended regulations to require corporate governance managerial roles and the board self- or peer evaluation. TPEX required companies to publish material information, annual financial reports, annual reports of shareholders meetings, and manuals of shareholders meetings on the Market Observation Post System in English. In the "CG WATCH 2020" appraisal, Taiwan ranked 4th among 12 Asian countries, the best result over the years.
	 	<ul style="list-style-type: none"> Implementing the 6th Corporate Governance Evaluation Encouraging the issuance of corporate social responsibility reports 	<ul style="list-style-type: none"> The 6th Corporate Governance Evaluation was completed, with 28 companies advanced in terms of performance. A total of 124 listed companies issued 2019 corporate social responsibility reports, of which 78 were voluntary. TPEX revised the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies," requiring listed companies to disclose on risk assessment and key indicators.
		<ul style="list-style-type: none"> Participating in international organizations and important meetings continuously Implementing the Ethical Corporate Management Best Practice Principles, Guidelines for Employee Ethical Conduct, and Implementation Measures for the Whistleblower System Auditing suppliers annually to ensure service quality Introducing the ISO 22301 business continuity management system 	<ul style="list-style-type: none"> TPEX continued participating in international organizations and important meetings, including the World Federation of Exchanges (WFE), International Organization of Securities Commissions (IOSCO), Global Association of Central Counterparties (CCP12), International Capital Market Association (ICMA), and Asian Securities Industry Financial Market Association (ASIFMA). There were no incidents of employee crime, fraud, violations of laws and regulations, or reporting. TPEX reviewed 311 suppliers with a 100% qualification rate. TPEX obtained ISO 22301 certification for the business continuity management system.

STAKEHOLDERS ENGAGEMENT

To strengthen and enhance communication with stakeholders, TPEX identified important stakeholders, extensively investigated issues of concern to stakeholders, and adjusted the sustainable development strategies.

Phase 1 Identifying Important Stakeholders		
Step 1 Inventorying Communication Targets	9 Major Stakeholder Categories	Considered past experience and 2020 operations, TPEX first identified 9 major stakeholder categories.
Step 2 Focusing on Communication Priorities	5 Important Stakeholder Categories	<ul style="list-style-type: none"> Adopted the AA1000 Stakeholder Engagement Standard stressing the five dimensions of "responsibility, tension, influence, diverse perspectives, and dependency." Three TPEX senior executives and 11 departments assessed the influences between stakeholders and TPEX via questionnaires and discussed the results in a cross-departmental meeting. TPEX identified five important stakeholder categories for 2020, including government agencies, customers, investors, intermediaries, and employees as communication priorities.
Phase 2 Identifying Material Issues		
Step 3 Inventorying TPEX Sustainability Issues	23 Sustainability Issues	<ul style="list-style-type: none"> TPEX comprehensively considered the communication experience with stakeholders, international trends, and significant industry issues. The issues included 13 on governance (economy), 3 on the environment, and 7 on the society.
Step 4 Assessing Concerns over Material Issues	<ul style="list-style-type: none"> Distributed 346 Questionnaires Analyzed 342 Questionnaires Increase by around 30% (compared to 2019) 	<ul style="list-style-type: none"> By distributing questionnaires to 9 major stakeholder groups, TPEX assessed the stakeholders' concerns over issues. To enhance stakeholder communication and participation, TPEX distributed more questionnaires with 342 valid.
Step 5 Evaluating Material Issues' Impacts	<ul style="list-style-type: none"> 3 Senior Executives of the Sustainability Committee Internal Consultations on 5 Major Aspects 	<ul style="list-style-type: none"> Three senior executives of the Sustainability Committee assessed each issue's impacts on TPEX. The five units under the Sustainability Committee discussed the impact levels on TPEX.
Step 6 Analyzing with Materiality Matrix	<ul style="list-style-type: none"> 9 Major Sustainability Issues 7 Issues of Stakeholders' Concern + 2 Voluntary Disclosures 	<ul style="list-style-type: none"> We integrated the evaluation results of steps 4 and 5 to illustrate a materiality matrix and identified 7 material issues for 2020. Consider the communication experience with stakeholders and the balance between aspects, we voluntarily disclosed 2 additional issues and concluded the 9 material issues for 2020.

Stakeholder Groups	Importance to TPEX	Main Communication Channels and Frequency	Issues of Concern	Corresponding Chapters	Communication Results
Government Agencies	<ul style="list-style-type: none"> TPEX is a franchise business approved by the competent authority; as such, it is obligated to cooperate with the competent authority's supervision and inspection. Government agencies at all levels have influence, binding force, and legal authority on TPEX's daily operations. 	<ul style="list-style-type: none"> Meetings and public hearings (irregular) Formal correspondence (irregular) Phone calls, fax, and email (irregular) Compiling and reporting important business statistics (regular) 	<ul style="list-style-type: none"> System Stability and Resilience Legal Compliance Financial Education A Fair, Transparent, and Orderly market 	<ul style="list-style-type: none"> Financial Inclusion Market Development 1-1 Growth 1-2 Sustainability 2-2 Operation Management 	<ul style="list-style-type: none"> There were no major penalties in 2020. TPEX cooperated with the competent authority in reviewing and revising various rules and regulations.
Customers	<ul style="list-style-type: none"> After receiving the counseling and examination by TPEX, domestic and foreign companies issue stocks to be listed on the Main Board, ESB or GISA, or issue bonds to raise funds, thus facilitating economic growth and capital mobility. The customers also include those TPEX provide information and labor services to. 	<ul style="list-style-type: none"> Field visits (irregular) Symposiums, educational promotion, forums and public hearings (irregular) TPEX family networking events (annual) Formal correspondence (irregular) Phone calls, fax, and email (irregular) Routine audits (regular/quarterly/monthly) Special audits (irregular) 	<ul style="list-style-type: none"> Legal Compliance A Fair, Transparent, and Orderly Market Ethics and Integrity Management Information Security and Personal Information Protection 	<ul style="list-style-type: none"> Market Development 1-1 Growth 1-2 Sustainability 2-2 Operation Management 	<ul style="list-style-type: none"> By the end of 2020, 782 companies were listed on the Main Board, 253 companies were registered on the ESB, and 87 domestic companies were registered on GISA. Considering the innovative companies' limitations, TPEX plans to launch the "Pioneer Stock Board" in the 3rd quarter of 2021. Considering the pandemic's impact, TPEX has formulated IPO tolerance measures. In 2020, the bond market's issuance volume reached NT\$3.39 trillion, a record high.
Investors	<ul style="list-style-type: none"> TPEX provides bonds, stocks, warrants, ETFs, ETNs, derivatives, and other products, enabling investors of different attributes and types to participate. TPEX undertakes the mission of providing a fair and safe trading environment and meeting the investors' needs. 	<ul style="list-style-type: none"> TPEX market performance presentations (quarterly) Investor seminars (irregular) Market Observation Post System updates (regular, irregular) Market announcements and press releases (irregular) Investor email, service hotline (irregular) Official website and social media (irregular) 	<ul style="list-style-type: none"> Ethics and Integrity Management Legal Compliance A Fair, Transparent, and Orderly Market Information Security and Personal Information Protection 	<ul style="list-style-type: none"> Market Development 1-1 Growth 1-2 Sustainability 2-2 Operation Management 	<ul style="list-style-type: none"> In 2020, the number of new accounts opened in the TPEX market increased by nearly 640,000 compared to 2019, and the growth rate was as high as 75%. In 2020, the total number of investors performing transactions in the TPEX market exceeded 2.45 million. Compared to the number of investors in 2019, the total number of investors performing transactions increased by nearly 710,000, a growth rate of 40%, and a record high in the history of the TPEX market. In 2020, TPEX received 505 letters from investors through the investor mailbox, and 100% have been handled and replied to.

Stakeholder Groups	Importance to TPEX	Main Communication Channels and Frequency	Issues of Concern	Corresponding Chapters	Communication Results
Intermediary Agencies	<ul style="list-style-type: none"> Intermediary agencies are important partners helping TPEX to draw enterprises into the capital market. These professional institutions serve as an important bridge to improve TPEX's counseling and examination efficiency and promote the matching of high-quality enterprises with market funds. 	<ul style="list-style-type: none"> Meetings, seminars and promotional events (irregular) Formal correspondence (irregular) Phone calls, fax, and email (irregular) Intermediary agency award ceremonies (annual) Listing examination satisfaction survey (every six months) 	<ul style="list-style-type: none"> Legal Compliance Ethics and Integrity Management Corporate Governance A Fair, Transparent, and Orderly Market 	<ul style="list-style-type: none"> Market Development 1-1 Growth 1-2 Sustainability 2-2 Operation Management 	<ul style="list-style-type: none"> In the first and second halves of 2020, TPEX distributed questionnaires to 11 and 18 securities underwriters, respectively. The response rate was 100%, and the overall satisfaction with TPEX services reached 100%. TPEX held the "Award Ceremony and Business Symposium" to commend 5 securities firms and 4 accounting firms for their outstanding contributions.
Employees	<ul style="list-style-type: none"> Employees are important assets of TPEX responsible for developing new products, maintaining various trading systems, supervising the market, promoting corporate, fundraising and activating the securities market. High-quality and competent talents are the key to strengthening TPEX's competitiveness. 	<ul style="list-style-type: none"> Education and training for management associates and all employees (irregular) Encouragement meetings (quarterly) Sports meets (annual) Year-end thanksgiving parties (annual) Employee/employer meetings (quarterly) Personnel appraisal group meeting (every six months) Sexual harassment complaint handling committee (irregular) Employee Pension Fund Management Committee and Labor Retirement Reserve Supervision Committee (quarterly) 	<ul style="list-style-type: none"> Employees' Compensation and Benefits Legal Compliance Occupational Health and Safety Ethics and Integrity Management 	<ul style="list-style-type: none"> 2-2 Operation Management 4-2 Workplace Wellbeing 	<ul style="list-style-type: none"> According to the employee opinion survey on the 2020 education and training plans, 100% of colleagues said that the hours are sufficient. All employees reinstated in 2019 remained employed one year after their reinstatements.



Stakeholder Engagement Highlight (1)

Developing and Promoting Sustainability Bond Market

TPEX dedicates to promote sustainable finance in Taiwan by following major exchanges across the globe and considering these trends to develop Sustainability Bond Market in Taiwan. The planning process prioritizes stakeholder engagement and communication.

Communicate	Plan	Promote
<ul style="list-style-type: none"> Jul. 2020 Visited the Financial Supervisory Commission (FSC) to communicate the proposal content and supporting measures and engaged through phone calls and emails to ensure regulatory feasibilities. Aug. 2020 Visited multiple potential issuers to understand their recommendations. 	<ul style="list-style-type: none"> Aug. 2020 Finalized and submitted the proposal to the FSC. Sep. 2020 Received FSC's consent and announced the Operational Directions for Sustainability Bonds and related documents on October 6. 	<ul style="list-style-type: none"> Nov. 2020 CTBC Bank and Bank SinoPac issued the first batch of Sustainability Bonds and received positive feedback from market participants. Dec. 2020 Organized online roadshows to communicate with enterprises, while specialized sections and features were launched on the TPEX website and the Market Observation Post System. By the end of 2020, 8 press releases and feature stories were released for further communication. Apr. 2021 Received recognition from the competent authority regarding the robust planning works.

Stakeholder Engagement Highlight (2)

Rolling Out Continuous Trading for Enhanced Efficiency

To respond to the growing demands for transaction efficiency, TPEX began to communicate with investors, the competent authority, affiliated organizations, and IT service providers. The launch in March 2020 proved to increase transaction volume, reduce service requests, and invigorate the market.

Communicate	Plan	Promote
<ul style="list-style-type: none"> Since 2011, TPEX began to communicate with investors, the competent authority, affiliated organizations, and IT service providers. 	<ul style="list-style-type: none"> 2019-2020 TPEX organized 40 investor workshops and 12 securities practitioners training. Mar. 2019~Mar. 2020 TPEX and TWSE launched the Simulation Platform to enable investors to acquire familiarity and organized prized activities to encourage investors to actively participate, with a hotline provided for instant assistance. 	<ul style="list-style-type: none"> Mar. 2020 Continuous Trading system launched. TPEX promotes through media and a dedicated section on the website providing introduction and consultation, with the hotline continues to provide instant assistance.

Stakeholder Engagement Highlight (3)

Pioneer Stock Board for Innovative Enterprises

TPEX attaches importance to innovative enterprises' demands for listing and obtaining financing. We have learned from the rich experience on cultivating small-and-medium enterprises and emerging industries into the capital market for accelerated growth.

Communicate	Plan	Promote
<ul style="list-style-type: none"> TPEX grasped the innovative enterprises' demands for listing and obtaining financing through regular business engagement. 	<ul style="list-style-type: none"> TPEX referred to the trends that major exchanges establish new boards to support innovation. Throughout the process, we visited intermediary organizations (securities firms and accountants), innovative companies, and external stakeholders to advance the proposal for Pioneer Stock Board. Oct. 2020 TPEX organized a public hearing on the Pioneer Stock Board, inviting innovative companies, intermediary organizations, and relevant industry associations to exchange opinions. 	<ul style="list-style-type: none"> Dec. 2020 TPEX received the competent authority's consent on the proposal, and Pioneer Stock Board is expected to be launched in July 2021.



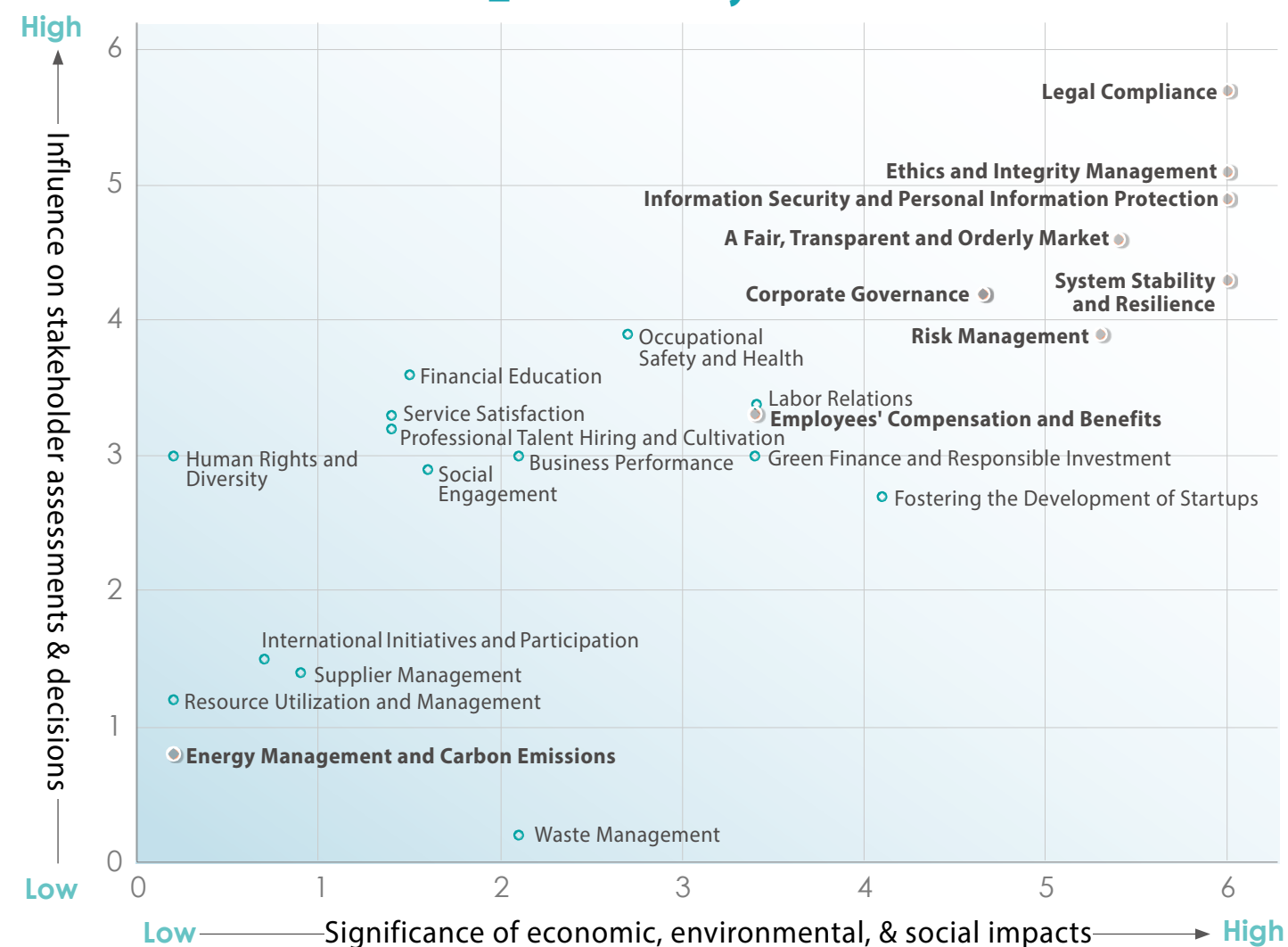
MATERIAL TOPICS MANAGEMENT

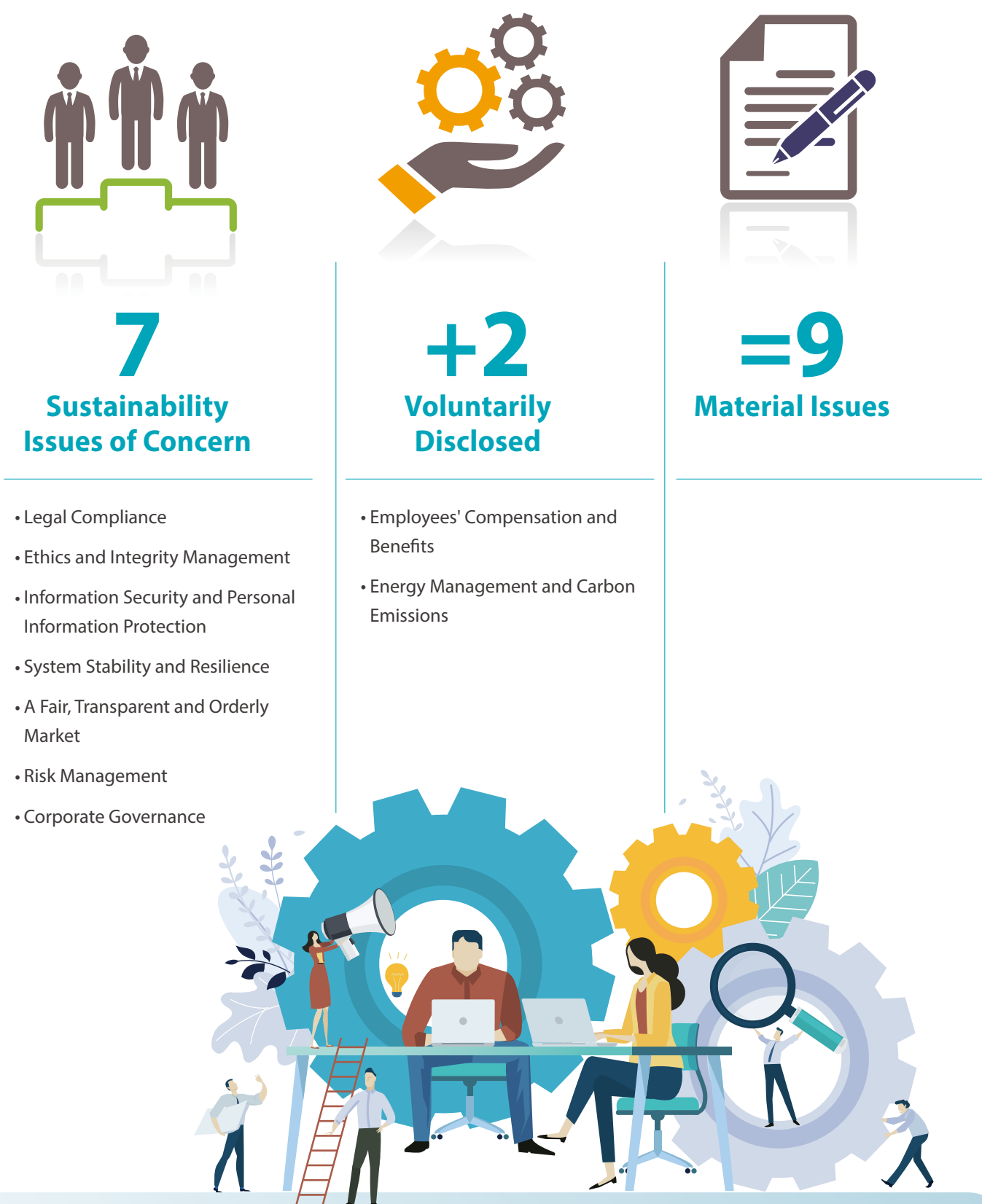
Identifying Material Issues

Considering the questionnaires on material sustainability issues of concern, TPEX focused on those summing up to 8 points or more, concluding with 7 material issues.

To balance between all aspects and consider industry peers' practices, TPEX voluntarily disclosed on two additional issues of "Employees' Compensation and Benefits" and "Energy Management and Carbon Emissions." The Sustainability Reporting Task Force then submitted 9 material issues for 2020 to the Chair of the Sustainability Committee to be approved. Compared with 2019, "Energy Management and Carbon Emissions" was included, while "Open and Transparent Information Disclosure" was not included in 2020.

Materiality Matrix





Corresponding Material Topics

TPEX corresponded the 9 material issues identified with the GRI Standards by reviewing their internal and external impacts, thereby validating the boundaries of this Report's disclosures.

Material Issues	Importance to TPEX	GRI Material Topic/ Self-designated Topics	Corresponding Chapters
Legal Compliance	TPEX upholds the spirit of integrity, legal compliance, transparency, and responsibility to protect every stakeholders' rights and interests, facilitate market development, and reinforce the foundation of sustainable economic prosperity.	Environmental Compliance; Socioeconomic Compliance; Marketing and Labeling	• Chapter 2 Reinforcing Good Governance • Chapter 3 Facilitating Environmental Sustainability
Ethics and Integrity Management	TPEX has established a moral atmosphere and organizational culture of impartiality, equality, and anti-corruption, and implements the integrity management policy to create a fair and orderly market.	Anti-Corruption	• Chapter 2 Reinforcing Good Governance
Information Security and Personal Information Protection	TPEX implements comprehensive information security management and personal data protection to ensure the privacy and security of customers' and stakeholders' information, and maintain market stability.	Customer Privacy	• Chapter 2 Reinforcing Good Governance
System Stability and Resilience	TPEX maintains the stability of the financial market trading system to ensure the ability to respond to disasters or crises and secure the trust of capital market participants.	System Stability and Resilience	• Chapter 1 Building a Robust Market • Chapter 2 Reinforcing Good Governance
A Fair, Transparent, and Orderly Market	TPEX ensures market order, fairness, and transparency by strengthening market supervision to activate market transactions and promote sustainable development.	A Fair, Transparent, and Orderly Market	• Chapter 1 Building a Robust Market
Risk Management	TPEX has established a proper risk management and control mechanism to stably carry out TPEX's businesses and promote the sustainable development of the capital market.	Risk Management (General Disclosure)	• Chapter 2 Reinforcing Good Governance
Corporate Governance	By improving internal governance and shaping a good corporate culture, TPEX ensures that businesses remain in compliance with the competent authority's requirements as well as laws and regulations, and safeguards the interested parties' rights and interests.	Corporate Governance (General Disclosure)	• Chapter 2 Reinforcing Good Governance
Employees' Compensation and Benefits	TPEX provides employees with proper care through a comprehensive compensation and benefits program, and utilizes education and training programs to retain talents so that employees can actively seek development and growth with TPEX.	Market Presence; Employment; Diversity and Equal Opportunity	• Chapter 4 Prospering with Community
Energy Management and Carbon Emissions	The risk of climate change is a subject of global attention. In addition to managing TPEX's own energy usage, it also supports environmental protection and green industries, and assists companies in establishing management mechanisms.	Energy; Emissions	• Chapter 3 Facilitating Environmental Sustainability

Impact of Material Topics

Material Issues	Corresponding Topics in GRI Standards	Internal		External			
		TPEX	Employees	Government Agencies	Customers	Investors	Intermediary Agencies
Legal Compliance	Environmental Compliance; Socioeconomic Compliance; Marketing and Labeling	●	●	○	○	○	○
Ethics and Integrity Management	Anti-Corruption	●	●	○	○	○	○
Information Security and Personal Information Protection	Customer Privacy	●	○	○	○	●	○
System Stability and Resilience	System Stability and Resilience	●	○	○	○	●	○
A Fair, Transparent, and Orderly Market	A Fair, Transparent, and Orderly Market	●	○	○	●	●	○
Risk management	Risk Management (General Disclosure)	●	●	○	○	○	○
Corporate Governance	Corporate Governance (General Disclosure)	●	●	●	○	●	
Employees' Compensation and Benefits	Market Presence; Employment; Diversity and Equal Opportunity	●	●	○			
Energy Management and Carbon Emissions	Energy; Emissions	●	○	○			

● indicates direct impact
○ indicates indirect impact

TPEX Sustainability Committee

TPEX has established an inter-departmental Sustainability Committee chaired by the Managing Director & CEO. With the Deputy CEO overseeing the Strategy & International Relations Department as the vice-chair, each department's head joins as the committee members. The Committee is further organized into five functional units to promote the sustainable development of TPEX.



**Committee Convener/
Chair: Managing Director & CEO**

Review and Approve ESG Value Proposition and Sustainability-related Plans
Review goals and progress



Vice Chair: Deputy CEO overseeing the Strategy & International Relations Department

Coordinate and Supervise TPEX's Sustainability-related Businesses



**Committee Members:
Department Heads**

Promote TPEX's Sustainability-related Businesses



Social Care Unit Environmental Sustainability Unit Corporate Governance Unit Market Trading Unit Employee Care Unit

Each unit comprises one member appointed by the department with the closest nature of business and one member from the Strategy & International Relations Department

Implement TPEX's Sustainability-related Businesses
Monitor TPEX's Sustainability Performance

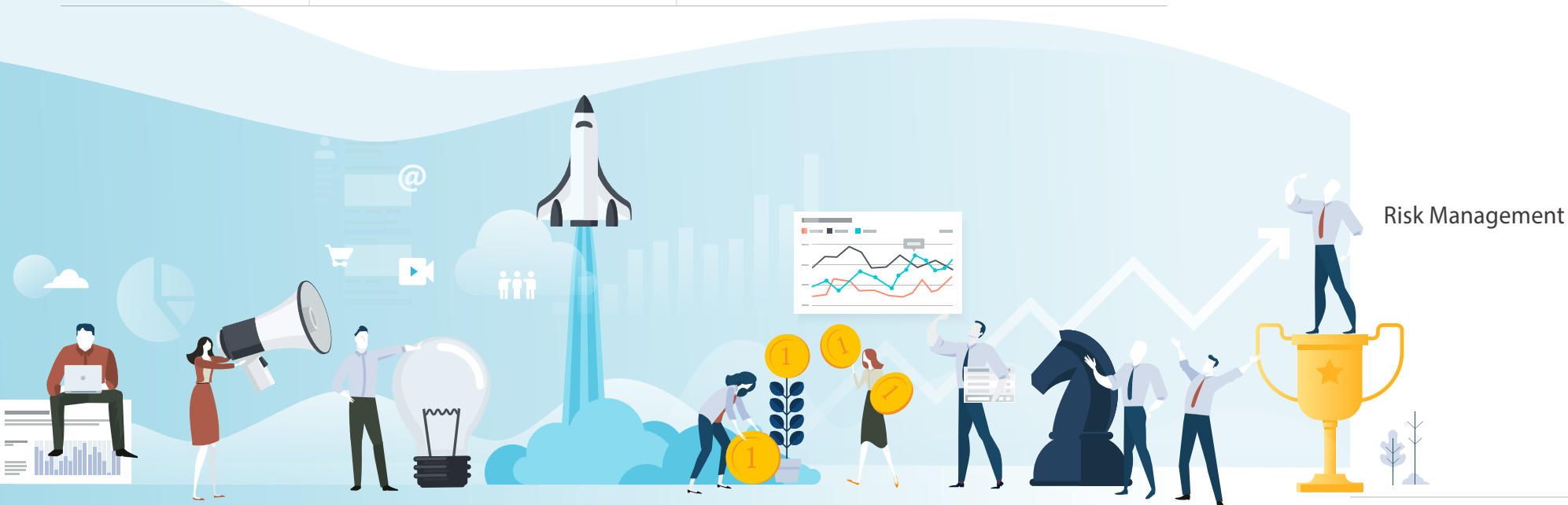
Management Approaches of Material Topics

GRI Material Topic/ Self-designated Topics	Management Approaches and Grievance Mechanisms	Evaluation Mechanisms and 2020 Accomplishments
Legal Compliance	Policies/Commitments/ Objectives: <ul style="list-style-type: none"> Ensure that all business execution complies with laws and regulations. 	Evaluation Mechanisms: <ul style="list-style-type: none"> Every six months, each department performs a self-assessment of compliance with laws and regulations. Every year, the Internal Audit office performs inspections of compliance on all departments.
	Grievance Mechanisms: <ul style="list-style-type: none"> Official correspondence Investor mailbox, Investor hotline, Chief's mailbox. 	2020 Accomplishments: <ul style="list-style-type: none"> No abnormalities were found in the self-assessments of legal and regulatory compliance and the internal audits' results. No violations of environmental, social, and economic regulations. No non-compliance concerning product and service information and labeling, and non-compliance concerning marketing communications.
Ethics and Integrity Management	Policies/Commitments/ Objectives: <ul style="list-style-type: none"> Establish an organizational culture of impartiality, equality, and anti-corruption. Prevent conflicts of interests and eliminate dereliction of duty. TPEX formulates several self-discipline standards for integrity management. 	Evaluation Mechanisms: <ul style="list-style-type: none"> All employees are required every year to participate in integrity courses. TPEX audits employees' trading of Main Board, ESB, and GISA securities every quarter according to the annual audit plan. The Internal Audit office then forwards the results to the supervisors for review by the end of the following month, and reports to the Joint Meeting of Directors and Supervisors on a quarterly basis.
	Grievance Mechanisms: <ul style="list-style-type: none"> TPEX Whistleblowing Channels Reporting hotline: 02-2366-6084 Reporting email: ethics@tpex.org.tw 	2020 Accomplishments: <ul style="list-style-type: none"> No reports of crimes, fraud, or violations of laws and regulations by employees were received. The completion rate of employees participating in integrity courses reached 94%. The results of the questionnaire survey on the satisfaction of securities underwriters showed that the examiners exhibited no improper conduct, and overall satisfaction reached 100%.

GRI Material Topic/ Self-designated Topics	Management Approaches and Grievance Mechanisms	Evaluation Mechanisms and 2020 Accomplishments
Information Security and Personal Information Protection	Policies/Commitments/ Objectives: <ul style="list-style-type: none"> TPEX protects the confidentiality, integrity, and availability of information assets, thereby ensuring safe and stable information services. TPEX ensures that the collection, processing, and use of personal data comply with legal requirements and reduce the risk of improper disclosure of personal data. TPEX ensures no leakage of confidential information to create a reliable and trustworthy financial environment. 	Evaluation Mechanism: <ul style="list-style-type: none"> Formulate information security policies, personal data protection manuals, and related procedures, and perform external and internal audits every six months. The information security specialists receive external information security professional education and training every year. Convene Information Security Management Review meetings and Personal Data Management Review meetings. All employees receive information security and personal information education and training every year.
Information Security and Personal Information Protection	Grievance Mechanisms: <ul style="list-style-type: none"> Information Security Management Review meetings, Personal Data Management Review meetings, Investor hotline, Investor mailbox. 	2020 Accomplishments: <ul style="list-style-type: none"> Continuous and effective certification of ISO 9001, ISO 27001, ISO 20000, and BS10012 issued by BSI Taiwan. 15 hours of professional information security training for information security supervisors and personnel. 2 Information Security Management Review meetings and Personal Data Management Review meetings, respectively. No instances of hacking, tampering, or leakage of personal data in 2020. The completion rate of all employees participating in information security and personal information protection courses reached 99%.
System Stability and Resilience	Policies/Commitments/ Objectives: <p>TPEX commits to ensuring the security of information systems, and maintaining good system quality, testing quality, monitoring quality, backup mechanism, and operating procedures.</p>	Evaluation Mechanisms: <ul style="list-style-type: none"> Perform external and internal audits every six months. Convene regular Information Security Management Review meetings. Test the backup system regularly with an over 96% success rate. Transactions shall not be affected by programming errors. Service shall not be interrupted by capacity factors.

GRI Material Topic/ Self-designated Topics	Management Approaches and Grievance Mechanisms	Evaluation Mechanisms and 2020 Accomplishments
System Stability and Resilience	Grievance Mechanism: Business contact persons.	2020 Accomplishments: <ul style="list-style-type: none"> Continuous and effective certification of ISO 9001, ISO 27001, and ISO 20000 issued by BSI Taiwan. Certification of ISO 22301 Operation Continuity Management System (2019 Edition) obtained in December 2020. No transactions were affected by programming errors; no service interruptions were caused by capacity factors. Two same-site and two different-site system backup test drills, information security incident notification drills, and distributed denial of service (DDoS) attack drills. In response to the pandemic, the TPEX information personnels were diverted to work in 4 locations.
A Fair, Transparent, and Orderly Market	Policies/Commitments/ Objectives: To ensure the fairness, impartiality, and openness of securities market operations, TPEX is committed to implementing securities firm audits, delivering education and training, performing supervision, and strengthening information disclosure.	Evaluation Mechanisms: <ul style="list-style-type: none"> Cooperate with the competent authority to promote new trading systems. Conduct securities firm audits and deliver education and training. Supervise abnormal transactions. Implement tiered management of internal control audits on companies. Disseminate promotional information to companies as well as intermediary agencies. Manage the information reporting and material information release in the TPEX market.

GRI Material Topic/ Self-designated Topics	Management Approaches and Grievance Mechanisms	Evaluation Mechanisms and 2020 Accomplishments
A Fair, Transparent, and Orderly Market	Grievance Mechanisms: <ul style="list-style-type: none"> Investor hotline and investor mailbox, Dedicated service windows for each issuing company as well as online and offline communication channels. Seminars and communications with intermediary agencies. Appeal and review mechanism for securities firms that are discovered with deficiencies in audits. 	2020 Accomplishments: <ul style="list-style-type: none"> Launch of Continuous Trading and Intraday Odd Lot Trading. A total of 165 audits performed on securities firms, including routine and special audits, risk assessments, and prevention of money laundering. 18 seminars on the newly amended Standards for the Internal Control Systems of Securities Firms were co-organized with the TWSE, with 1,600 participants. Announcement of Attention Main Board Securities has been announced 3,277 times among 465 securities; Announcement of Disposition Main Board Securities has been announced 404 times among 205 securities; Announcement of Attention Emerging Stock Market Securities has been announced 77 times among 45 securities. All securities firms completed the audits on financial report and internal control implementation. 1 online "Seminar on Main Board and ESB Companies' Obligations," 5 "Insider Ownership Seminar for Main Board and ESB Companies," and 6 seminars on preventing illegal transactions by securities firm practitioners. 413 Main Board companies and 42 ESB companies received audits on material information disclosure. The "Key Financials Section" was maintained and updated.
	Policies/Commitments/ Objectives: TPEX improves the quality of risk management, integrates risk management into the decision-making process to effectively identify, measure, supervise, prevent, and control various risks during work planning and business promotion.	Evaluation Mechanisms: <ul style="list-style-type: none"> Perform regular departmental risk assessments. Convene Risk Management Committee meetings to review risk items. Conduct situational simulation drills from time to time. Revise the internal control system and report to the Board of Directors in accordance with regulatory changes
	Grievance Mechanisms: <ul style="list-style-type: none"> Risk Management Committee, Business Continuity Committee, Internal Audit office. 	2020 Accomplishments: <ul style="list-style-type: none"> A total of 47 risk items were identified by all TPEX departments. A risk management committee meeting was convened to confirm risk items. A Business Continuity Committee meeting was convened to review relevant plans for further drills. The internal control system was revised twice to ensure the effectiveness of risk management.



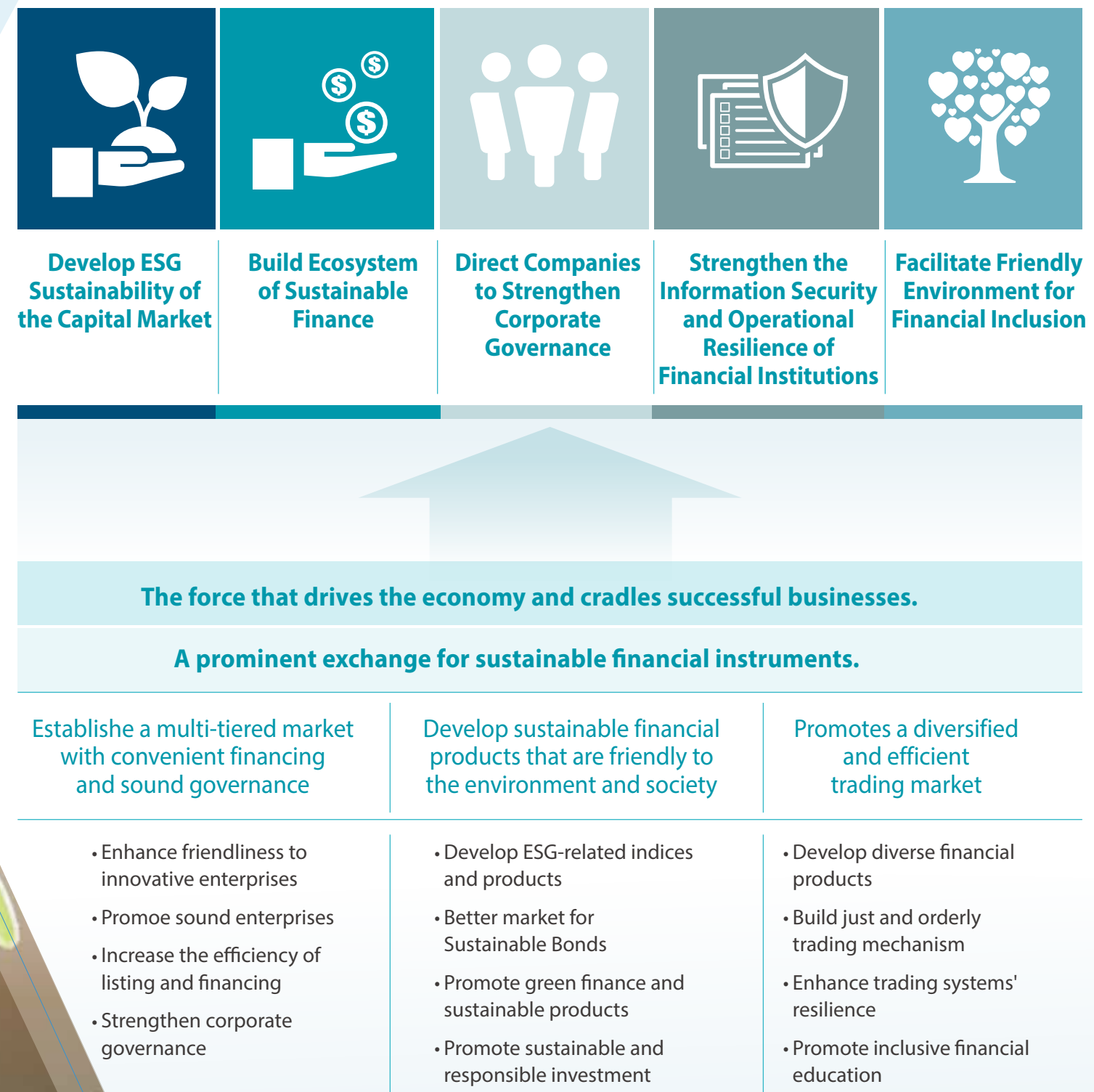
GRI Material Topic/ Self-designated Topics	Management Approaches and Grievance Mechanisms	Evaluation Mechanisms and 2020 Accomplishments
Corporate Governance	Policies/Commitments/ Objectives: TPEX establishes a comprehensive corporate governance structure and leads by example to guide listed companies toward improving the quality of corporate governance.	Evaluation Mechanisms: <ul style="list-style-type: none"> Convene Joint Meetings of Directors and Supervisors every month. The Internal Audit office regularly reports to supervisors, tracks improvements, and reports to the Joint Meeting of Directors and Supervisors every quarter.
	Grievance Mechanisms: <ul style="list-style-type: none"> Formal correspondence, Reports to Joint Meetings of Directors and Supervisors, Investor mailbox. 	2020 Accomplishments: <ul style="list-style-type: none"> TPEX convened 12 Joint Meetings of Directors and Supervisors, with a 97% average attendance rate of directors and supervisors. The Internal Audit office proposed 11 items for improvement. All proposals have been sent to the supervisors for monthly review, and reported to the Joint Meetings of Directors and Supervisors on a quarterly basis. Except for one improvement completed on March 11, 2021, all others items were rectified in 2020. Taiwan's corporate governance scores improved in the Asian Corporate Governance Association's "CG WATCH" assessment, and Taiwan ranks 4th among 12 Asian countries in "CG WATCH 2020", achieving the best results over the years.
Employees' Compensation and Benefits	Policies/Commitments/ Objectives: TPEX implements comprehensive personnel management as well as compensation, reward, and welfare program to help employees pursuing their careers and promote their physical and mental well-being.	Evaluation Mechanisms: <ul style="list-style-type: none"> Formulate guidelines on personnel management, annual performance appraisal, promotion and evaluation, rotation, incentives, welfare subsidies, and the education subsidies for employees' children. Convene regular Labor-Management Meetings. Perform annual performance and promotion appraisals. Organize various employee education and training sessions. Provide benefits including life care, personal growth, and work-life balance superior to the measures stipulated by the Labor Standards Act. Organize regular health consulting services for employees.

GRI Material Topic/ Self-designated Topics	Management Approaches and Grievance Mechanisms	Evaluation Mechanisms and 2020 Accomplishments
Employees' Compensation and Benefits	Grievance Mechanisms: <ul style="list-style-type: none"> Employee complaint channels, Labor-Management Meetings, Personnel Review Committee meetings. 	2020 Accomplishments: <ul style="list-style-type: none"> Personnel management 100% handled 100% in accordance with the guidelines. Four Labor-Management meetings were held in 2020. All employees who have served for six months or more completed their performance appraisals. No employee complaints were received throughout the year. The average hours of education and training employees received throughout the year reached 30.17 hours. All employees reinstated in 2019 remained employed one year after their reinstatements. On-site health education services are held three times a month with registered nurses, and health education/consultation services are held three times a year with contract physicians.
Energy Management and Carbon Emissions	Policies/Commitments/ Objectives: Internally, TPEX actively promotes various energy-saving, carbon- and waste-reducing policies; externally, TPEX supports companies related to environmental protection, and urges all companies to fulfill corporate social responsibilities and manage climate-related matters.	Evaluation Mechanisms: <ul style="list-style-type: none"> Monitor the energy and resource usage, with monthly data on energy and resource usage compiled and circulated via the intranet. Enable the green energy technology and renewable energy industries to enter the capital market and develop green financial products.
	Grievance Mechanisms: <ul style="list-style-type: none"> Formal correspondence, Communications through business contact persons. 	2020 Accomplishments: <ul style="list-style-type: none"> Green bonds issuance amount reached NT\$56.6 billion. Three green energy companies and one renewable energy company were issued on the TPEX market. In January 2020, TPEX announced the amendments to the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies," In October 2020, TPEX officially became a signatory to the TCFD. Paper use reduced by 7.4% compared to 2019 due to the promotion of electronic operations.

TPEX SUSTAINABILITY STRATEGIES

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TPEX echoes with the competent authority's "Capital Market Roadmap," promoting the sound development of the capital market and the sustainable development of ESG as a specialized exchange for sustainable financial products. TPEX establishes a multi-tiered market with convenient financing and sound governance, develops sustainable financial products that are friendly to the environment and society, and promotes a diversified and efficient trading market to leverage the capital market driving major economic, social and environmental transformations.



Market Development

A Multi-Tiered Capital Market

TPEX currently operates a multi-tiered capital market framework that comprises the Main Board, the ESB, and the GISA. A new Pioneer Stock Board (PSB) is also scheduled to launch in the 3rd quarter of 2021. From an issuer's perspective, businesses of different sizes and stages of growth may choose to list in the most suitable board. From a trader's perspective, investors may choose to trade in a board that meets their requirements, given their wealth, risk tolerance, and investment strategies. The distinctive features of each board are explained in the following table:

Market	Positioning	Company attributes	Characteristics of registered/ listed companies	Trading system
Main Board	Main Board	Public Offering	SMEs or companies of emerging industries that are more mature in terms of operations, and have reached a certain level of performance and scale	Automatic deal matching
Emerging Stock Market - Emerging Stock Board	Preparation for listing on the Main Board; stage-by-stage incubation applies	Public Offering	<ul style="list-style-type: none"> SMEs that are more mature in terms of operations, but do not meet the criteria for listing at TWSE or TPEX Securities firm counseling 	Price negotiation
Emerging Stock Market - Pioneer Stock Board		Simplified Public Offering	<ul style="list-style-type: none"> New startups primarily involved in one of the Six Core Strategic Industries; mostly in the early stage of development Securities firm counseling 	<ul style="list-style-type: none"> Automatic deal matching (same as Main Board shares) Buyers limited only to accredited investors
GISA	Offers "entrepreneurship counseling and capital raising functions"	Non-public companies	<ul style="list-style-type: none"> Micro/small businesses with innovative and creative ideas TPEX's integrative counseling 	None



TPEX began the publication of the TPEX Exchange Capitalization Weighted Stock Index in 1995. The ESB was later created in 2002, allowing shares of public companies undergoing counseling for TWSE/TPEX listing to be traded in a legal, secure, and transparent manner. In 2014, TPEX introduced the GISA that aimed primarily to help non-public micro/small startups acquire the necessary funding, and offer professional assistance such as intermediary counseling and marketing to support their business expansion.

TPEX held matchmaking activities and invited GISA companies, investors, and medium/large corporations to join. The events have helped GISA companies raise visibility, connect with potential clients and investors, and gain useful guidance and recommendations on business management as well as product marketing. In return, participating institutional investors and large corporations were presented with investment and business opportunities that they would otherwise have missed out on.



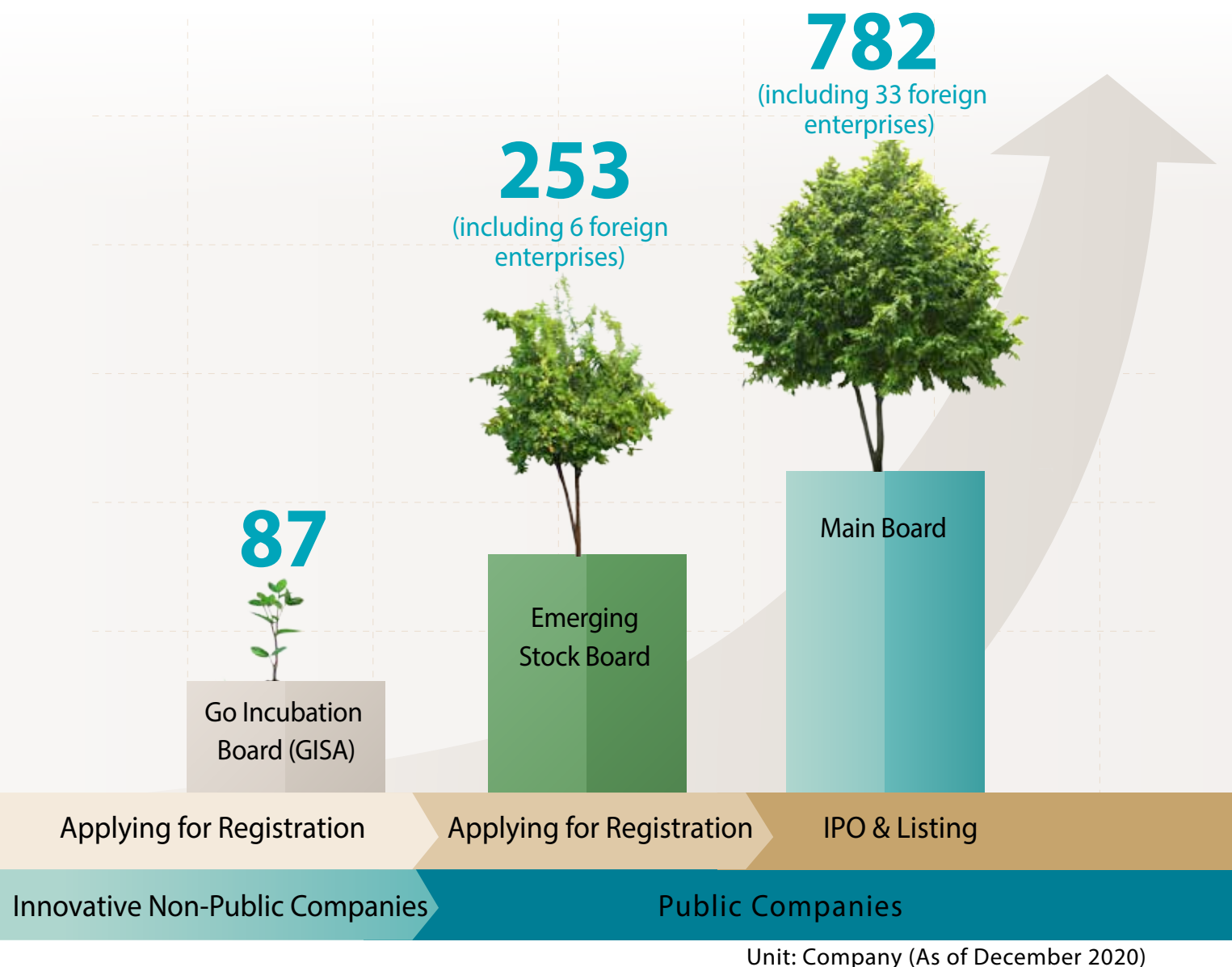
Sharing by GISA-Registered Company . . .

Chairman Alex Hung of GISA-Registered company AI Machine Vision Corp.:

"Our company provides customers with a comprehensive selection of AI-AOI automated visual inspection equipment and AI manufacturing system integrated solutions. Our sales process typically begins by reaching out to users in need; from knowing to actually selling to the buyer, each deal takes an extremely long time to make, and seldom do we have the opportunity to demonstrate our technological capabilities and service passion directly to customers' executive decision-makers. This business matchmaking event organized by TPEX allowed us to meet the executives of several listed/registered companies in person. Being able to talk to them and exchange opinions face-to-face has been extremely helpful to our marketing efforts and corporate image. We appreciate TPEX for the efforts they have committed to organizing this matchmaking event. It has been very helpful to the company's growth."

TPEX has been organizing conferences and seminars across Taiwan in an attempt to attract and assist top-performing businesses into the capital market. Through visits with "hidden champions" of various professions, TPEX is able to help companies plan and prepare entry into the capital market. In the meantime, TPEX continues to cooperate and communicate with central and local government agencies in attracting prominent local businesses. In support of the government's New Southbound Policy targeting Southeast Asian markets, TPEX has also been working closely with the government's overseas offices, overseas Taiwanese enterprise associations, local business associations, and intermediaries in recent years, and even created a dedicated contact window for foreign businesses seeking to list in Taiwan.

The multi-tiered capital market system has worked exceptionally well. At the end of December 2020, a total of 782 companies were listed on the Main Board, 253 companies were registered on the ESB, and 87 domestic companies were registered on the GISA. The total market capitalization of Main Board companies was reported at NT\$4.35 trillion, whereas the market capitalization of ESB companies was reported at NT\$749.5 billion.



TPEX is open to the idea of catering to the needs of innovative startups. In addition to observing practices of major overseas exchanges such as KONEK (South Korea), AIM (UK), Catalist (Singapore), and Nasdaq First North, TPEX also paid a visit to startups and intermediaries, including securities firms and CPA firms, and hosted a Public Hearing on PSB on October 15, 2020, to gather stakeholders' opinions. A decision was then made to create the PSB under the ESM, offering more friendly features and trading methods that appeal to new startups or businesses of the Six Core Strategic Industries¹. This new board has been approved by the authority on December 2, 2020, and will be introduced sometime in the 3rd quarter of 2021. The ESM will be distinguished between General Board (which includes all companies registered in the current ESB) and the PSB (where buyers are limited to qualified investors only).

The newly established PSB complements the existing multi-tiered market framework. Since the PSB shares functions of a secondary market, it helps new startups price securities offerings and raise capital from the capital market, which in turn attracts talents into innovation and contributes to the creation of an innovation ecosystem in Taiwan. Furthermore, counseling by securities firms will enable innovative startups to uphold a well-rounded corporate management system during the PSB registration period to facilitate a robust development. Investors can also have access to more diversified asset allocation depending on their financial position, risk tolerance, investment strategy, etc.

With the support of a multi-tiered market framework and step-by-step incubation, TPEX hopes to direct capital to startups in need through the capital market, and help nurture a new generation of successful entrepreneurs.



Cases of Successful Incubation

Yeedex Electronic Corporation (Stock code: 7556)

- Main business activities: Research, development, and design of advanced semiconductor manufacturing equipment

Growth history: The company signed up for GISA counseling on June 11, 2018, registered with GISA on August 22, and later completed public offering and registered on the ESB in August and November 2019, respectively. The company was successfully listed on the Main Board on October 30, 2020.

Chairman Sheng-Che Chueh: "We appreciate the counseling, assistance, and resources that TPEX has provided us along the way, which enabled our company to progress quickly from the GISA, the ESB, and finally to the Main Board."

¹ Includes information and digital industries, cybersecurity industries, biotech and medical technology industries, national defense and strategic industries, green and renewable energy industries, and strategic stockpile industries.

Corporate Governance

Strong corporate governance is the only way to assure that a business thrives in line with shareholders' interests and the interests of other stakeholders. TPEX has been supporting the authority's "Corporate Governance Roadmap" (2013-2017) and "New Corporate Governance Roadmap" (2018-2020). TPEX organizes Corporate Governance Evaluation, establishes and regularly amends regulations so that listed companies may progressively adopt more robust practices to manage their increasingly sophisticated businesses.



After many years of hard work, Taiwanese companies are starting to see improved scores in the biennial "CG WATCH" rating published by the Asian Corporate Governance Association (ACGA). According to the latest "CG WATCH 2020," **Taiwan ranks 4th out of 12 countries in Asia in corporate governance practice**, trailing only behind Australia, Hong Kong, and Singapore. It was Taiwan's best result yet, and it shows that the efforts have been well-recognized among the world's corporate governance promoters.

Having observed rapid changes in the capital market and increased global awareness towards ESG (environmental, social, and corporate governance) issues, TPEX finds it necessary to improve corporate governance practices among local companies. TPEX has proposed a series of recommendations to the authority after gathering opinions from prominent listed companies, corporate governance opinion leaders, and industrial/commercial associations.

Country Ranks : CG Watch 2018 and 2020

2020	2018
1. Australia	1. Australia
2. Hong Kong, Singapore	2. Hong Kong
3. -	3. Singapore
4. Taiwan	4. Malaysia
5. Malaysia, Japan	5. Taiwan
6. -	6. Thailand
7. India	7. India, Japan
8. Thailand	8.-
9. Korea	9. Korea
10. China	10. China
11. Philippines	11. Philippines
12. Indonesia	12. Indonesia

Source : Asian Corporate Governance Association

On August 25, 2020, the authority announced the "Corporate Governance 3.0 - Sustainability Roadmap," a 3-year plan (2021-2023) introducing 5 main themes and 39 practical measures. The Roadmap attempts to further enhance businesses' practices while promoting productive interactions with investors and stakeholders to create an ESG ecosystem that enhances Taiwan's global competitiveness.



In 2020, TPEX rolled out several initiatives to promote sound corporate governance in line with the "New Corporate Governance Roadmap (2018-2020)." Key results are as shown in the chart below. Moreover, TPEX made further efforts to impose third-party verification on CSR report contents, promote the use of sustainability index among listed companies, develop templates for filing of material information in English, and encourage listed/registered companies to announce material information in English on a voluntary basis.

Corporate Governance Measures

Main Board companies with paid-up capital of NT\$2 billion or above and financial institutions regulated by the authority are required to appoint a corporate governance officer. However, those with paid-up capital below NT\$10 billion may postpone the officer's appointment until June 30, 2021.

Where a Main Board company's chairman is the same person as or a spouse or first-degree relative to the general manager or personnel of equivalent grade (i.e. the most senior manager), additional independent directors should be introduced to the board and at least half of total board members must not undertake employment or management position

Enforcement of board of directors performance evaluation in TPEX Main Board companies

Progress

As of December 31, 2020, 136 Main Board companies had appointed corporate governance officers; 29 of which had appointed out of mandatory requirement, while 107 of which had appointed voluntarily

Independent directors are due to be introduced before December 31, 2023; however, companies with paid-up capital below NT\$600 million may postpone the appointment until December 31, 2025

TPEX reminded Main Board companies to conduct the annual self/peer evaluation of board performance starting from 2020. This reminder has also been served during the online course - "The 7th Corporate Governance Evaluation Seminar" since February 26, 2020.

TPEX also pays regular visits to encourage companies to implement robust corporate governance practices, avoiding violation of insider trading, and fulfilling corporate social responsibilities. In addition, TPEX organizes Corporate Governance Evaluation and seminars on a regular basis.

Time	Progress	Topic	Details
January 16, 2020	1 session(s)	Intellectual Property Management for A Robust Corporate Governance Framework - Duties of Intellectual Property Management for Board of Directors of TWSE/TPEX Listed Companies	Providing Main Board companies with an understanding of how to incorporate intellectual property management into the corporate governance framework, and have performance evaluated and supervised by the board of directors
Since February 26, 2020	Online delivery	The 7th Corporate Governance Evaluation Seminar	Conveying key points on self/peer evaluation of board performance, and functions of corporate governance personnel
September 21, 2020	1 session(s)	Seminar: Corporate Governance 3.0 - Sustainability Roadmap	Explaining how Corporate Governance 3.0 - Sustainability Roadmap may be amended in the future, and key points on the latest amendments
September 28 to October 30, 2020	Online delivery	Seminar: Tasks To Be Performed by TPEX Main Board and Emerging Stock Board Companies	Explaining implications of Corporate 3.0, the latest amendments concerning material information, information reporting, internal control, major regulatory amendments, and insider trading-related laws and case studies
October and November 2020	4 session(s)	2020 Corporate Governance and Business Integrity Seminar for Directors and Supervisors	Guiding companies enforce business integrity and anti-corruption, and explain key points of the latest amendments to the Securities Investor and Futures Trader Protection Act as well as prospects of Corporate Governance 3.0.
December 2020	4 session(s)	Seminar: Local Adoption of International Financial Reporting Standards	Conveying implications and practical issues concerning IFRSs, and raise issuers' ability to prepare financial reports.

In the future, TPEX will leverage contributions from affiliated organizations and other non-profit organizations to enforce various measures introduced under "Corporate Governance 3.0 - Sustainability Roadmap," and examine progress while making rolling adjustments each year to help raise the standard of corporate governance practices in Taiwan.



Sustainable Development Roadmap" after consulting listed large companies, opinion leaders in corporate governance, and industrial and business groups.

Operational Resilience

TPEX has established risk management mechanisms such as the "business continuity plan (BCP)" and the "Emergency and Exceptions Resolution Manual" to resolve various operational risks. TPEX further introduced the ISO 22301 - Business Continuity Management system from January 2020, and was later awarded ISO 22301:2019 certification in December 2020, with BCP manuals and procedures prepared.

In response to the worldwide outbreak of COVID-19 in 2020, TPEX not only launched the split operation and work-from-home measures at the first instance, but also placed additional emphasis on disinfection, personnel control, and the off-site backup of information systems. At the same time, TPEX monitors announcements from of the Central Epidemic Command Center so that disease control measures can be adjusted where appropriate. Furthermore, TPEX actively communicates and assists listed/registered companies and securities firms to adopt proper disease control and response plans.

Considering the pandemic's impacts on issuers and new IPOs, TPEX announced a series of lenient measures for IPOs later in July 2020. Furthermore, under the instructions of the authority, the Main Board-listed companies were given the flexibility if they found themselves unable to make the public filing of 2019 financial reports due to the pandemic.

Lenient Measures Undertaken for IPO in Response to the 2020 Pandemic

Measures	Details	Expected Benefits
Adjustment of profitability criteria for TPEX-Main Board listing	Issuers will be reviewed primarily based on the stability of operations and future growth prospect. Companies that have applied for 2021 listing and were negatively impacted by COVID-19 in 2020 may, subject to rationality assessment by the recommending securities firm, be exempted from having to report higher profitability in 2020 compared to 2019.	Issuers impacted by COVID-19 but still maintained a certain level of profitability in 2020 may still apply for 2021 listing
Extension of listing expiry	Applicants that signed a TPEX listing agreement prior to the end of 2020 but have not officially listed may request to extend the listing expiry date (from 6 months after the listing contract date informed by TPEX to 9 months after the listing contract date)	Applicants are given more flexibility to choose the timing of their listing

Flexible Measures Undertaken for Information Disclosure in Response to the 2020 Pandemic

Measures	Details	Expected Benefits
Postponement of filing for 2019 financial reports	Considering that Main Board companies may be unable to make the public filing of 2019 financial reports in time, companies were permitted to file board-approved requests to seek the authority's permission to postpone filing by furnishing the required documents and making relevant announcements over Market Observation Post System	Companies may choose to adopt flexible measures as deemed necessary to avoid being penalized for late filing and protect investors' interests

The COVID-19 pandemic is still far from being contained. To attract foreign investors and businesses into investing/listing, TPEX has adopted new technologies and coordinated with intermediaries to host overseas investor conferences via video conferencing and other online channels. TPEX also organized several seminars to communicate on matters concerning issuer performance, mandatory duties, and the upcoming Corporate Governance Evaluation, so that investors are kept up-to-date to assure the proper functioning of the capital market. Videos have been uploaded to the TPEX website and made available for viewing by investors.



TPEX Media Gallery



Event Date	Topic	Event Details	Event Benefits
May 2020	Online Forum for Biotech and Technology Industries of Taiwan - Investment Opportunities in the Post-pandemic Era	TPEX invited 11 top-performing Main Board companies to participate in the event and to source foreign investors. 28 sessions were held in two days, and the event attracted a total of 42 foreign institutional investors.	Foreign investors' holding of TPEX-listed shares has nearly doubled from 11.30% at the end of 2010 to 21.69% at the end of December 2020, which reflects foreign investors' recognition.
September 2020	Online Forum: Taiwan Businesses Weekly	TPEX invited a total of 9 Main Board companies to the event, during which they can raise global visibility and share with international investors on TPEX's distinctive features.	
June 2020	Seminar: TPEX Listing for Overseas Businesses	The seminar introduces the audience to TPEX's advantages of, and invites foreign businesses to list on TPEX Main Board or register on the ESB	

Sustainable Products

The United Nations reached the Paris Agreement in 2015 and announced a set of SDGs later that year to remind countries and businesses to cater to social equality and environmental sustainability while pursuing economic growth. Achieving the SDGs requires considerable resources, which make the capital market critical.

TPEX envisions itself of becoming "a prominent exchange for sustainable financial instruments," and is committed to creating an efficient marketplace for sustainability bonds, preparing and commoditizing the TIP Taiwan TPEX CSR Index, introducing green/sustainable products, and promoting green/sustainable investment. Through the above actions, TPEX hopes to ensure sustainable growth among businesses and Taiwan's capital market.

Green Finance Strategy

From the issuer's perspective, TPEX works closely with external partners of various professions, arranges promotional seminars or participates in those organized by intermediaries, and pays visits to iconic businesses. A total of three green energy and renewable energy businesses were registered on the ESB, and one green energy business was listed on the Main Board in 2020. TPEX expects to attract more businesses in related industries once the PSB opens in the 3rd quarter of 2021.

From the trader's perspective, TPEX continues to promote the TIP Taiwan TPEX CSR Index, and pays timely visits to investment trust and securities enterprises where they are encouraged to issue products such as ETFs, ETNs, open-ended funds that link to the Index. TPEX has also been planning to introduce a wider variety of green instruments to provide investors with a more diverse selection of sustainable investments. These new offerings also serve as encouragements to TPEX companies for placing additional emphasis on corporate social responsibilities, which in turn makes Taiwan an ideal capital market.

TPEX will continue observing practices of international bond markets while creating Taiwan's Sustainable Bond market and expand the scope of offerings. TPEX will also engage international institutions to gather information and learn the latest development around the world, helping raise global visibility for Taiwan's sustainable financing efforts.



Cases of Successful Incubation

Support for Listing of Green Energy Business - Avertronics (3597)

Listed on the Main Board in March 2020, Avertronics is primarily involved in the production of wire harnesses and lighting systems. Avertronics has shifted its focus towards green energy, energy conservation, smart energy storage, and wireless smart lighting control solutions. Avertronics is known for manufacturing mobile solar energy storage vehicles that collect and store energy through solar panels, which can be used to power nighttime lighting and environmental monitoring systems in place of diesel and electricity.

Sustainable Bonds

Sustainable Bond Market

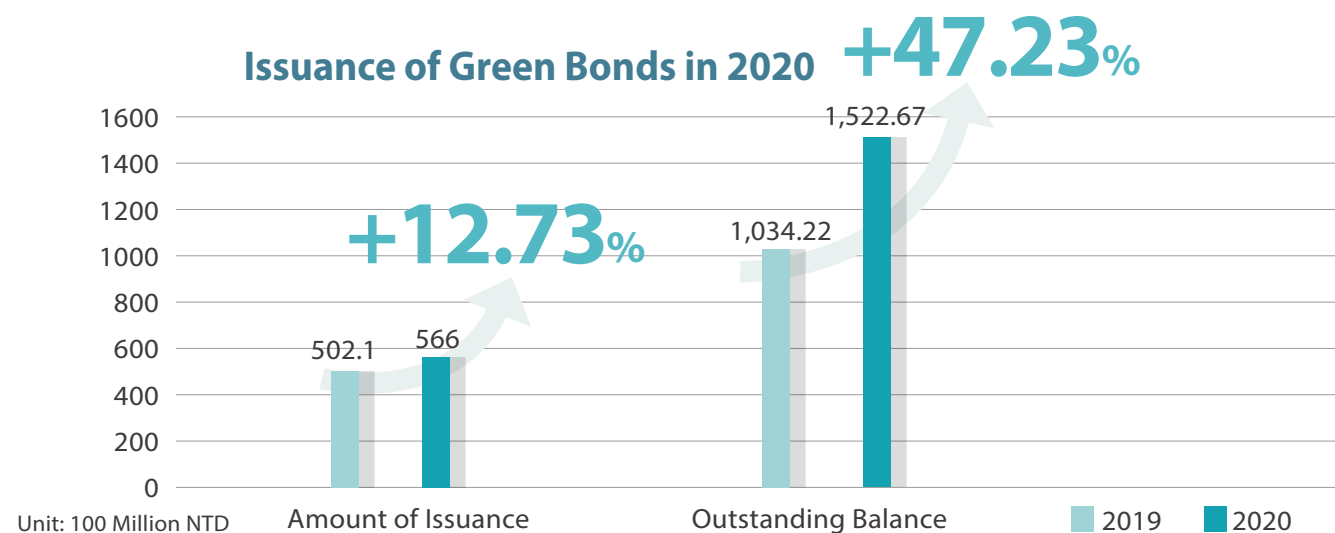


TPEX has been taking progressive steps to introduce Taiwan's Sustainable Bond Market in line with government policies. Following the launch of the Green Bond Market in 2017 and Sustainability Bond Market in 2020, TPEX expects to establish a Social Bond Market in 2021, and create the Sustainable Bond Market to accommodate the above.

By introducing the Sustainable Bond Market, TPEX hopes to provide businesses with an all-around environment. By investing in Sustainability Bonds, investors may express their support for environmental friendliness and social responsibilities while minimizing the environmental and social risks in investors' portfolios.

2020 - The Year of TPEX Green Bonds

More than NT\$55 billion of green bonds were issued over TPEX in 2020, adding to a total outstanding balance of NT\$150 billion at the end of the year while setting new milestones on both terms. One thing worth noting is that all NT\$56.6 billion of green bonds issued in 2020 were utilized in green investment projects in Taiwan. Furthermore, there was great diversity among issuers, including local and foreign banks, state-owned and private enterprises, and also foreign enterprises, which suggests that Taiwan's green bond platform has successfully appealed to a wide range of issuers.



TPEX CSR Index

Sustainable investment has become a global consensus, as the outbreak of COVID-19 further raises investors' awareness. Furthermore, there has also been a shift of focus from active investments toward passive investments (index tracking).

In addition to the Labor Employment 88 Index and the Corporate Governance Index launched in earlier years, TPEX collaborated with Taiwan Index Plus Corporation and Taiwan Business Council for Sustainable Development to introduce the first ESG-based index called "TIP Taiwan TPEX CSR Index" on June 29, 2020. Featuring a CSR theme, the index is intended to direct business' and investors' attention toward responsible investment.

Prepared based on the Corporate Governance Evaluation results and corporate social responsibility reports, the "TIP Taiwan TPEX CSR Index" urges TPEX-listed companies to persistently improve their practices and to duly disclose in their corporate social responsibility reports. TPEX will also help listed companies publish and improve the contents of their corporate social responsibility reports, which in turn optimizes index composition.

The Index started with a base period value of 5,000; at the end of 2020, the index closed at 5,765.56, representing an outstanding return of 15.31%. Some businesses have submitted requests to cite the index for decision-making, and TPEX has hopes for the index to be used as a benchmark for index-tracking instruments in the future. New sustainability indices may further be introduced depending on market movements.

TIP Taiwan TPEX CSR Index

TIP Taiwan TPEX CSR Index is prepared primarily using the "CSR Evaluation" model developed by Taiwan Business Council for Sustainable Development, while taking into account the results of Corporate Governance Evaluation. The model has been licensed by the Sustainability Accounting Standards Board (SASB) and adjusted to accommodate industry classification. The model scores each Main Board company on the actions they take to protect the local environment, improve energy efficiency, reduce carbon emission, and related rewards or penalties from the government.



Financial Inclusion

Female Entrepreneurship

The creation of a fair, gender-friendly entrepreneurial environment and implementation of entrepreneurial policies, counseling, and assistance for women have emerged as a key policy focus for governments around the world, considering how women today are better educated and more productive than they were before. Women's ability to start new businesses, achieve work-family balance, realize their potentials, put skills to best use, and ultimately give back to society is also an issue that is quickly gathering attention. TPEX created the GISA to specifically nurture new startups, and provide female entrepreneurs with accessible resources such as counseling at the early stage, with the hope of increasing female participation in the business world.

Industry-Government Collaboration

To assist women in starting up businesses, TPEX cooperated with the Small and Medium Enterprise Administration, Ministry of Economic Affairs, and jointly organized a Female Entrepreneurship Program. Through a series of seminars and conferences, female entrepreneurs were introduced to GISA and the counseling services it offers. The program also shared useful knowledge on finance, entrepreneurship, and global industry and economic trends. Additionally, TPEX arranged one-on-one free counseling to educate micro startups on how GISA may help them with fundraising, media coverage.

TPEX further held a series of promotional events in 2020, including four "Women Entrepreneurship Salons" and two "Elite Entrepreneurs Conferences," in Taipei, Taoyuan, Taichung, and Kaohsiung both online and offline with more than 100 participants in total.



TPEX held a series of "Women Entrepreneurship Salon" events in collaboration with SMEA from July to September all over Taiwan.



Owing to the joint effort between TPEX and other affiliated organizations, the 2020 SME Report published by the Ministry of Economic Affairs shows an increasing number of female entrepreneurs in Taiwan year after year. Nowadays, four in ten entrepreneurs are female. Meanwhile, the latest "Mastercard Index of Women Entrepreneurs" published by Mastercard indicates that Taiwanese women not only have access to a friendly entrepreneurial environment and resources, but are also actively involved in business ventures. Taiwan ranks 1st in Asia and 6th worldwide, which indicates the government's strong support for female entrepreneurs.

TPEX Values Gender Equality

In addition to supporting female entrepreneurs, TPEX has long been enforcing gender equality as well as workplace diversity and inclusion internally, assuring employees that their career opportunities would not be limited for any reason unrelated to their professional capacity.

During the selection of Women Leaders for the World Federation of Exchanges (WFE) in early 2021, TPEX CEO Edith Lee stood out among nearly 60 nominees from around the world to be recognized by WFE, alongside 20 other winners, as Women Leaders of 2021. This accomplishment serves as an affirmation of the efforts that TPEX has committed to promoting an equal-gender workplace.



Investor Engagement

Considering that investors in Taiwan are on an aging trend, TPEX has been exploring ways to attract a broader spectrum of investors by making the capital market more friendly to young, small-capital investors in recent years.

A Diverse and Investor-Friendly Environment

TPEX took the initiative to support the offering of small yet diversified investment instruments including options, ETFs, and ETNs in addition to a fixed-term, fixed-amount investment plan. Exchange-traded products such as ETF and ETN offering a number of advantages such as lower entry barriers, information timeliness and transparency, etc. that allow small-capital investors to engage with limited funds. Later on October 26, 2020, system changes were made to allow Intraday Odd Lot Trading and make investments more widely accessible.



Intraday Odd Lot Trading

The new system allows odd-lot trade orders to be placed at the same time as standard-lot trade orders, which begin at 9 am and end at 1:30 pm. The new system matches the first batch of deals at 9:10 am, and every three minutes thereafter using the aggregate auction approach. Deals are matched based on the price-priority principle, followed by time-priority. By addressing the illiquidity of odd-lot trades, the new system considerably lowers the barrier of entry.



Diverse Channels of Education

Proper knowledge of risks and trade discipline is the first step towards successful investments. TPEX cooperated with TWSE and Taiwan Futures Exchange to co-host an awareness campaign entitled "Wealth Begins with Knowing Risks" in 2020. Using a combination of a dedicated website section, prized online quizzes, and short animations, TPEX introduced young investors Intraday Odd Lot Trading, the fixed-term, fixed-amount investment plan, and features and risks of ETF and other instruments.

TPEX also produced short animations, worked with finance celebrities, and made use of online channels such as news placement and social networking to reach the younger generation. Through the use of interactive games, young investors were given a fun and impressive lesson on risks. The campaign received favorable responses since its launch, and accumulated a participant count of 555,298 for the entire duration while attracting more than one million visits to the website.



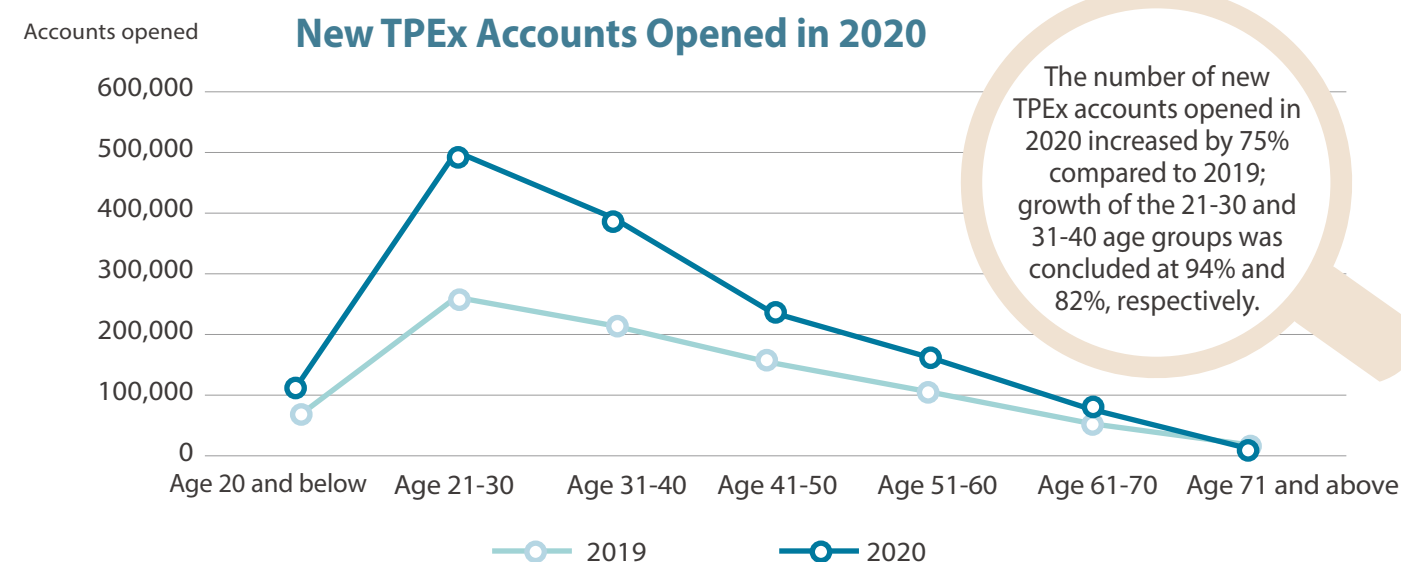
Financial Advocacy Website
"A Complete Guide to Financial
Management: Trading Risk Reports"



Financial Advocacy Video

Improved Investment Performance

Stock market tradings flourished in 2020 following the rollout of Continuous Trading and Intraday Odd Lot Trading. There were 640,000 new TPEX accounts opened in 2020, which grew by nearly 75% compared to 2019. Most of the increase was attributed to the 21-30 and 31-40 age groups, reflect the successful efforts appealing to young investors.



Financial Education

TPEX has been raising financial knowledge among the general public through four main strategies, namely: "service promotion," "campus engagement," "charity connection," and "media exposure." A diverse range of activities targeting different audience groups was organized to maximize the scope and depth of educational efforts.

Service Promotion

To promote the services offered at TPEX, TPEX has been working with securities firms since 2016 in hosting annual "TPEX Investor Seminars," during which finance celebrities are invited to brief participants on trends of the global economy, outlook of Taiwan's equity market, as well as investment instruments relating to the TPEX 200 Index². TPEX held a total of 24 Investor Seminars across Taiwan in 2020 (7 of which were streamed over the Internet), and hosted 6 seminars explaining the new trading systems to securities firms. Investors and securities employees were introduced to Continuous Trading and Intraday Odd Lot Trading, and were briefed.

Furthermore, TPEX hosts "TPEX Corporate Day" events across Taiwan each year at times when listed companies are due to publish financial reports to facilitate a better understanding of listed companies and enable professional investors to engage the management team face-to-face. TPEX also organized various conferences depending on the participating companies, and invited the management team to address the company's performance and outlook of the industry as a whole. TPEX held a total of 26 Performance Release Conferences in 2020 (24 of which were streamed over the Internet).

Furthermore, for listed companies and employees thereof, TPEX offers professional courses on a variety of topics such as accounting system, anti-money laundering, institutional investor conference, preparation of CSR report, Corporate Governance Evaluation, and insiders' shareholding to foster good practices and growth potential.

Diverse Media

Despite the impact of COVID-19, TPEX still managed to deliver financial education in 2020 with technology. In addition to hosting promotion events via video conferencing and online seminars, the relevant information has also been made available on the TPEX website and disseminated through e-newsletters and the Facebook fan page to keep investors updated.

² TPEX 200 Index is a capitalization-weighted stock index in which 200 constituents are selected from TPEX-listed stocks in consideration of their market value ranking, outstanding volume and liquidity. The index is designed to illustrate the overall performance of TPEX market.

Promotion on Campus

TPEX has been hosting the Securities Investment Camp for college students since 2008 to cultivate outstanding securities professionals and propagate financial knowledge. The camp offers courses that are closely related to real market practice as well as team challenges and fun activities, for which it has attracted overwhelming enrollment from local colleges. With a combination of in-depth courses and investment challenges, TPEX not only conveyed knowledge on the market and securities trading but also aroused passion for investment among college students.

Due to the pandemic, the Securities Investment Camp was first organized online in 2020, and still managed to attract overwhelming participation from college students. A total of 89 teams from 37 tertiary institutions from all over Taiwan had enrolled for the camp. This result is indicative of TPEX's unwavering commitment to promoting financial knowledge from campus in the face of the pandemic.



TPEX held "The Securities Investment Camp Awards Ceremony" on December 18, 2020.

Taipei Exchange Online Securities Investment Camp



Online Learning

- Features and history of Taiwan's capital market
- Product innovation and service diversity of TPEX
- How investors may participate and benefit from TPEX



TPEX Online Investment Challenge

- With NT\$50,000,000 of available capital, participants were instructed to plan their portfolios and prepare a briefing on market outlook and product analysis.

Opinions of Camp Participants

Group First Winner-Desert Command

We appreciate TPEX for organizing such a great challenge. We entered the challenge with only a brief understanding of shares, and came out knowing much more about bonds, indices, futures, and gold. In my opinion, this challenge arouses every young person's passion. We were reluctant to invest because of the lack of knowledge; but now, we have the confidence to take our first step and make our plan work.



Group Runner-up Winner-Rolling Dime

We never studied a company seriously before. What's good about this challenge is that it guides us to studying each company. We did thorough background checks on hundreds of companies using the TPEX website before shortlisting the ones we wanted. This challenge forced us to step outside of our comfort zones to explore a realm that we never paid attention to. We really appreciate TPEX for giving us a chance.



Gong Ceremony for Financial Literacy

World Investor Week (WIW) is a prominent event organized by the International Organization of Securities Commissions (IOSCO) to raise awareness across securities supervisory authorities toward investor education and protection, and promoting financial literacy for investors around the world. To demonstrate the support for WIW and its ideas, TPEX held the "Gong Ceremony for Financial Literacy" on October 5, 2020.



Working with Charities

TPEX has been supportive of the financial industry's charity and educational efforts. As a regular participant in the annual "Financial Service Charity Carnival" organized by Taiwan Financial Services Roundtable (TFSR), TPEX developed interactive games to educate participants on the increasingly sophisticated financial system. TFSR held the 2020 "Financial Service Charity Carnival" in Pingtung and Chiayi, where TPEX had booths set up on both occasions to engage participants in fun and meaningful games of financial knowledge.

Furthermore, TPEX continued hosting the "Financial Career Development Workshop for College Students" at tertiary institutions across Taiwan to help underprivileged students develop professional knowledge and skills, and provide them with the assistance needed to obtain financial certification and turn their lives around.

CHAPTER 1

BUILDING A ROBUST MARKET

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1-1 Growth

1-1-1 Market Expansion

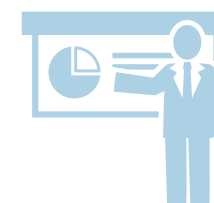
In an active international financial environment, TPEX continued to improve the multi-tiered market to protect investors' rights and maintain market order. These efforts resulted in advantages such as a high turnover rate, high P/E ratio, and high yield rate.

Establishing High-Quality Enterprises to Enter the TPEX Market



- Held six domestic business promotion briefings. Two of the meetings were streamed live online, with 1,463 viewers; the other four were physical meetings, with 255 participants.
- Held two foreign business promotion briefings, both of which were streamed live online, with 589 viewers.
- Held information sessions on the listing procedures, enabling companies to connect and engage in transformation and upgrading.

Developing and Promoting the Pioneer Stock Board



- Arranged business promotion activities, including visits to intermediaries such as securities firms and accounting firms.
- Amended relevant regulations, established trading systems, and maintained the information on the Market Observation Post System and the TPEX's website.
- Held the "Pioneer Stock Board Public Hearing" to consult intermediaries and innovative companies. The Pioneer Stock Board is expected to be launched in the 3rd quarter of 2021.

Continuing to Review Listing Examination Specifications



- Revised four listing criteria and regulations, covering the protection of shareholder rights, increasing diversified funding channels, improving information transparency, and IPO tolerance measures in response to the COVID-19 pandemic.

Continuing to Strengthen the Supervision and Information Transparency



- Revised five relevant standards and regulations for strengthening the supervision of the Emerging Stock Market, covering the protection of shareholders' rights and interests, the implementation of corporate governance, and the supervision of material information.

Considering the capital market's critical role in promoting economic development and stabilizing the financial system, TPEX worked with the competent authority to launch a three-year (2021-2023) "Capital Market Roadmap."³ The Roadmap seeks to expand the market scale, promote alignment with international standards, and enhance Taiwan's capital market's competitiveness.

³ The FSC launched the Capital Market Roadmap to promote the capital market's development, in response to the three major trends of ESG sustainable development, digital technologies and an aging society to forge a forward-looking and globally competitive capital market.

1-1-2 System Optimization

Taiwan's stock trading system underwent many significant changes in 2020, including the introduction of Continuous Trading and Intraday Odd Lot Trading.

Continuous Trading

Considering that natural persons account for nearly 80% of transaction value, TPEX has committed to promoting a more efficient and convenient trading environment. Since March 23, 2020, TPEX has worked with the FSC to introduce the Continuous Trading System for stock transactions. In line with international standards, the Continuous Trading System improves efficiency and enhances flexibility by enabling investors to utilize the same mechanism for arbitrage, hedging, and strategic trading across products.

As a result, the transaction volume in TPEX Main Board has increased significantly with more than 60% growth rates on average daily transaction value, average daily shares traded, and average daily number of transactions. As is evidenced, these measures have effectively invigorated the stock market.

Nevertheless, due to the current Daily Price Fluctuation Limit mechanism, the issues such as concurring matching sequences between market orders and limit orders still occur during continuous trading hours. TPEX will seek to address these in future revisions while making more types of orders available to investors with enhanced flexibility.



Continuous Trading

Instant matching upon the receipt of orders. Compared with the aggregate auction, Continuous Trading offers greater transaction velocity and efficiency, transparency, and timeliness in market information disclosure. Currently, major securities markets such as New York, London, Tokyo, Hong Kong, Singapore, and Shanghai have all adopted Continuous Trading for mid-session transactions.

Intraday Odd Lot Trading

TPEX further launched the Intraday Odd Lot Trading on October 26, 2020, to provide investors with a small-sum investment channel during intraday trading hours that is expected to diversify capital market participants and attract younger generations. The Intraday Odd Lot Trading system also provides periodic investment channels, which is conducive to eliminating securities firms' risks of their remaining stock inventory. In the future, TPEX will assess whether to adjust the Intraday Odd Lot matching interval, and whether to permit Odd Lot Day Trading, thus providing investors with more diversified trading methods.



1-1-3 Product Diversification

In response to financial market development and participants' demands, TPEX has also launched a number of financial products and policies to meet the diverse needs of investors, expand the capital market's scale and shape a vibrant and sound financial environment.






After TPEX launched the fixed-term/fixed-amount investment of stocks and ETFs in 2017, 13 securities firms are currently undertaking these businesses. Following the "TPEX 200 Index" launch in 2019, warrants, futures and ETNs linked to the TPEX 200 Index have been successively available on the market. In 2020, TPEX added 7 new iconic ETNs. As of the end of 2020, 13 ETNs have been issued, with a total issuance amount of NT\$3.9 billion and a transaction volume of NT\$1.946 billion, which is nearly twice as much as the NT\$664 million in the first year.

TPEX has progressively introduced the tiered management for the international bonds, relaxed the foreign issuers' requirements to issue professional board international bonds in Taiwan, greatly enhancing Taiwan's international bond market's reputation. In 2020, the issuance volume of the international bonds hit a record high, with the 2020 cumulative issuance amount totaled US\$60.156 billion, a significant 136.37% increase compared to 2019 (US\$25.450 billion).

TPEX will continue to develop diversified financial products in the future, expanding investors' options and improving Taiwanese banks' ability to design financial products. These efforts shall increase Taiwan's financial industry's competitiveness, and the breadth and depth of the capital market, while satisfying investors' needs responsively.

1-1-4 Investor Participation

TPEX rolled out incentives and promotional activities incorporating current affairs and trending topics that meet the investors' preferences, and circulate through the TPEX website, Facebook and the media.

	<p>Performance</p> <p>3,000+ participants</p> <p>Highlights</p> <p>In response to the pandemic, TPEX encouraged investors to engage in epidemic prevention while acquiring knowledge of passive investment between April 27 and May 24, 2020, promoting the "TPEX 200 Index" and related index-linked products.</p>
	<p>Performance</p> <p>10,000+ participants</p> <p>Highlights</p> <p>In conjunction with the launch of the first listed Smart Beta Index, "TPEX RGA Quality 50 Index", TPEX enhanced investors' understanding of index composition features and investment risk appetites through scenario simulation games between August 31 and September 30, 2020.</p>
	<p>Performance</p> <p>6,500+ participants</p> <p>Highlights</p> <p>TPEX promoted the TPEX 200 Index and encouraged investors to invest in linked products, giving away convenience store gift vouchers every day during the event period.</p>
	<p>Performance</p> <p>25,000+ participants</p> <p>Highlights</p> <p>TPEX cooperated with security firms to promote TPEX stock ETFs between October 1 and December 31, 2020, and encourage investors to participate in stock ETF transactions.</p>
	<p>Performance</p> <p>A total of nearly NT\$4 million in incentives were awarded to 640 participants and 4 securities firms.</p> <p>Highlights</p> <p>Investors who participated in bond ETFs and traded more than a specific number of units were eligible to participate in the lottery.</p>

TPEX Bond ETFs Rank First in APAC

TPEX commits to promoting bond ETFs among a wide variety of investors by providing trading incentives, securities firms competitions, investor education and subsidies, and various promotional activities. It also encourages securities firms and investment trust companies to engage with investors. In 2020, the listed bond ETFs attracted over a cumulative 58,000 investors, exhibiting an increase of 17,000 and a 42% growth. The bond ETFs' issuance scale exceeded NT\$1.3 trillion in 2020, ranking 1st among major stock exchanges in the APAC region and 7th worldwide.



Moreover, TPEX proposed the Market Maker and Liquidity Provider Programs with reference to the international practices of market makers (MM) and liquidity providers (LP). By providing fee reduction and other incentives, TPEX aims to boost Main Board stock trading volume and specifically those "high-quality and low-liquidity" stocks.



Market Maker and Liquidity Provider Programs

TPEX selects Main Board stocks of high-quality and low-liquidity and adopts a parallel mechanism for stock market makers and trading incentive participants. Expected to be launched at the end of June 2021, the mechanism seeks to provide competitive quotes, increase trading opportunities, and thereby invoke market transactions.

1-2 Sustainability

1-2-1 Market Supervision

While promoting responsive innovation, TPEx also commits to protecting the investors and shareholders and works closely with the FSC to implement securities market supervision. By implementing and strengthening the trading and settlement mechanisms, TPEx seeks to create an open, transparent, and sound TPEx market.

TPEx has rolled out many supervisory measures, including regular audits on financial reports and internal control, exceptional management checks, and audits on listed companies' information reporting. TPEx also performs tiered management for Main Board and ESB companies considering their operations, to facilitate sound corporate development and reduce investors' risks.

2020 Supervisory Measures and Performance (Unit: cases)

Supervisory measure		ESB Companies	Main Board Companies
Reviewing financial report	Formal Review	All ESB Companies	Main Board Companies
	Substantive Review	33	214
When material incidents happen, performing exception management analysis in accordance with regulations		1	697
Auditing the implementation of the internal control system		19	92
Analyzing in accordance with financial and business early warning indicators		62	161
For companies that have been placed on alert, and where the latest financial information should be published according to TPEx standards, contacting the company to release material information		77	530
Auditing material information		42	413
If material information corresponding to TPEx regulations are reported in the daily news or news reports are inconsistent with the facts, notifying the company to provide an explanation through the release of material information		243	908

In addition, TPEx also strengthened the supervision of foreign issuers (KY companies) that perform primary listing. In accordance with the FSC instructions, TPEx further considered strengthening the IPO review mechanism, post-listing financial supervision, institutional investors conference disclosures, and personnel responsibility management.

Strengthening Supervision with Technologies

To enhance the supervision's effectiveness, TPEx introduced new technologies such as artificial intelligence, big data, and robotic process automation to share information with other supervisory bodies.

1-2-2 Transaction Monitoring

To ensure fairness and investor protection, TPEx has issued relevant regulations that cover issuance, trading, and surveillance to maintain the order of securities market transactions.

	Description	Key Actions and Performance in 2020
<div>Issuance</div> <div></div>	<p>When an incident happens and can significantly impact a company's financial conditions and business, TPEx has formulated the trading suspension mechanism to provide ample time for the market to learn and consider the material information.</p> <p>The issuing company can apply by filling in a "trading suspension application form" stating the relevant details, and applying to TPEx via fax, email, or telephone. After being notified by TPEx, the company shall release material information through the Market Observation Post System, prepare press releases, and hold a press conference to explain.</p>	<ul style="list-style-type: none">· In March 2020, in accordance with the relevant regulations for Main Board companies, TPEx added the trading suspension mechanism for ESB stock information.· 4 ESB companies and 19 Main Board companies applied for information-related trading suspension.
<div>Trading</div> <div></div>	<p>To avoid the severe deviations in transaction price due to violent market fluctuations, relevant measures are in place:</p> <ul style="list-style-type: none">· Main Board stocks: TPEx adopts "Intra-day Volatility Interruption"; where the transaction price rises or falls by more than 3.5% of the reference stock price with violent stock price fluctuations from the first matching to 10 minutes before the market closes, TPEx will delay the matching for 2 minutes and continue to accept key-in, cancellation and changes of buy/sell orders within the delayed matching period, and match after the current period ends.· ESB stocks: TPEx has introduced the trading halt mechanism for abnormal stock price fluctuations. When the weighted average trading price of individual stocks during the trading hours of each business day rises or falls to more than 50% compared with the previous business day, trading will be halted until the end of trading hours for the day.	<ul style="list-style-type: none">· 21,031 Intra-day Volatility Interruptions were implemented for individual Main Board stocks.· 38 trading halts were executed due to abnormal fluctuations of individual ESB stocks.
<div>Supervision</div> <div></div>	<p>TPEx's supervisory measures include surveillance and early warning, and audits on illegal transactions:</p> <ul style="list-style-type: none">· Surveillance and early warning: For securities traded at abnormal prices and volumes, TPEx makes an announcement of attention or takes disposal measures. TPEx publishes daily announcements on the website regarding securities that meet the criteria. If the condition remains for consecutive days, TPEx will implement advance collection of funds and securities and extended matching time to remind investors of trading risks.· Audits on illegal transactions: TPEx audits abnormal securities tradings. If there is suspected illegal manipulation or insider trading, the violation shall be reported to the competent authority and judicial authority for handling to protect the investors and maintain market order. TPEx also distributes information on illegal transactions among issuers and securities firms to enhance their awareness.	<ul style="list-style-type: none">· Announcement of Attention Main Board Securities has been announced 3,277 times among 465 securities; Announcement of Disposition Main Board Securities has been announced 404 times among 205 securities; Announcement of Attention Emerging Stock Market Securities has been announced 77 times among 45 securities.· TPEx also held 6 workshops on prevention of illegal transactions for securities firm practitioners as well as 5 insider ownership workshops.

1-2-3 Securities Firm Audit

To maintain the transaction order, TPEX paid routine or special visits to securities firms to check their financial and business conditions and risk management mechanism.

In terms of routine audits, TPEX works with TWSE to perform audits on the financial, business, internal audit, and other operational aspects of securities firms. There are also routine audits on securities firms operating only equity crowdfunding, those only security token offering, and those only operating bonds and leverage transactions.

In terms of special audits, TPEX acts according to the "Operational Guidelines for Follow-up, Assessment, and Guidance in Regard to Securities Firm Audit Deficiencies." As for the risk management appraisal, TPEX also works with TWSE to perform annual evaluations on the securities firms that concurrently operate securities brokerage, underwriting, and proprietary business.

Furthermore, TPEX and TWSE held 18 "2020 Newly Amended Standards for the Internal Control Systems of Securities Firms Promotional Seminars" between July 13 and August 21, 2020, across Taiwan. Attended by 1,600 participants, these seminars supported securities firms in establishing a comprehensive and effective internal control and audit system.

TPEX Audits of Securities Firms



TPEX will continue to progressively revise regulations on securities firms' risk management and evaluation operations, and incorporate matters related to risk limit control, profit and loss limit monitoring, exception management approval procedures, and stress testing into the appraisal indicators. In response to emerging technological development and the competent authority's Financial Cybersecurity Action Plan, TPEX will include issues of information security and relevant server services into future audits.

1-2-4 Investor Protection

TPEX commits to creating an open, transparent, and reliable TPEX market on top of striving for transaction safety and market stability. Through continuous education and promotion, supervision and information transparency enhancement, and appropriate disposal measures, TPEX seeks to comprehensively protect the investors' rights and interests.



Continuous Education and Promotion

- From September 28 to October 30, 2020, TPEX held the online "Workshops on Requirements to Be Fulfilled by Main Board and ESB Companies," covering "Corporate Governance 3.0," "Newly Amendment Regulations on Material Information," "Key Reminders for Information Reporting," "Important Issues of Internal Control," "Key Amendments to Laws and Regulations," and "Laws and Cases Related to Insider Trading."
- From May 25, 2020 to June 30, 2020, TPEX held the online "Bond Market Laws and Regulations Promotional Seminar" with 77 bond dealers and 1,899 participants, strengthening the regulatory compliance.



Supervision and Information Transparency Enhancement

- In March 2020, TPEX introduced the Information-Related Suspension Mechanism for ESB Companies to realize supervision and prevent the incidents that may materially affect the investors.
- TPEX implemented a mechanism for the withdrawal of Main Board companies with poor operating statuses in 2020 to urge listed companies exhibiting low net value or experiencing difficulties to actively improve.
- TPEX held a number of listed and registered company performance briefings have been organized to allow investors to keep abreast of the companies' latest developments.
- TPEX began managing the issuance of "International Bonds with Total Loss-absorbing Capacity." Issuance qualifications of foreign issuers, issuance conditions and investor qualifications and restrictions have been additionally formulated, and issuers are required to strengthen information disclosure.
- TPEX expanded the scope of disclosing fair prices for US dollar-denominated international bonds, established a calculation system for the theoretical price of fixed-rate US dollar-denominated international bonds, and provides daily theoretical prices for various redemption and interest-bearing US dollar-denominated international bonds on the TPEX website.



Appropriate Disposal Measures

- If a company violates relevant regulations, TPEX may send a letter requesting the company to improve, include the company in the regular financial information disclosure and key financials sections, impose breach penalties, execute altered trading, or suspend trading of the company's securities.
- If there is a violation of relevant laws and regulations such as the Securities and Exchange Act, TPEX will hand over the case to the competent authority for relevant administrative adjudication. Suppose the violation involves illegal securities trading, insider trading, or stock price manipulation, since the criminal investigation and public prosecution are under the jurisdiction of the Ministry of Justice. In that case, the illegal evidence is transferred to the Bureau of Investigation of the Ministry of Justice or the Prosecutors Office through the competent authority for criminal investigation or prosecution. TPEX will also assist in providing relevant information to the investor protection center.



Key Financials Section

TPEX is responsible for maintaining important financial information disclosed on the Market Observation Post System, and setting the nine indicators that reflect the companies' operational and financial status. When the listed circumstances happen, the system will highlight the corresponding indicators to alert investors.

1-3 Collaboration

1-3-1 Participation in Associations

TPEX is currently a member of 17 domestic associations. In addition to participating in regular meetings, TPEX also actively attends activities and seminars organized or co-organized by various associations. For instance, TPEX participated in the two charity carnivals organized by the Taiwan Financial Services Roundtable, the "2020 Taiwan Sustainable Finance Forum" hosted by BCSD Taiwan, and the "Biotechnology Forum" hosted by the Taiwan Bio Industry Organization.

Domestic Association Membership

Name of Entity	Participation Status
Taiwan Financial Services Roundtable	Member/Director
Securities Analysts Association, Chinese Taipei	Member/Director
Accounting Research and Development Foundation	Member/Director
Taiwan Corporate Governance Association	Member
The Institute of Internal Auditors, R.O.C.	Member
The Business Council for Sustainable Development of Taiwan	Member
Chinese Association of Intangible Assets Valuation	Member
Chinese International Economic Cooperation Association, Taiwan	Member
Chinese National Association of Industry and Commerce, Taiwan	Member
Corporate Operation Association	Member
Taiwan Stock Affairs Association	Member
Taiwan Mergers & Acquisitions and Private Equity Council	Member
Banking Education Association of Taiwan	Member
Taiwan Bio Industry Organization	Member
Financial Planning Association of Taiwan	Member
Taiwan Finance Association	Member
Financial Engineering Association of Taiwan	Member

1-3-2 International Interactions

Due to the pandemic's impacts in 2020, almost all physical activities have been postponed. However, TPEX is still actively participating in virtual conferences, forums and seminars to learn international trends and maintain international engagements.

International Organization Membership

Name of Organization	Participation Status
The World Federation of Exchange, WFE	Full member
Asian and Oceanian Stock Exchanges Federation, AOSEF	Full member
The International Organization of Securities Commissions, IOSCO	Affiliated member (FSC, the competent authority, is a full member)
The Global Association of Central Counterparties, CCP12	Full member
Climate Bonds Initiative, CBI	Partner
Task Force on Climate-Related Financial Disclosures, TCFD	Became signatory in October 2020

Participation in International Securities Conferences and Seminars

Participation in Related Organizations and Activities in the International Securities Market

WFE	<ul style="list-style-type: none"> The 2020 Working Committee in London (physical event); WFE-IOMA Clearing & Derivatives Conference online seminar
IOSCO	<ul style="list-style-type: none"> Affiliated Members Consultative Committee (AMCC) 2020 video conference; AMCC 2020 video seminar and annual meeting; AMCC mid-year meeting in 2020; IOSCO 2020 World Investor Week (WIW) Video Conference
CCP12	<ul style="list-style-type: none"> 2020 Annual Conference Video Conference Special Annual Meeting Video Conference

Participation in Meetings of Other Securities-Related Organizations

Asian Securities Industry and Financial Market Association (ASIFMA)	Five video seminars
International Capital Market Association (ICMA)	Three video seminars
Nasdaq	One video seminar
The Institute of Internal Auditors (IIA)	2020 Annual Conference Video Conference
Asian Corporate Governance Association (ACGA)	2020 Annual Conference Video Conference

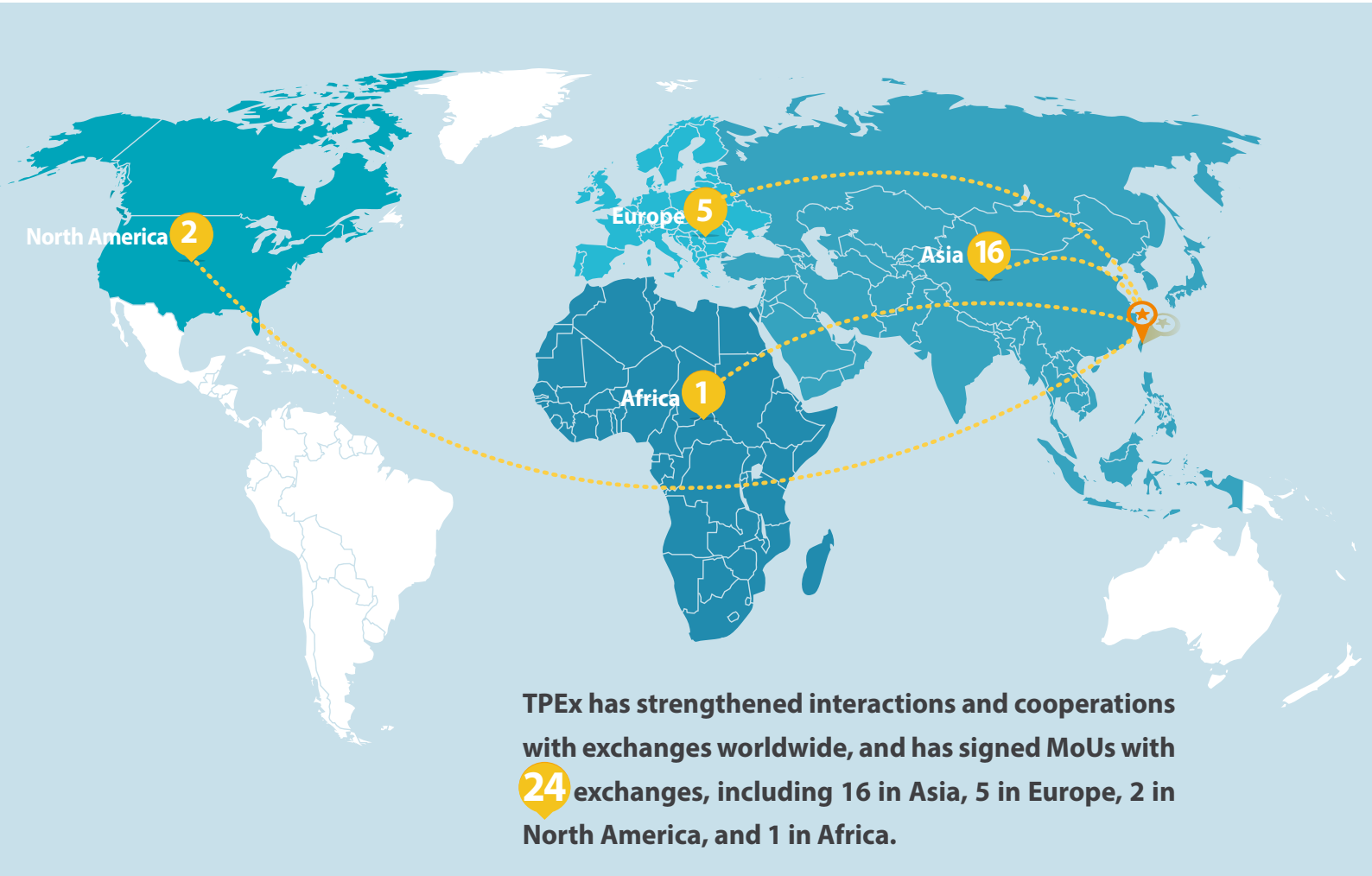
Interview with WFE FOCUS

TPEX Chairman accepted an exclusive interview with WFE FOCUS to introduce how TPEX creates an open and innovative environment to assist emerging and growing businesses in raising funds, and develop new financial products and indexes, and is committed to sustainable development. The interview was published on the WFE website in the January 2020 issue, greatly enhancing the international visibility of the TPEX market.



Collaboration with Exchanges Worldwide

TPEX has signed memorandums of understanding (MoU) with 24 exchanges worldwide. Although the pandemic affected face-to-face dialogues, TPEX still maintained good interaction with and learned from partner exchanges through video and email.





Exchanges with Foreign Enterprises

TPEX has been actively encouraging the finest foreign companies to become listed on Taiwan's TPEX market. On September 14, 2020, three Malaysia-based businessmen visited TPEX and engaged in detailed conversations on entering Taiwan's capital market. TPEX introduced the TPEX market's advantages and how to enter, thereby encouraging companies run by Taiwanese businessmen to return to Taiwan.

1-3-3 Promoting TPEX Services

TPEX promotes its services through various channels to inform capital market participants:

Promotional Channel	Description
TPEX Official Website 	<ol style="list-style-type: none">1. Considering the participants' diversity in the capital market, "Focus Areas" was set up on the homepage. Visitors can browse according to their identity or the topics they are interested in.2. The "TPEX Events" and "Media Gallery" sections were set up to promote relevant policies, key businesses, and recent activities.
Facebook Fan Page 	<ol style="list-style-type: none">1. Considering that the younger generations are more familiar with Facebook, a social media manager has been appointed to actively interact with the public, promote key products or systems, and disseminate information in an interesting way.2. Posts on the fan pages of competent authorities are shared on the TPEX fan page to facilitate policy communication.
TPEX Sustainability Section 	TPEX establishes a Sustainability Section on its official website in 2020 to strengthen communication with stakeholders, and present TPEX's sustainability actions and performance more comprehensively and timely.
Promotional Seminars	TPEX promotes various important businesses, systems, and the latest revised regulations for companies, investors, and securities firms.
On-Site Visits	TPEX makes on-site visits to domestic and foreign companies to introduce the multi-tiered capital market.
Networking/ Matchmaking Activities	TPEX regularly organizes business promotion networking and matchmaking activities for enterprises in the TPEX market.
Media	TPEX promotes its services and products through the media.
Investor Hotline/Fax	<p>TPEX upholds a professional stance and a fair and objective attitude in processing investor complaints, petitions or consultations, in a timely manner. All investor emails received in 2020 were forwarded to the relevant business departments for processing after receipt.</p> <ul style="list-style-type: none">· Investor service hotline: 886-2-2366-6100· ESB market investor consultation hotline: 886-2-2369-6102 <p>Email address of Investor Mailbox: Click on "Contact Us" on the TPEX official website to access the Investor Mailbox</p>

CHAPTER 2

REINFORCING GOOD GOVERNANCE

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2-1 Enterprise Empowerment

2-1-1 Corporate Governance Evaluation

With the government's efforts on corporate governance, many companies in Taiwan have deliberately promoted advanced practices while most Taiwanese companies have already been complying. Since the launch of the Corporate Governance Evaluation in 2014, TPEx has been progressively promoting the best practices among listed companies. By commending the outstanding companies, the Corporate Governance Evaluation helps create benchmarks for industry peers and raise market-wide awareness of corporate governance and corporate social responsibility.

Corporate Governance Practices	Number of Companies Practiced in 2020	Number of Companies Practiced in 2019	Growth Rate
Establish an audit committee	558	387	44%
Adopt the candidate nomination mechanism for directors/supervisors	756	561	35%
File the annual financial report in English	158	136	16%
File the annual report of the shareholders meeting in English	140	129	9%
Prepare the previous year's corporate social responsibility report	124	116	7%



Corporate Governance Evaluation

Based on the six principles the Organisation for Economic Co-operation and Development (OECD) issued in 2004, and the G20/OECD Principles of Corporate Governance issued in 2015, the design of indicators also considered relevant domestic and foreign evaluations, development trends, and also laws and regulations. TPEx conducts Corporate Governance Evaluations once a year to examine the performance of listed companies in the previous year (January 1 - December 31).

What We Did for Corporate Governance Evaluation in 2020

The 6th Corporate Governance Evaluation

TPEx announced the results of the 6th Corporate Governance Evaluation and made a video to honor the top 5% companies.

The 7th Corporate Governance Evaluation

TPEx held the online 7th Corporate Governance Evaluation Promotional Event.

The 8th Corporate Governance Evaluation

TPEx amended and promulgated the operating rules and indicators for the 8th Corporate Governance Evaluation.

In 2020, the 6th Corporate Governance Evaluation assessed a total of 699 listed companies with four categories of indicators, including: "protecting shareholder rights and interests and treating shareholders equitably," "enhancing board composition and operation," "increasing information transparency" and "putting corporate social responsibility into practice." Each company's outstanding performance and conditions will be given or subtracted further points, and consequently placed in any of the seven ranks based on total points received.

Compared with the 5th Corporate Governance Evaluation results, 28 companies ranked among the top 20% of this year's list are newcomers, reflecting that the Evaluations have effectively driven listed companies' improvement. Meanwhile, 13 companies have continued to remain in the top 5% for six consecutive years.

Due to the continuing and unknown impacts of the COVID-19 pandemic, the 7th Corporate Governance Evaluation Promotional Event turned online instead. The change did not affect the companies' interests' and still attracted 2,827 participants, reflecting a nearly 43% growth.



FSC Chairman Dr. Tien-Mu Huang was invited to record a speech to honor the top 5% performing listed companies of "the 6th Corporate Governance Evaluation".

The Result of the 6th Corporate Governance Evaluation

Unit: Company

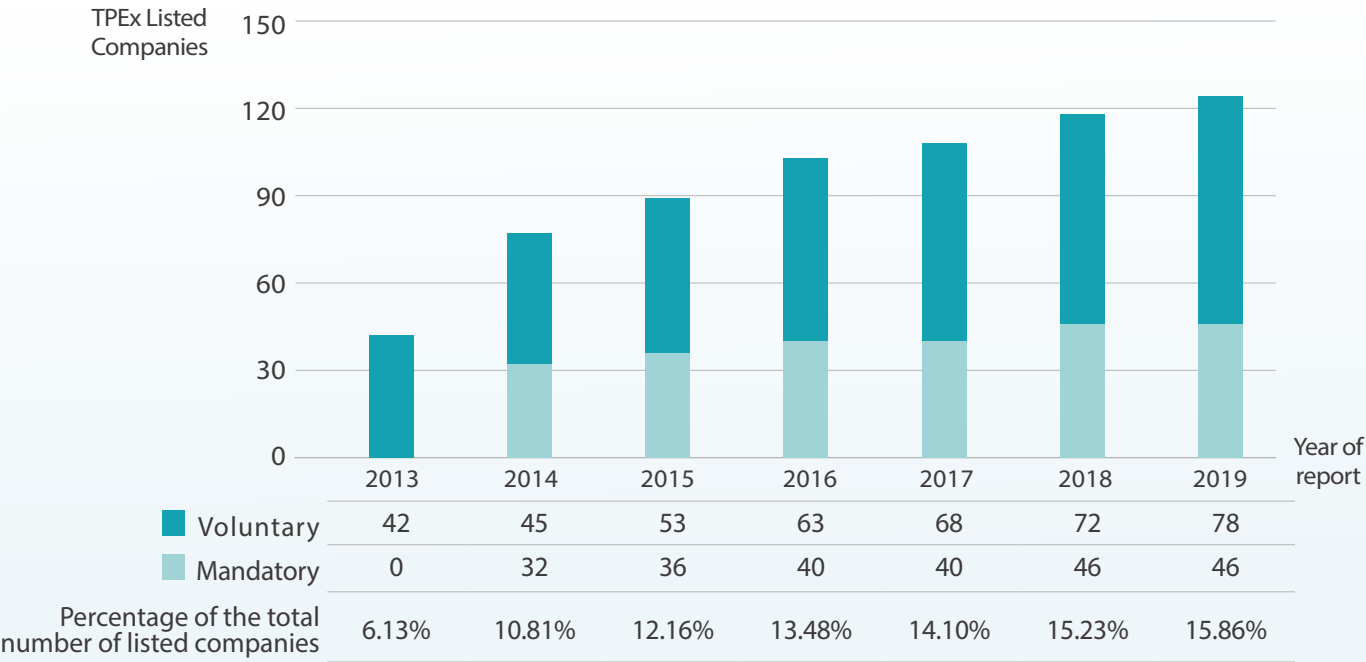
Rank	Number of companies	Number of companies maintaining rank	Number of newcomers
Top 5%	35	30	5
Top 20%	140	112	28
Top 5% for six consecutive years	13		

At the end of 2020, TPEX amended and promulgated the operating rules and indicators for the 8th Corporate Governance Evaluation. In the future, TPEX hopes that the annual optimization of evaluation indicators could further strengthen evaluation efficacy and differentiation, thereby encouraging healthy competition among participating enterprises.

2-1-2 Driving Corporate Actions

Countries worldwide have begun to place greater importance on sustainable development, and responsible investment has become mainstream in the capital market. Taiwan has also shifted the early emphasis on strengthening corporate internal control and governance mechanisms to encouraging companies to address corporate social responsibility and broader sustainability issues. By building the environment for responsible investment, the market mechanism would direct capital investment in support of sustainable development. After promulgating the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies" in 2014, TPEX gradually expanded the scope considering cost-effectiveness and response time needed. Between 2019 and 2020, TPEX further amended the rules to require listed companies to adopt the GRI standards, strengthen ESG practices, and implement climate-related disclosures. At present, listed companies with paid-in capital of more than NT\$5 billion, those in the financial, chemical, and food industries, and companies whose most recent annual F&B income accounted for more than 50% of their total operating income, are required to prepare and issue corporate social responsibility reports. TPEX also encouraged listed companies to voluntarily compile corporate social responsibility reports through promotional events, company visits, and corporate governance evaluations. In recent years, the voluntary compilation of corporate social responsibility reports has grown significantly. In 2020, a total of 124 listed companies issued 2019 corporate social responsibility reports, of which 78 were voluntary disclosures.

Number of Listed Companies that Have Compiled Corporate Social Responsibility Reports (2013-2019)



TPEX is expected to revise the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies" in 2021 to require listed companies with paid-in capital of more than NT\$2 billion and less than NT\$5 billion to create and file corporate social responsibility reports. In accordance with "Corporate Governance 3.0," further changes will include the expanded applicability of third-party assurance, the name change to sustainability report, and the mandatory adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) standards.

2-2 Operation Management

2-2-1 Ethics and Integrity

Ethical Corporate Management

TPEX has established a robust mechanism to uphold the integrity and cooperated with the competent authority's supervisory measures to act in accordance with the national economic policy. TPEX did not affect the capital market's order or involved in fraud, insider trading, antitrust or anti-competitive practices, and market manipulation.

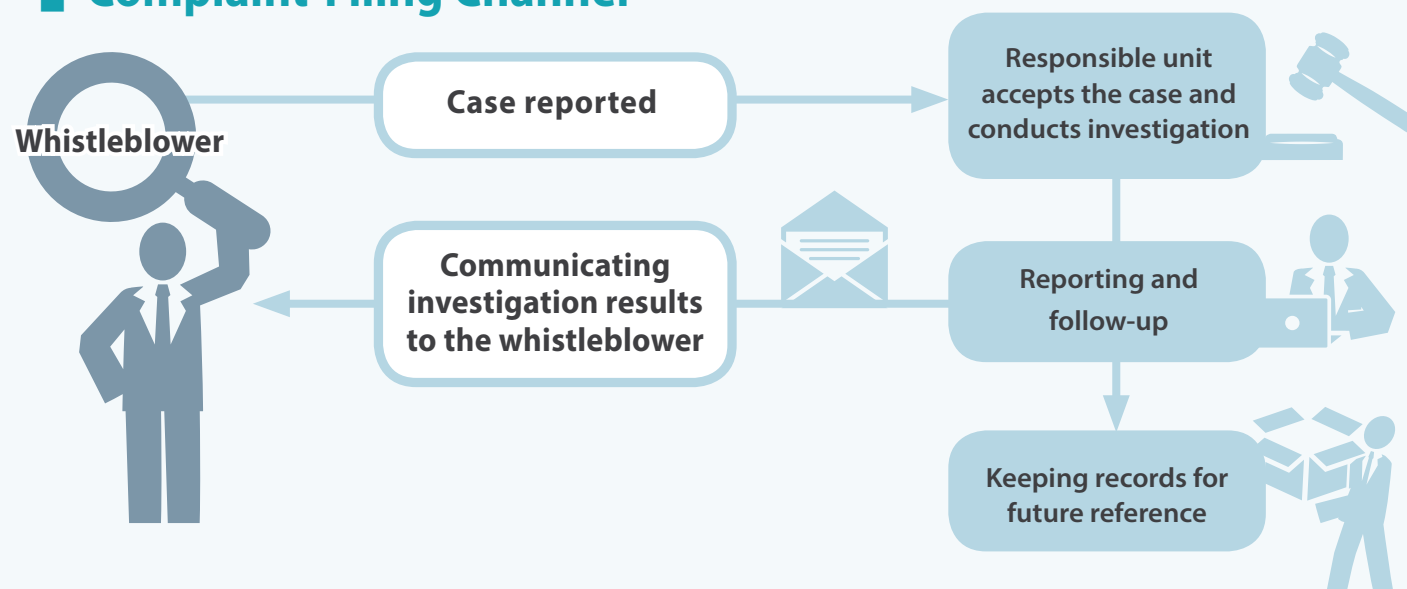
The personnel department is responsible for formulating disciplinary regulations such as the "Ethical Corporate Management Best Practice Principles," "Employee Confidentiality Measures," "Guidelines for Employee Ethical Conduct," and "Precautions for Employees Acquiring or Disposing of TPEX-traded Securities and Emerging Stocks." Among these, the Joint Meeting of Directors and Supervisors approved the "Ethical Corporate Management Best Practice Principles" and required reporting progress to the board of directors every six months. Still, other disciplinary regulations became effective after the Chairman or Managing Director & CEO's approval.

TPEX also formulated the "Disciplinary Standards for Securities Listing (ESM, GISA) and Registration Examiners and ESM Counselors" and the "Disciplinary Standards for Securities Supervisors" for reviewers and supervisors to prevent conflicts of interest and corruption. To this end, TPEX reiterated these regulations internally and reminded all colleagues through internal announcements made in January 2020.

In addition, TPEX has set up the "Implementation Measures for the Whistleblower System." Anyone who suspects TPEX employees of committing crimes, fraud, or violating laws and regulations can file a report. TPEX will conduct investigations impartially, take measures to protect whistleblowers, and handle any criminal matters found in accordance with relevant personnel regulations.

The internal audit team also actively inspects employees' transactions every quarter and reports integrity incidents to ensure compliance with self-disciplinary regulations. In 2020, there were no incidents of employee corruption, violation of the law, or internal complaints.

Complaint-Filing Channel



Regulatory Compliance

TPEX has set up a "Legal Administration Team" under the Administration Department responsible for legal compliance and regulatory amendments. The Legal Administration Team regularly follows the competent authority's actions, and publishes compiled information on TPEX's intranet to keep all TPEX employees abreast of the latest laws and regulations. TPEX makes necessary amendments to relevant internal rules, which will be reported to the competent authority for approval. Recent amendments will then be available in the Law Inquiries section on the TPEX official website.

To ensure effective legal compliance and internal control system, each TPEX department performs legal compliance self-evaluations every six months, and submits the results to the internal audit team for review. With the internal audit team further performed annual legal compliance audits, the 2020 audit results show no particular anomaly.

In addition, TPEX regularly organizes legal compliance education and training courses for employees following relevant laws, regulations, and internal rules. In 2020, TPEX held three sessions each of courses entitled "Personal Data Protection Act and Sharing of Information Security Practices" and "Integrity Management and Corruption and Bribery Risk Management" to enhance the colleagues' awareness of legal compliance, with participation rates of 99% and 94% respectively.

2-2-2 Risk Management

Risk Management Policy




TPEX has built an appropriate risk management mechanism considering the overall operation strategies and the business and legal environment. By integrating risk management into the decision-making process, and requiring each department to effectively identify, measure, monitor, prevent and control various risks, TPEX is capable of minimizing potential risks.

To this end, TPEX has formulated the "Taipei Exchange Risk Management Policy and Crisis Management Operating Guidelines" to fully implement integrated risk and crisis management and achieve business goals unaffected.

Risk Management Committee

TPEX established a risk management committee chaired by the Managing Director & CEO, with the Deputy CEO(s), Chief Administrative Officer, heads of all departments, and commissioners as the committee members. The Risk Management Committee supervises the implementation of TPEX's Risk Management Policy, reviews major risks and response mechanisms, and incorporates risk and crisis management into TPEX's decision-making considerations. There were no adjustments regarding organization and procedures in 2020.

Risk Management Process and Implementation Results in 2020

 Risk Identification	 Risk Control and Contingency Measures	 Risk Assessment	 Risk Management Committee
TPEX departments identified 47 risk factors including market, credit, operational, legal and major disaster	Formulate corresponding control, prevention and response measures for all risk factors	Evaluate based on the probability and degree of impact of the risk	The Risk Management Committee" convened on November 9, 2020 Relevant revisions were announced on the TPEX intranet

Risk Response Measures

All TPEX departments are responsible for improving risk management mechanisms according to their respective functions. Through the process of risk identification, analysis and assessment, various business risks are comprehensively evaluated and responded to with risk management countermeasures. TPEX's Risk Management Committee later convened on November 9, 2020, and announced the relevant revision on November 18 for internal compliance.

ISO 22301 Business Continuity Management Systems Certification

To ensure the stable market operation and investors' rights protection, TPEX introduced ISO 22301 Business Continuity Management Systems in January 2020. TPEX was successfully certified according to the ISO 22301 Business Continuity Management Systems in November 2020 after formulating the business continuity manual and procedures, implementing business process interviews, conducting operational impact analysis and risk assessments, and performing business continuity drills.



ISO 22301

ISO 22301 is an international standard for business continuity management. The standard helps companies identify various threats that may affect their service provision, thereby establishing response and recovery plans.



Business Continuity Plan

All TPEX departments update business continuity plans and emergency and abnormal situation handling manuals every year to ensure that critical businesses can immediately respond and resume after disruptions. On November 9, 2020, the Business Continuity Committee held a meeting to approve the annual updates; on December 10 and December 19, TPEX conducted drills to simulate abnormalities of the ESB, listed open-ended fund, gold, bonds, and derivatives systems. The activation of remote backup allowed all key departments to involve in troubleshooting and response implementation, thus strengthening the crisis response mechanism.

To maintain normal market operations amidst the COVID-19 pandemic, TPEX further adopted the backup plan with splitting and distancing. In addition to the continued work-from-home and rotation plan, the intercommunications and gatherings of the capital market are conducted through video conferencing.

Internal Audits

TPEX has formulated an internal control and audit system based on the “Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets,” and each department has developed internal control system regarding its business processes. With details disclosed in the “Internal Control and Audit Section” of the TPEX intranet, TPEX operated the internal control system accordingly to ensure the continued effectiveness.

Under the Board of Directors, the Internal Audit Team is responsible for performing audits on each department, making timely suggestions for improvement, monitoring the improvement progress, and submitting monthly results to each supervisor for review. The Team reports to the Joint Meeting of Directors and Supervisors on a quarterly basis, and consequently reports to the competent authority for reference. With 11 items identified requiring improvement in 2020, most were addressed in 2020 except for one improvement completed on March 11, 2021.

In response to amendments to laws and regulations, TPEX accordingly amends relevant rules and standard operating procedures. Upon completion, TPEX immediately announces details on the intranet and inform colleagues through emails and internal education and training sessions. In addition to conducting monthly self-assessments in accordance with regulations, all departments also conduct assessments on the effectiveness of the internal control system. After review by the internal audit team, there are no cases of failed implementation.

2-2-3 Information Security

TPEX offers enterprises an effective platform for obtaining financing, and at the same time, provides general investors with diversified instruments. It is also committed to maintaining a comprehensive, functional, and effective information security management system and personal data protection system so as to provide the best guarantee for the capital market.

Information Security Management System

TPEX has obtained certification for ISO 9001 on quality management, ISO 27001 on information security, and ISO 20000 on information service, and continues to entrust certifying bodies to perform reviews every six months and re-examinations every three years in accordance with regulations. The certificates have continued to be valid so far, and an information security management review meeting chaired by the Deputy CEO is held every six months to regularly review the implementation of the information security management system to ensure its appropriateness and effectiveness. There were no instances of confidential information leakage in 2020.



Establishing a Full-time Responsible Unit and Providing Complete Education and Training

The information security team performs full-time information security management; information security supervisors and personnel undergo 15 hours of information security professional training and all colleagues undergo 3 hours of information security advocacy training to enhance awareness.



Information Security Protection and Monitoring

- TPEX established an information security protection system and a security operations center (SOC), and has carried out security inspections including diagnostics, server vulnerability scanning, web program vulnerability scanning, program source code and penetration testing.
- TPEX has also introduced ISO 22301, formulated relevant disaster response and recovery mechanisms for events such as natural disasters, active sabotage, system failures, and performed drill tests.
- In the future, TPEX will implement risk identification and management, management review meetings, internal audits, drills and tests, and regular review by certification bodies to continue improving the business continuity management system.



Information Security Internal Audit

TPEX's internal audit team conducted audits on information security according to the 2020 Audit Plan, and the audit results reflect no deficiencies.



Information Security External Audit

- TPEX established an information security management system (ISMS) according to the ISO 27001 standard.
- The British Standards Institute (BSI), an external verification organization, conducted two audits, and discovered no non-conformities in 2020; thus, TPEX's ISO 27001 certificate remains valid.

Protection of Personal Data

TPEX is committed to maintaining personal data security, thus ensuring that the data collection, processing, and utilization comply with confidentiality, integrity, availability, and legal requirements and reducing the risk of personal information breaches. These measures protect the implicated parties' rights and interests and ensure the sound operations of the capital market. There are no personal information breaches in 2020.

To ensure personal data protection, TPEX has established a "Personal Data Protection Management Committee." Chaired by the Managing Director & CEO, the committee regularly reviews TPEX's personal data management policies and goals, and convenes personal data protection management review meetings twice a year (additional if necessary).

TPEX has also introduced a personal information protection management system in accordance with the "Personal Data Protection Act," and has established a personal data protection management manual and various instructions and procedures to provide a unified compliance mechanism. In addition, TPEX reviews business operations related to personal data protection through external and internal audits twice a year.



Personal Data Protection Management Committee

- TPEX has set up a "Personal Data Protection Management Committee" to organize cross-departmental tasks
- In 2020, the committee held two meetings: January and June 2020



Continuing Education for Employees

- All colleagues participated in "Personal Data Protection Act and Sharing of Information Security Practices" education and training course
- Colleagues in charge of processing personal information in various departments engaged in a meeting on "Recommendations and discussions of verifying and auditing common deficiencies"



Internal/External Audits

- The British Standards Institute (BSI) conducts audit and certification every six months: January and July 2020; BS10012:2017 PIMS certification continued to be valid
- The internal audit team conducts an audit every six months: May and November 2020



Contingency Training for Personal Data Violation Incidents

- No personal data infringement incidents occurred in 2020, but in order to strengthen colleagues' ability to respond to personal data infringements and crisis awareness, in August 2020, the vice committee chairman of the Personal Data Protection Management Committee selected scenarios for conducting personal data infringement incident response training and simulation exercises.



2-2-4 Supplier Management

TPEX provides trading services for securities and financial products, with main suppliers offering general services, equipment, and engineering services. Most procurements made by TPEX are with local suppliers, and the main methods of communication are dedicated telephone, email, and meetings. There were no significant changes in terms of supply chain management in 2020.

In addition to establishing "Property Procurement and Management Guidelines" as a basis for the procurement process, TPEX also regards suppliers as important partners and hopes to exert its influence in the value chain further. Since November 2020, TPEX has been requiring suppliers to sign a "suppliers' Commitment to Fulfill Corporate Social Responsibility" and has urged suppliers in complying with regulations on occupational safety and health, labor human rights, and environmental protection, thereby realizing corporate social responsibility into practice and creating benefits in multiple aspects.

In view of the fact that the quality of information system services may affect information security, TPEX regularly reviews the successful bidders for their services to confirm whether they are consistent with the contract specifications. The review results will then serve as a reference for future supplier evaluation operations. A total of 311 cases were reviewed in 2020, all of which were qualified with a qualification rate of 100%.

CHAPTER 3 FACILITATING ENVIRONMENTAL SUSTAINABILITY

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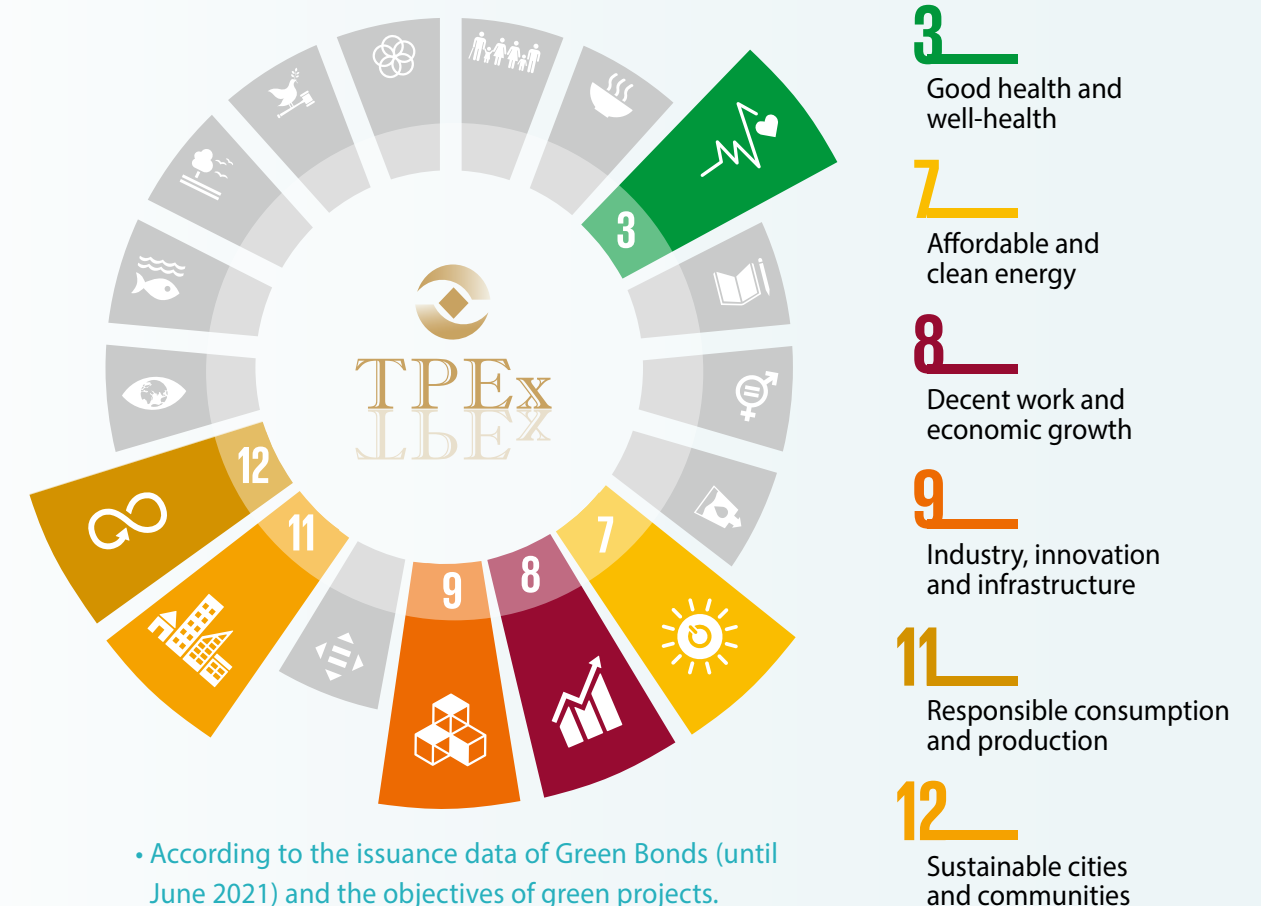
3-1 Sustainable Finance

3-1-1 Green Finance

As climate change continues to escalate, causing extreme climate events, the United Nations' SDGs call on governments and enterprises to take environmental sustainability and social equity into account while pursuing economic growth. Countries around the world have been responding by leveraging financial market forces to promote sustainable development.

TPEX encourages enterprises and investors to provide further consideration to environmental, social and corporate governance issues. The virtuous cycle will enable Taiwan to accelerate the low-carbon transition and to realize a sustainable development vision, in which economic growth, environmental protection and social progress can all be realized to the fullest extent.

Green Bonds



In response to Taiwan's policies to promote the energy transition and build a nuclear-free homeland, the FSC has prioritized the development of "Green Finance" along with other missions. In 2017, the FSC formulated the 25 "Green Finance Action Plans", among which the development of green bonds was given utmost priority. The FSC furthermore announced the successive "Green Finance Action Plan 2.0" in 2020, proposing sustainability bonds issuance to diversify the range of financial products and channels in Taiwan.

In line with the government's "5+2 Innovative Industries Program," TPEX has promulgated the "Operational Directions for Green Bonds" on April 21, 2017, to establish Taiwan's over-the-counter trading system for green bonds, with reference to relevant international standards and development experience. The system is expected to help the green energy technology industry and green investment projects obtain medium and long-term financing while facilitating Taiwan's transformation into a green economy.

Under the active promotion of the TPEX, Taiwan's green bond market flourished in 2020, with both issuance volume and outstanding balance reaching record highs. The 19 green bonds issued in 2020 have a total issuance amount of NT\$56.6 billion, the full amount of which has been used to finance domestic green investment projects.

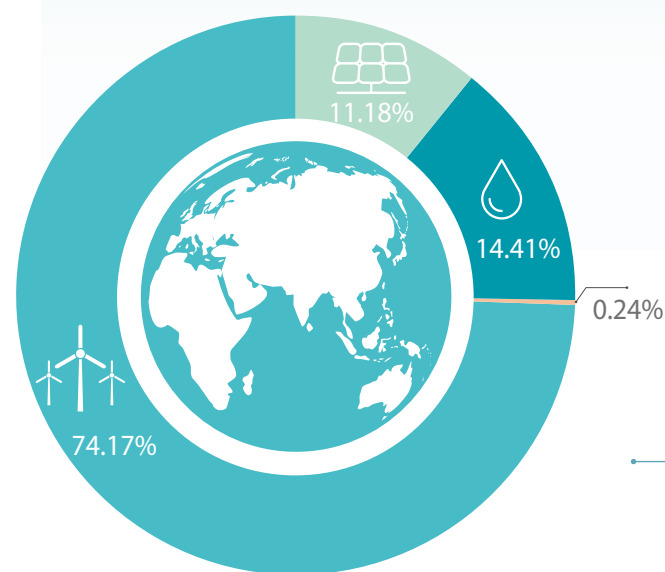
In terms of issuers, Taiwan Semiconductor Manufacturing Company, one of the leading semiconductor foundries, also applied for green bond issuance in 2020. It was joined by the four newly added financial institutions, including First Commercial Bank, Mega International Commercial Bank, Crédit Agricole CIB Taipei Branch, and HSBC Bank (Taiwan).

In terms of product range, TPEx expanded the scope of green bonds to include Islamic fixed-income securities (Sukuk) and also relaxed the funds' utilization scope for green bond issuance. In addition to providing investors with more diversified investment options, TPEx also increased the flexibility with which financial institutions can utilize the funds obtained.



Promoting Renewable Energy Development and Low Carbon Transition in Taiwan

Taiwan Power Company issued green bonds with a denomination of NT\$12.8 billion (abbreviated as P09 Taipower 4A, P09 Taipower 4B, and P09 Taipower 4C) through TPEx's green bond issuance platform. The bond assisted Taiwan's most significant vertical integrated utility increase hydro, wind, solar photovoltaic, and geothermal energy penetration. In addition, the project also invested in the power grid bolstering to utilize renewables better, to realize energy transformation and climate policies.



2,032 GWh
renewable energy added

1,034,642 Tonnes
carbon emission reduction with
renewable energy added

- Solar Photovoltaic
- Hydropower
- Geothermal Power
- Wind Power



Environmental Management and Climate Commitment of the Semiconductor Industry

Taiwan Semiconductor Manufacturing Company issued green bonds with a denomination of NT\$12 billion (abbreviated as P09 TSMC 6A, P09 TSMC 6B, and P09 TSMC 6C) through TPEx's green bond issuance platform. The bond assisted one of the world's biggest semiconductor foundries to introduce green buildings, uninterruptible power systems, and exhaust gas treatment facilities, which reduce the process's energy consumption and greenhouse gas emissions. Thus, the project promotes the transformation of the semiconductor industry and environmental benefits.



EEWH

Green Building
Certification in 2020

LEED BD+C

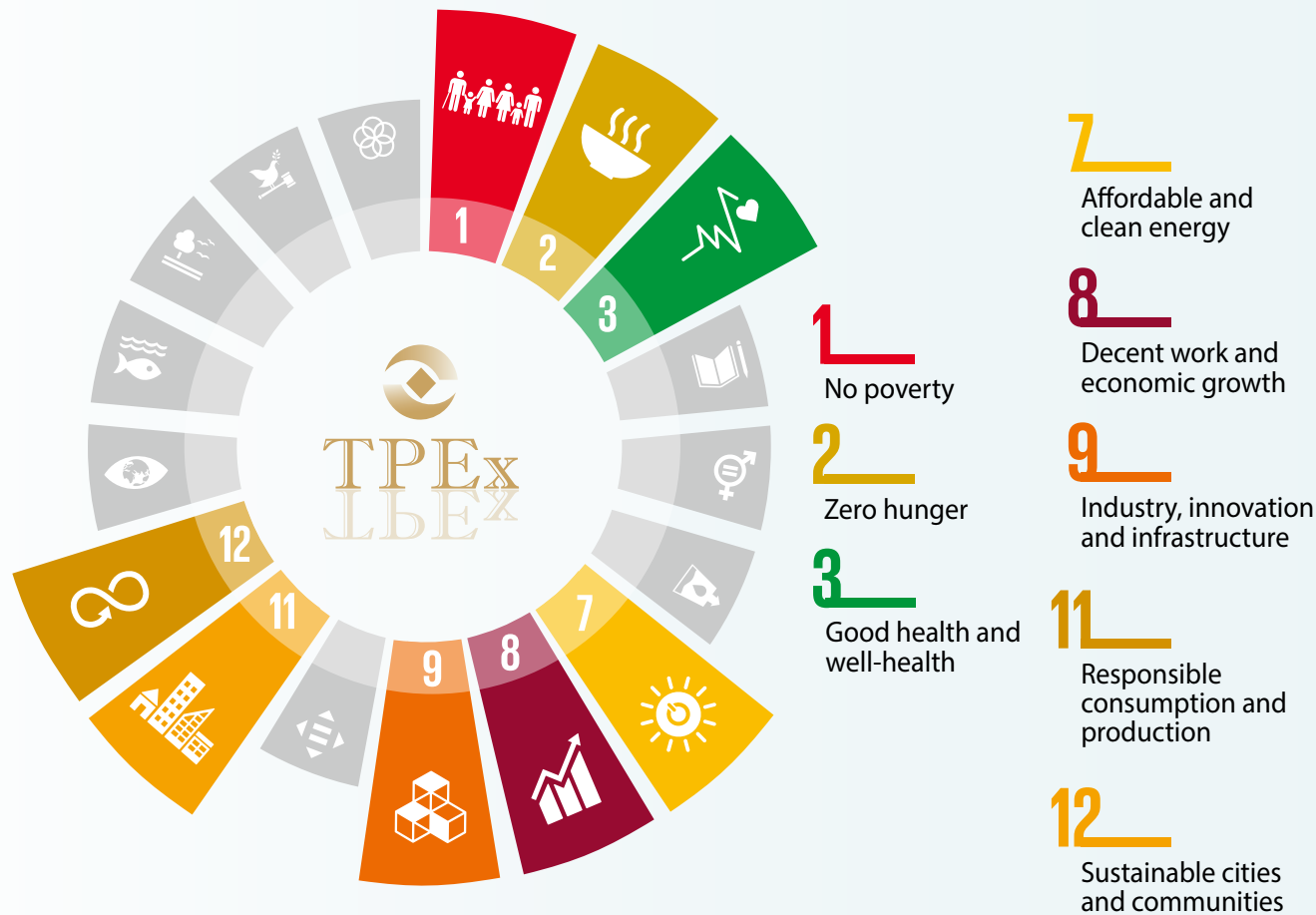
Green Building Certification in 2020

-22,115 Tonnes
carbon emissions with uninterruptible
power systems (UPS)

-640,000 Tonnes
carbon emissions with exhaust gas
treatment facilities



Sustainability Bonds



• According to the issuance data of Sustainability Bonds (until June 2021) and the objectives of green and social projects.

TPEX promulgated on October 6, 2020, the "Operational Directions for Sustainability bonds," thus establishing an over-the-counter trading system for sustainability bonds in Taiwan. The establishment echo with international markets' trends of sustainable development, and pursuant to the competent authority's initiatives, including "Corporate Governance 3.0-Sustainable Development Roadmap," "Green Finance Action Plan 2.0," and "Capital Market Roadmap 2021-2023."



Financing Green Infrastructure for Circular Economy

Far Eastern New Century Co., Ltd. issued a sustainability bond with a denomination of NT\$3.8 billion (abbreviated as P09 Far East New 5) through TPEX's sustainability bond issuance platform. The green project supports the embodiment of circular economy and sustainability, fostering a green industrial chain. Meanwhile, the social project supports the intelligent and environmentally friendly Taipei Far Eastern Telecom Park, which improves the facilities of schools and hospitals, providing employment opportunities for the disadvantaged.

-63%

carbon emissions of granules made from PET bottle bricks generated compared with traditional petrochemical raw materials





Financing Solution for Enterprises and Employees to Overcome Pandemic's Impacts

Bank SinoPac Co., Ltd. issued a sustainability bond with a denomination of NT\$1 billion (abbreviated as P09 SinoPac Bank 7) through TPEX's sustainability bond issuance platform. The social project incorporates the governmental interest subsidy schemes, provides low-interest financing solutions to support the small and medium-sized enterprises affected by the pandemic on working capital and employee salaries, assisting the society in tiding over the difficult times.

2 Projects

supporting the difficulties under the pandemic

24 Companies

supported by the projects

1,415 Individuals

supported by the projects

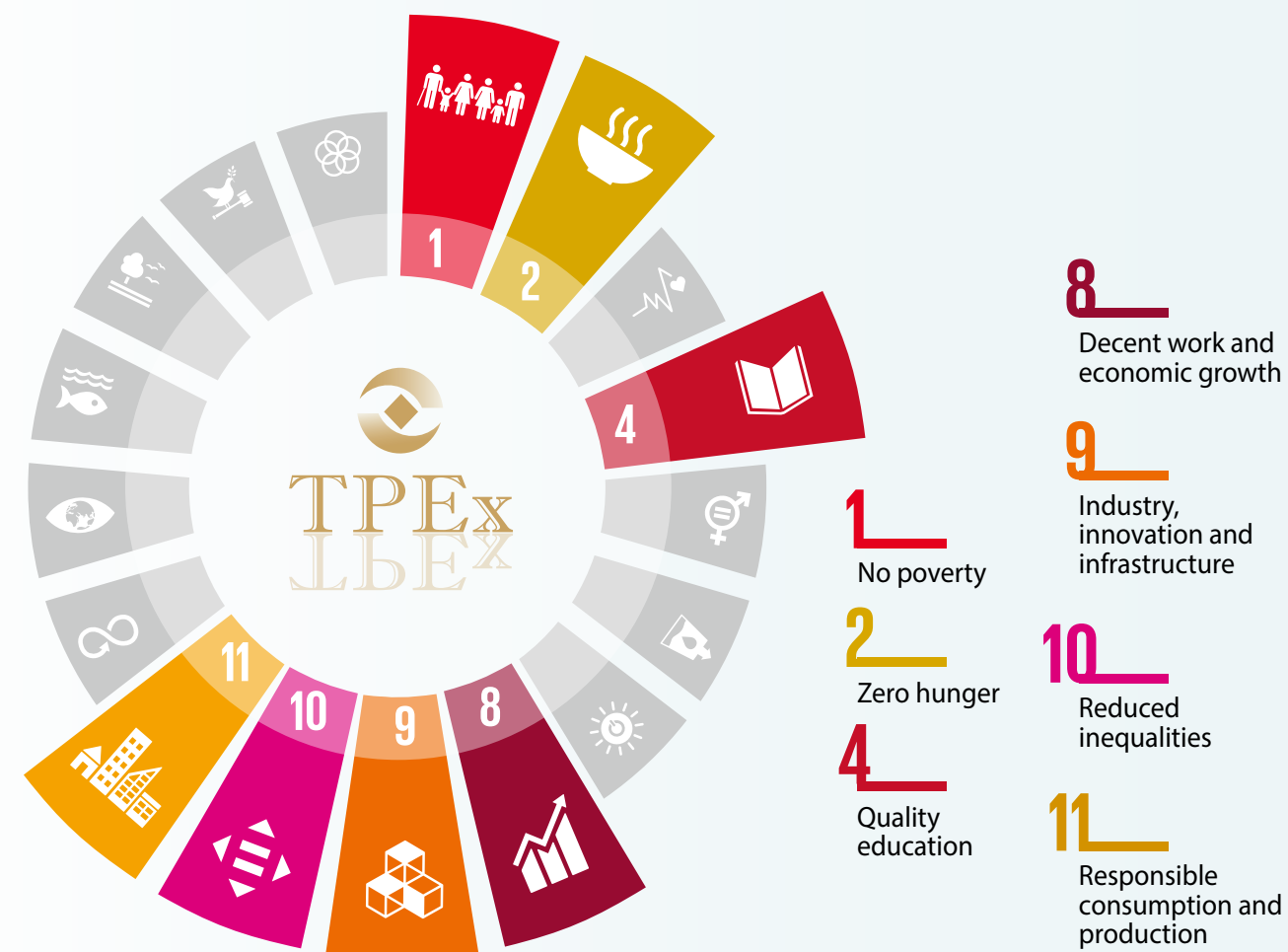
While assisting companies to obtain financing, the Sustainability Bond Market is also a platform through which companies can demonstrate and validate their commitments and corporate values. Sustainability bond issuers can directly explain to investors their sustainable development ideas, business models, and investment plans for the use of funds through investment proposals. Also, companies can publicly showcase their long-term sustainable development plans through reports on the implementation progress and benefits realization.

On December 4, 2020, TPEX held the "Sustainability Bond Market Promotional Seminar" to introduce the reporting standards and relevant information, thus continuing to foster Taiwan's sustainability bond market. A total of 3 tranches of sustainability bonds amounting to NT\$5.8 billion were issued in 2020. The issuers included financial institutions such as CTBC Bank, Bank SinoPac, and Far Eastern New Century.



TPEX held "The Sustainability Bonds Listing Ceremony" on November 6, 2020.

Social Bonds



• According to the issuance data of Social Bonds (until June 2021) and the objectives of social projects.

To gradually perfect Taiwan's sustainable product and market, TPEX expects to establish an over-the-counter trading system for social bonds in 2021. By holding promotional seminars, visiting issuers and investors to promote the integration of environmental protection, social equity, and corporate governance issues into the capital market and economic activities, TPEX aims to facilitate sustainable finance while diversifying the domestic bond market with more sustainability-related products. A dedicated webpage was established on the TPEX website to organize information on green bonds, sustainability bonds and social bonds.



TPEX will continue to consider the development trends in the international financial market, and assess the feasibility of developing more sustainable fixed-income products, such as sustainability performance-linked bonds, green economy corporate bonds or other special bonds, including blue bonds, transition bonds and COVID-19 bonds, etc.

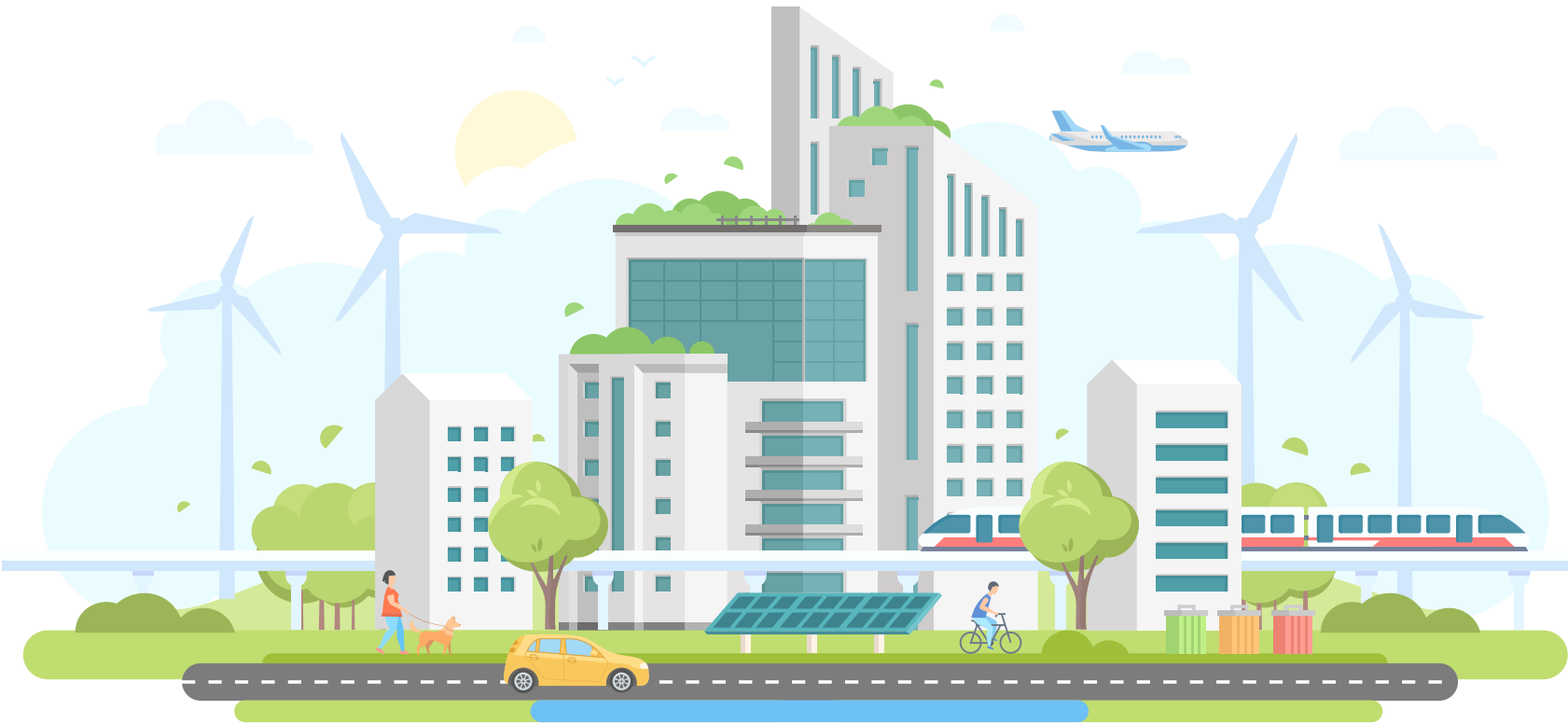


TPEX Sustainable Bond Market

3-1-2 Climate Governance

Given the intensifying impact of climate change, the international community is paying increasing attention to climate-related risks. While facing negative climate impacts, enterprises may also identify climate-related opportunities. As such, exchanges have gradually formed a consensus on the importance of promoting climate change-related disclosures and strategies. In October 2020, TPEx formally support the Task Force on Climate-related Financial Disclosures (TCFD) and performed a preliminary assessment.

	Climate-Related Impacts	Description	TPEx Responses
 Risks	Energy price increase	Policies and regulations drive the internalization of greenhouse gas emission costs, increasing operating costs	<ul style="list-style-type: none">Promote energy conservation plans and set annual energy conservation goals
	The government strengthens the requirements and supervision of TPEx market enterprises	Policies and regulations strengthen the supervision of energy-intensive or climate change-related industries, impacting industry structure and raise the threshold for entering the capital market	<ul style="list-style-type: none">Revise relevant laws and regulations such as the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEx Listed Companies" to promote and assist companies in assessing and addressing climate change risks and opportunities
	Extreme weather events strike operating sites and disrupt operations	Extreme weather events affect operating sites as well as facilities and systems, the most severe of which may cause operation disruption	<ul style="list-style-type: none">Track and report on climate change trends, establish a material event notification mechanism and conduct regular drillsConduct regular drills and review the current ISO 22301 management system to strengthen the timeliness of key system recovery
 Opportunities	Develop low-carbon products and services related to climate change adaptation	<ul style="list-style-type: none">In response to the government's promotion of green energy technology, the investment in and development of green energy technology-related industries shall increaseIncreased market demand for paperless, digital, and mobilized services and products	<ul style="list-style-type: none">Assist green energy technology, digital finance, and climate change adaptation-related industries to enter the capital marketDevelop green financial products and digital financial services to invigorate tradingContinue to simplify internal processes and promote paperless and digital services
	Promote energy conservation plans and evaluate participation in renewable energy	<ul style="list-style-type: none">Respond to the risk of rising energy prices and enhance operational resilienceBecome a benchmark for promoting energy-saving and renewable energy to enhance the potential reputation and increase market opportunities	<ul style="list-style-type: none">Promote energy conservation plans and set annual energy conservation goalsEvaluate the status of current energy use and assess the use of renewable energy or purchase renewable energy certificates



TPEx also announced on January 2, 2020, the latest amendments to the "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEx Listed Companies" to help listed companies strengthen climate-related disclosures, thus facilitating investor decision-making and the robust development of the securities market. Listed companies are required to disclose their governance of climate-related risks and opportunities, potential climate-related impacts, methods for identifying, assessing, and managing climate-related risks, as well as relevant metrics and targets in corporate social responsibility reports. Provided the Corporate Governance Evaluation indicators, listed companies are given further guidance that enables them to fully grasp the impact of climate change risks on corporate operations.

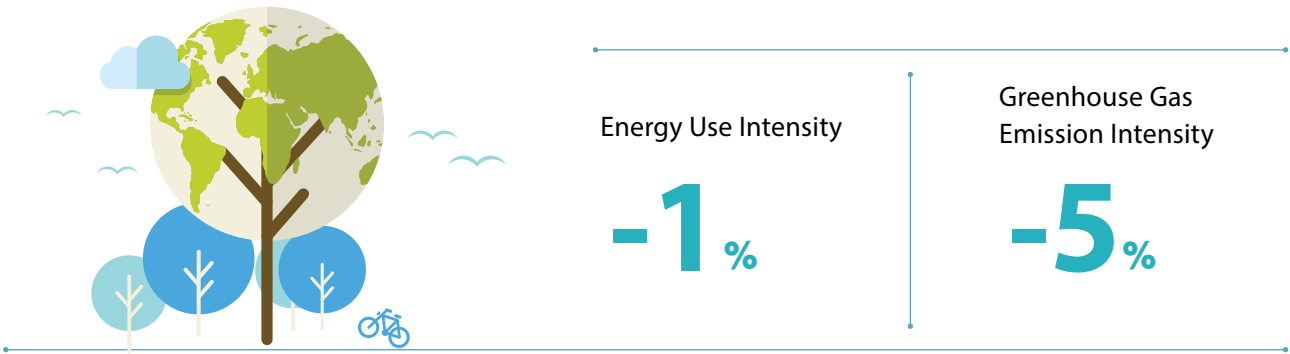
TPEx will support the "Corporate Governance 3.0" plan to promote enhanced disclosure and address listed companies' climate risks with reference to international standards and best practices. We will also analyze and research international disclosure examples, and cooperates with relevant units to handle promotional seminars, lectures or symposiums on climate change issues in a timely manner. TPEx will continue to guide companies to consider climate change issues, thus enhancing the market's resilience against climate change.

3-2 Green Operations

TPEX mainly engages in securities trading and information services and has been no instance of violations against environmental regulation or complaints received to date. However, TPEX still shoulders the mission of operating sustainably and integrating environmental values into business policies at all levels. These initiatives include digitalized administrative processes, selection of environmentally friendly materials for office equipment, promotion of energy conservation, and reduction of paper consumption.

3-2-1 Energy and GHG Emission Management

TPEX offices and information centers use purchased electricity (non-renewable), while a smaller percentage of energy use entails fuel consumption by official vehicles. In 2020, the energy use intensity decreased by 1 % and the gas emission intensity decreased by 5% compared to 2019. Nevertheless, total fuel consumption in 2020 was 6,333 liters, which is a slight increase compared to 2019 due to increased vehicle usage for epidemic prevention considerations.



Energy Consumption

Energy Consumption	2019	2020
Purchased Electricity (kWh)	912,030	898,697
Purchased Electricity (GJ)	3,283.31	3,235.31
Vehicle Gasoline (liter)	6,189	6,333
Vehicle Gasoline (GJ)	202.11	206.82
Total Energy Consumption (GJ)	3,485.42	3,442.13
Energy Intensity (GJ/person)	11.70	11.59

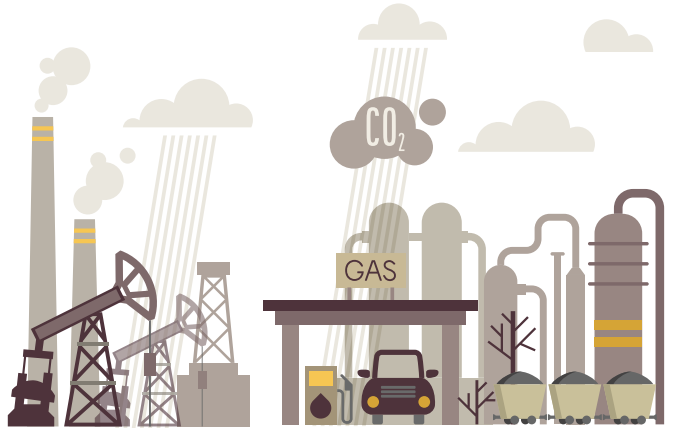
Note 1: Compared to the 2019 report covering relevant data only from the TPEX Guting Office in Taipei City, the data of this report for 2019 and 2020 cover the TPEX Guting Office in Taipei City, Banqiao Office in New Taipei City, Banqiao server room in New Taipei City and remote backup server room in Taichung City. Purchased electricity, vehicle gasoline, total energy consumption, and energy intensity calculations are all rounded to two decimal places.

Note 2: The electricity purchased by the Guting Office in Taipei City is based on the metered number specified on Taiwan Power Company's utility bills; those of other locations are based on the metered numbers stated on respective property management service providers' statements.

Note 3: The heating value coefficient is based on the GHG Emission Coefficient Management Table version 6.0.4 issued by the Environmental Protection Administration, according to which vehicle gasoline is 7,800 kcal/liter.

Note 4: 1 gigajoule (GJ) = 10⁹ joules (J); 1 kilocalorie (Kcal) = 4186.8 joules (J); 1 kilowatt-hour (kWh) = 3.6 megajoules (MJ).

Note 5: Energy intensity is calculated based on the number of employees on December 31 of the year, 298 in 2019 and 297 in 2020.



Greenhouse Gas Emissions

Greenhouse Gas Emissions	2019	2020
Scope 1 (tCO ₂ e)	14.58	14.91
Scope 2 (tCO ₂ e)	486.11	457.44
Overall Emissions (tCO ₂ e)	500.69	472.35
Emission Intensity (tCO ₂ e/person)	1.68	1.59

Note 1: Compared to the 2019 report covering relevant data only from the TPEX Guting Office in Taipei City, the data of this report for 2019 and 2020 cover the TPEX Guting Office in Taipei City, Banqiao Office in New Taipei City, Banqiao server room in New Taipei City and remote backup server room in Taichung City. All calculations are rounded to two decimal places.

Note 2: This report adopted the operational control approach for greenhouse gas emissions inventory check. The calculation goes: activity data*emission coefficient*GWP value (the emission coefficient is based on the GHG Emission Coefficient Management Table version 6.0.4 issued by the Environmental Protection Administration and the GWP value is quoted from the IPCC's Fifth Assessment Report (2013)). Greenhouse gases include CO₂, CH₄, N₂O, HFCs.

Note 3: The electricity purchased by the Guting Office in Taipei City is based on the metered number specified on Taiwan Power Company's utility bills; those of other locations are based on the metered numbers stated on respective property management service providers' statements.

Note 4: The calculation of greenhouse gas emission intensity includes Scope 1 and Scope 2 greenhouse gas emissions; Scope 2 GHG emissions comprise mainly purchased electricity. The calculation adopted the 2018 electricity emission factor of 0.533kg CO₂e/kWh in 2019, and the 2019 factor of 0.509kg CO₂e/kWh in 2020 issued by the Bureau of Energy.

Note 5: Emission intensity is calculated based on the number of employees on December 31 of the year, 298 in 2019 and 297 in 2020.

In terms of electricity management, TPEX practices division of responsibility and regular tracking, using energy-saving lamps, enhancing insulation and maintaining air-conditioning facilities regularly to improve efficiency.

In addition, colleagues are reminded to practice energy conservation from time to time, including turning off air-conditioning in unused spaces, using only necessary lighting, and shutting doors to avoid air-conditioning leakage. Before leaving the office, colleagues are asked to turn off the power of all electrical equipment and remove unnecessary plugs. The last person of each department leaving the office should check whether power has been turned off. Before the consecutive holidays, colleagues are also reminded to turn off all unused electrical appliances and unplug power supplies.

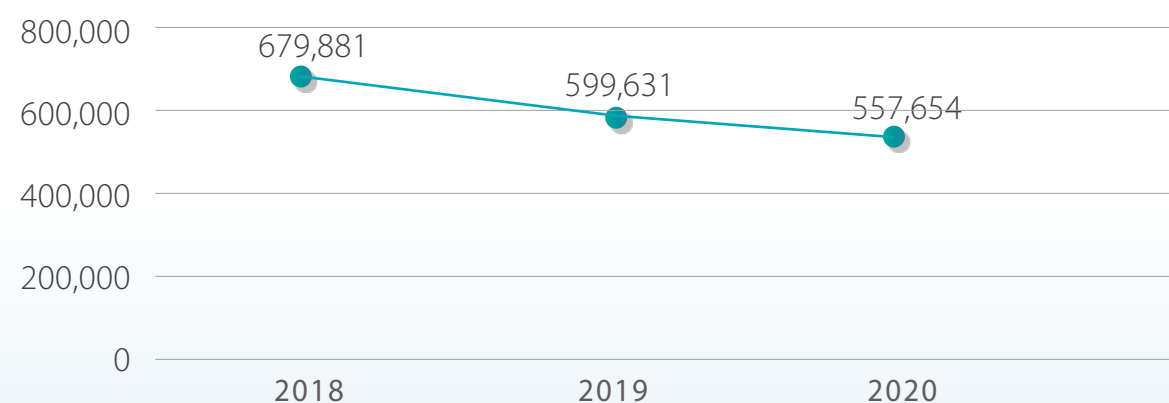
In terms of fuel management, all TPEX departments provide employees with official-use EasyCards to encourage taking public transportation. Private use of official vehicles is strictly forbidden, and rides are shared in principle. Maintenance and inspection are also carried out regularly to maintain fuel efficiency.

3-2-2 Resource Management

TPEX's main consumables are photocopy papers. Over the past few years, we have been actively promoting digitalized and paperless processes. In addition to improving productivity, these efforts have also enabled us to achieve resource efficiency.

Internally, TPEX requires colleagues to conduct administrative procedures online. The usage rate of electronic official documents increased from 54% in 2019 to 56% in 2020. Meeting materials shall be transmitted electronically as much as possible; necessary photocopying or printing should also be double-sided or done using recycled paper. In 2020, the number of paper used by photocopiers reduced by 7% compared to 2019.

■ Photocopier Paper Consumption (sheets)



Externally, TPEX has been continuing to promote various electronic reporting services since 2015. To this end, it has successively completed system development and revised relevant regulations, digitalizing declaration operations in place of the paper-based. The issuing company or intermediary agency can now download the necessary information from the TPEX website, and complete declarations using the online system.

Company File Download Area 	Registration form for press conferences regarding material information of companies, registration statement for listing of new shares for capital increase, registration statement for capital reduction, various checklists, etc., are available online.
Online Declaration System 	Securities firms joining midway and resigning from recommending ESB stocks, declaring new shares traded over-the-counter due to capital increase/reduction, etc., are implemented online.

In 2020, TPEX further improved the electronic declaration system for various services, greatly lessening document submission time and operating costs for issuers. In addition, TPEX has also urging companies to utilize the electronic official document exchange system. As of December 31, 2020, the proportion of listed/registered companies that have used the system reached 96.05%.

Taiwan Water Corporation provided all the water used at TPEX, while no groundwater or other water sources are used. TPEX's operating activities have not affected water sources, and the sewage after use is discharged into the sewerage system. In addition to reminding colleagues to practice various water-saving measures, TPEX has installed water-saving devices and regularly inspects water equipment.

3-2-3 Waste Management

TPEX mainly engages in securities trading and information services and is therefore not associated with concerns over pollution or waste. At present, resource recycling bins are set up on each floor to enable the sorting of recyclables, and colleagues are required to practice resource recycling. Moreover, environmentally friendly toner is used throughout our offices, and 100% of the used toner cartridges are handed over to the original manufacturer for recycling.

CHAPTER 4 PROSPERING WITH COMMUNITY

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4-1 Social Engagement

4-1-1 Social Innovation

Social innovation denotes using technology to transform the relationship between social groups and to solve social problems with new means. TPEX hopes to stimulate innovative momentum into the market, thereby gradually achieving the United Nations Sustainable Development Goals.



Driving Startup Development

TPEX established the "Go Incubation Board for Startup and Acceleration" (GISA) to provide innovative and creative enterprises with "Entrepreneurship Guidance" and "Financing Channels" services, helping startups to consolidate resources and overcome challenges. TPEX also organizes matchmaking activities connecting investors to accelerate the development of promising enterprises.

To drive social innovation, TPEX collaborated with KPMG Taiwan and KPMG Sustainability Consulting Co., Ltd. to organize the "2020 GISA Pitch for Social Innovation Enterprise" on October 7, 2020, helping startups establish partnerships with larger companies.

The event gathered eight influential social innovation enterprises to conduct fundraising briefings, and hosted meetings with the representatives of other enterprises and investors. Such activity could expedite mutual understanding and facilitating further collaboration.

In addition to the established mode of joint exhibition participation, TPEX further provided subsidies to 15 GISA companies participating in professional exhibitions in 2020, which assisted them in overcoming challenges such as low visibility and funding difficulties in the initial stages.



Sharing by GISA-Registered Companies . . .

Digibionic Lifestyle Co., Ltd. Chairman Wu Shaohui shared

that by participating in TPEX's matchmaking activities, he was able to establish a partnership with domestic chain pharmacy MK Co., Ltd., which has 30 proprietary stores and 19 franchisees across Taiwan. Following the formulation of this partnership, Digibionic's hearing aid products will be sold at Mecome pharmacy throughout Taiwan starting from June 30, 2021. Chairman Wu is extremely grateful to TPEX for the establishment of GISA and the assistance in networking as these efforts have accelerated the company's marketing and the establishment of distribution channels.



Chen Yanjiu, Chairman of Senyue Co., Ltd.,

also shared that, by taking part in the TPEX matchmaking activities, he had the opportunity of being introduced to the Great Tree Pharmacy Co., Ltd. to develop a partnership for products such as dried shiitake mushrooms and dried fungus. Thanks to the assistance provided by TPEX, the partnership was made just in time for Great Tree's launch of two new specialty food stores. This has enabled Senyue to sell its products at an established chain store, and looking very much forward to future collaboration. Through recommendations made by TPEX, Senyue has furthermore been able to supply organic, non-toxic dried shiitake mushrooms to the chefs at renowned domestic catering group, Hi-Lai Foods Co., Ltd.



TPEX held "2020 GISA Pitch for Social Innovation Enterprise" on October 7, 2020.






TPEX also supports social innovation enterprises by directly procuring their products. Since the launch of "Buying Power Social Innovation Product and Service Procurement Incentive Mechanism" in 2017, the Small and Medium Enterprise Administration (SMEA) of the Ministry of Economic Affairs has been encouraging central and local government agencies, state-owned enterprises, private enterprises and organizations to take the lead in purchasing products or services from social innovation organizations.

TPEX has been a recipient of the Buying Power Award for 4 consecutive years since the the mechanism's launch in 2017. We have been continually investing and assisting social innovation organizations in obtaining resources and exploring market opportunities, thus supporting responsible consumption and production in Taiwan.

4-1-2 Engagement and Empowerment

TPEX upholds the spirit of "giving back to the society from which it benefits." Specifically, TPEX's Articles of Incorporation stipulate that a certain percentage of the previous year's after-tax surplus must be allocated as donations for social welfare. Furthermore, TPEX has formulated the "Management Measures for Charitable Donations" that stipulates the implementing principles and mechanisms. In addition, TPEX has appointed a cross-departmental corporate social responsibility team, headed by the Deputy CEO, to be responsible for the overall planning.

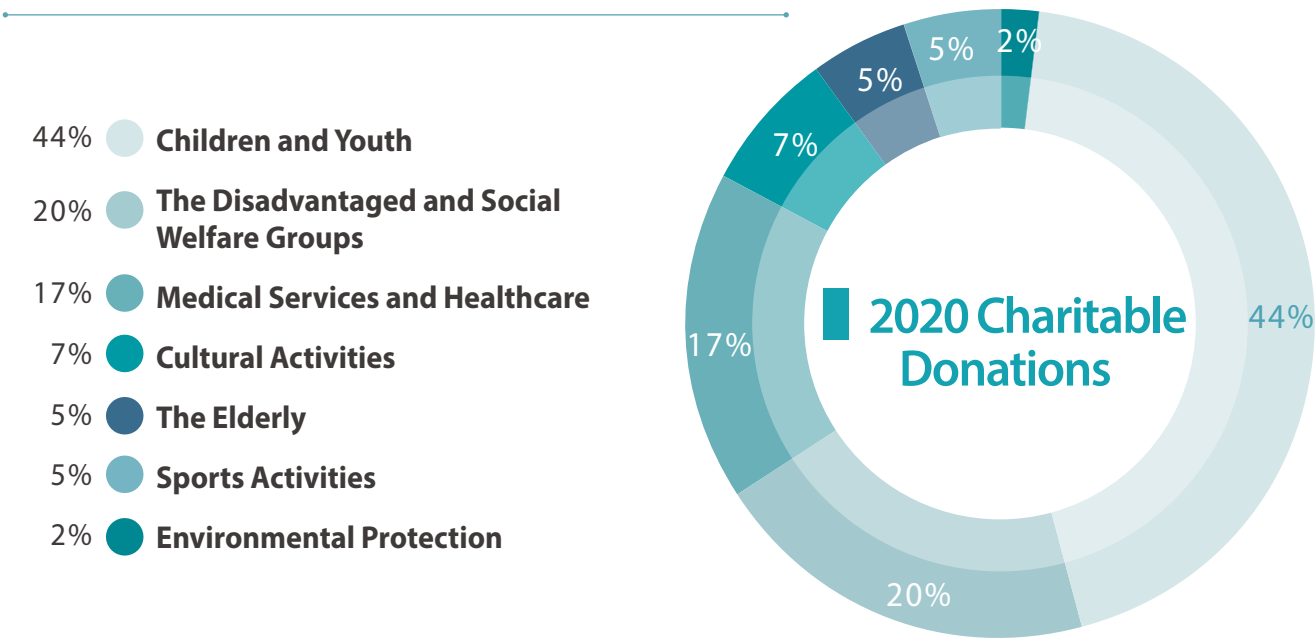
TPEX Social Investment Policy

<div></div> <div>Phase 1 Budget Planning</div>	<div></div> <div>Phase 2 Investigate and Survey</div>	<div></div> <div>Phase 3 Pre-Investment Evaluation</div>	<div></div> <div>Phase 4 Resolve and Connect</div>	<div></div> <div>Phase 5 Post-Investment Evaluation</div>
The Board passes the resolution on budget available for charitable donations	<div>Diverse communication channels with stakeholders</div> <div>Ministry of Health and Welfare</div> <div>Ministry of Education</div>	<div>Assessing the financial conditions of potential donees</div> <div>Assessing the executive capacities of potential donees</div> <div>Assessing the social impacts of investments</div>	<div>The Sustainability Committee passed the resolution on investment plans</div> <div>Connecting TPEX employees</div> <div>Connecting TPEX-listed companies</div>	<div>Assessing the diversity of investments</div> <div>Assessing the continuity of demands</div> <div>Assessing the social impacts of investments</div>

All-Inclusive Social Care

TPEX categorized charitable donations into seven dimensions: the elderly, children and youth, disadvantaged and social welfare groups, sports activities, cultural activities, environmental protection, and medical services and healthcare. We regularly assess the specific needs, direct related resources, and connect demands of different dimensions to amplify the impacts.

TPEX also encourages employees to participate in volunteering activities, and invites all listed companies to partake in charitable donations, in the hope of motivating more enterprises to answer the call.



Donating to 1919 Food Bank with Listed Companies to Support Families in Need

For nine consecutive years since 2013, TPEX has continuously supported the charitable activities of the 1919 Food Bank, supporting economically disadvantaged and troubled families. TPEX also leveraged our influence further by inviting listed companies to join this charitable initiative for six consecutive years since 2015.

Despite the unfavorable industry outlook and economic conditions caused by the COVID-19 pandemic in 2020, TPEX still succeeded in urging 16 listed companies to support it. The total donations comprised more than NT\$1.32 million of funds, 8,850 kg of rice, and other supplies.



Beneficiary Feedback

Deputy Secretary-General Sujun Zhen of the Chinese Christian Relief Association stated that the 1919 Food Bank was established to connect the people with the strength of the Christian Church to carry out social assistance and charitable activities. Although the epidemic has affected the economy, it has also inspired more kindness and love. Ms. Zhen also emphasizes that stable supplies are more important than quantity. Therefore, she is particularly grateful to TPEX and listed companies for their support in helping the beneficiaries overcome their difficulties.



TPEX held "The 1919 Food Bank Donation Ceremony" on October 12, 2020.

Supporting Organic Farms and Donating Organic Rice to Disadvantaged Families

Xingjian Village in Sanxing Township, Yilan County, is known for its commitment to non-toxic, pesticide-free, and chemical-free organic farming methods. Local farmers have formed the "Xingjian Organic Production Cooperative" to market premium organic products grown and processed locally. TPEX strongly identifies with the residents' idea, and has thus been purchasing organic rice produced in Xingjian Village since 2016. We further donate the rice to disadvantaged families in collaboration with social welfare agencies.

In addition, every year since 2017, TPEX has been calling on employees and their families to visit Xingjian Village to experience the local eco-friendly farming practices. Despite the pandemic, more than 70 TPEX colleagues and their families still made the routine visit with all appropriate epidemic-prevention measures. Through guided tours given by local farmers, actually setting feet in the fields has enabled all participants to gain a better understanding of organic agriculture and environmental conservation.

19 Charitable Organizations

received the organic rice produced in Xingjian Village



TPEX Colleagues Feedback:

I have participated several times in the rice planting activities in Xingjian Village and brought my children to the fields to experience. Apart from giving him a glimpse of life outside the city and away from 3C products, the activity allows him to walk on the land with his bare feet. I hope that he will understand the farmers' hardship. TPEX has also sponsored the organic rice fields here at Xingjian Village and donates the harvest to social welfare agencies, a gesture that makes this activity even more meaningful.

Xingjian Villager's Feedback:

Xingjian Village is a typical rural village with an average age of 65. To maintain the sustainability of countryside farmland and recover the simplicity and purity, we insist on adopting non-toxic, pesticide-free, and non-chemical fertilizer organic farming methods, so that everyone can enjoy 100% naturally grown rice that's conducive to health. You are always welcome to come experience farming here in our village, and we thank you for adopting the organic rice fields here in Xingjian Village. In the future, we hope to see you again every year.



TPEX has had a subscription to the organic rice produced by Xingjian Village, Sanxin Township of Ilan County since 2016 and donates the rice to disadvantaged families through social welfare agencies.

Improving Rural Education and Medical Care

While pursuing economic growth, Taiwan's social structure has also changed dramatically. The gap between urban and rural areas has widened, resulting in the uneven distribution of resources. TPEx strives to reduce inequality in accordance with the United Nations' SDG 10. Every year, we join the Taiwan Financial Services Roundtable and offer scholarships to disadvantaged students with the "Financial Services Education Charity Fund." Scholarships and bursaries have been distributed to nearly 10,000 underprivileged students in the past six years. Meanwhile, we have long supported the "College Student Financial Employment Charity Class" held by TDCC to help disadvantaged students who wish to develop their careers in the financial industry to strengthen their professional abilities.



1,431
Underprivileged Students

were sponsored by the Financial Service Industry Education Charity Fund in 2020

602
Underprivileged Students

were sponsored to attend the College Student Financial Employment Charity Class and obtain certification in 2020

To provide children in rural regions the opportunities familiarizing with music, art, and popular science, TPEx has been a longtime sponsor of the Paper Windmill Theatre's "368 Children's Art Project," the National Theater & Concert Hall's "Zero Distance Art Realization Project," and the National Taiwan Science Education Center's "Thomas Edison's Adventure" learning activities. TPEx is furthermore a benefactor of the Global Views Educational Foundation's "Sowing the seeds of reading: Giving children a big future" project by sponsoring rural primary schools monthly subscriptions of informative magazines.



TPEx sponsored "Art without Distance" held by the National Theater & Concert Hall for children in rural areas to participate in art and cultural events.

100 Elementary School Students

were invited to the National Theater & Concert Hall's "Art Zero Distance - Dream Project," enjoying Organ and Brass Quintet

2,500 Spectators

were attracted by the Paper Windmill Theatre's "Arts for Children in 368 Townships" project, enjoying drama at Linluo Elementary School

24 Datong Elementary School Baseball Team Members

were sponsored with gears and coach funds, supporting them to win in regional little league games

Supporting the Paper Windmill Theatre to Promote Arts and Drama in Every Township

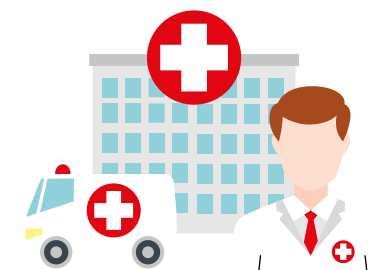
TPEx has joined hands with the Paper Windmill Theatre since 2014, providing supports from its 69th session at Jiaoxi Elementary School in Yilan County to the most recent 325th session at Linluo Elementary School in Pingtung County. The project has promoted arts across 256 townships in Taiwan in 7 years, with an average of more than 2,000 spectators participating in each show.

The 325th performance at Linluo Elementary School in Pingtung County is the Paper Windmill Theatre's first show in 2021. Through dance, music, lighting, artworks, and creative choreography, the Theatre made interesting themes in daily life artistic and entertaining drama for children. This single show attracted approximately 2,500 spectators, allowing spectators of all ages experience the wonder and beauty of art performances.



TPEx sponsored a charity show by Paper Windmill Theatre in Pingtung

In terms of medical care, TPEx has also been improving the accessibility and quality of medical resources in rural areas. In 2020, we sponsored the Apollo telehealth project conducted by Yunlin Branch of National Taiwan University Hospital, the Penghu Huimin Hospital reconstruction fundraising project, as well as Puli Christian Hospital and Heng Chun Christian Hospital, etc. TPEx furthermore extended gestures of care toward the elderly in rural regions through the Hualien County Elderly and Family Care Association, the Yunlin Elderly Long-term Care Association, and the Bjorgaas Social Welfare Foundation in Pingtung.



Heng Chun Christian Hospital's Reconstruction for Enhanced Medical Service Capacity

The Hengchun Peninsula is located at the southernmost of Taiwan and is a famous tourist attraction while being remote and lacking medical resources. The Heng Chun Christian Hospital has continuously provided medical services to the Hengchun area for a long time against multiple severe typhoons and damages.

After the Heng Chun Christian Hospital plans to build a new building in 2018 to enhance its capacity, TPEx has been donating funds for the reconstruction for four consecutive years between 2018 and 2021. By the end of April 2021, the reconstruction was 95% completed, which is expected to provide more comprehensive medical services and resources to the Hengchun area.

4-2 Workplace Wellbeing

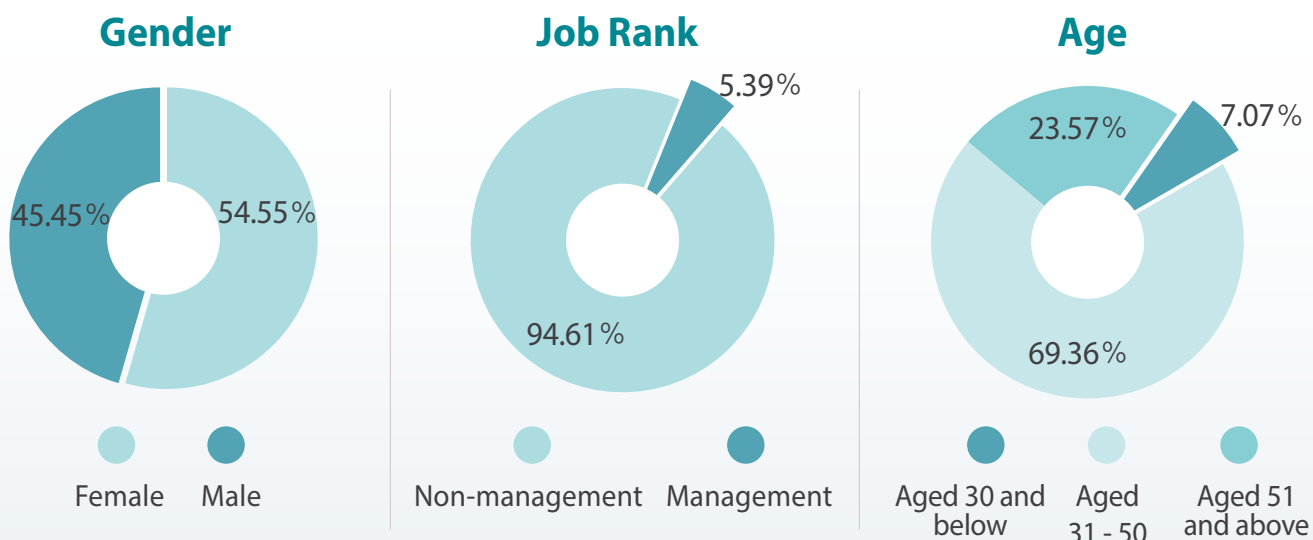
4-2-1 People-Oriented Philosophy

Our People-Oriented Approach

TPEX believes that "people" are the most important asset of an organization, and is therefore committed to ensuring that every employee can work with peace of mind and give full play to their expertise.

TPEX offers stable salaries, excellent welfare, and a high-quality working environment to attract outstanding talents and to maintain favorable employee relations over the long term. With a comprehensive salary, welfare and education and training system, we engage in employee retention and training by assisting employees to continuously improve their professional skills and provide proper care.

At the end of 2020, 297 full-time staff were employed at TPEX, 1 less compared to the end of 2019. All of our employees (including senior management) are citizens of Taiwan. The following charts indicate the composition of employees by gender, rank, and age, aptly demonstrating workplace diversity and equity.

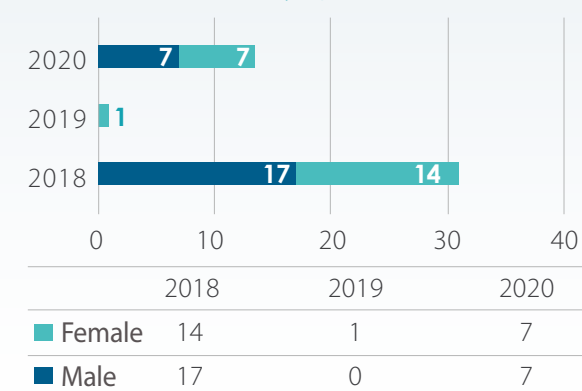


Note: Management refers to staff above department manager (inclusive)

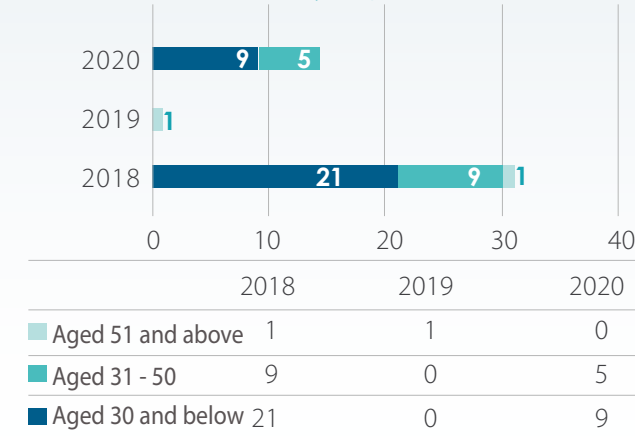
Employment Equality

In terms of recruitment, appointment, training, rewards, promotion, and retirement, TPEX does not discriminate or practice unequal treatment on the basis of race, religion, nationality, gender, sexual orientation, or physical and mental disabilities. Salaries for all new recruits are determined based on their academic experience and professional certificates held. Employees' salary increases and promotions are also handled fairly and equally. Those of the same rank receive the same salaries in accordance with the policy of equal pay for equal work.

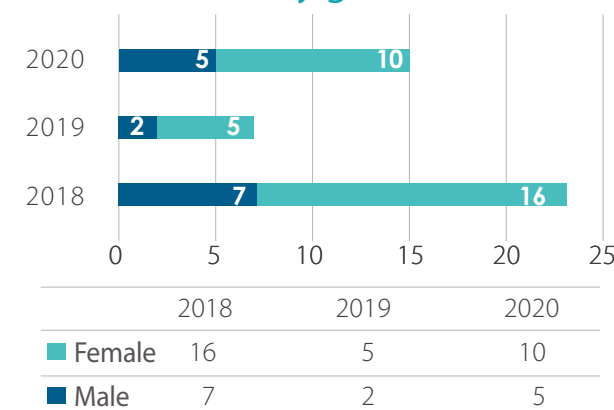
Number of New Recruits (2018-2020, by gender)



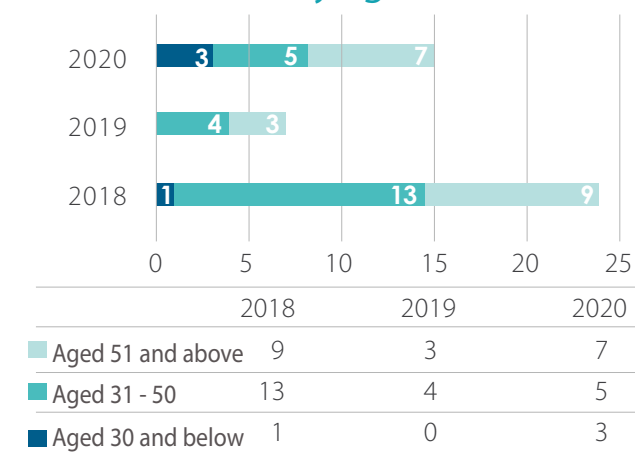
Number of New Recruits (2018-2020, by age)



Number of Resignations (2018-2020, by gender)



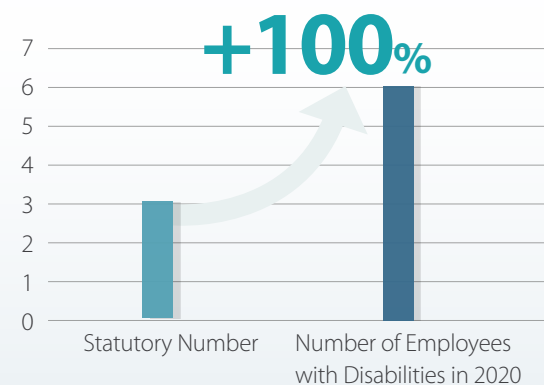
Number of Resignations (2018-2020, by age)



Regarding employee care, TPEX offers every employee the following welfare provision aside from the statutory rights, including labor insurance, health insurance, secured parental leave, etc.

	Health Protection	Group insurance, health examination subsidies
	Family Care	Children's education subsidies, wedding and funeral subsidies, pension benefits superior to the basic protection guaranteed by the law
	Leisure and Recreation	Travel subsidies, birthday gifts, and club activity subsidies
	Encouragement of Continuing studies	Subsidies for further studies, special leave superior to the basic protection guaranteed by the law

TPEX's recruitment and appointment policies provide the physically and mentally challenged equal treatment, which also applies to their training, reward, and promotion. At year-end from 2018 to 2020, TPEX employed around 6-8 employees with disabilities, ensuring an inclusive workplace beyond the requirements of the People with Disabilities Rights Protection Act.



4-2-2 Remuneration and Welfare

Labor-Management Meetings

The members of TPEX Labor-Management Meetings comprise ten labor representatives and ten management representatives. The labor representatives are elected by all employees from among candidates with the highest votes in each department to fully incorporate each department's opinions. Meetings are convened every quarter to coordinate relations, promote cooperation, and improve operational efficiency. In 2020, TPEX held four labor-management meetings, raising issues including the application for leave and attendance clock-in with no significant concern.

Employee Compensation

TPEX offers employees stable salaries while giving employees equal opportunities for salary increases and promotions. TPEX provides higher remuneration compared with the basic wage, thus enhancing employee job satisfaction.

Ratio of TPEX Minimum Starting Salary to Minimum Wage Stipulated by the Labor Standards Act (2018-2020)

Year	Minimum Starting Salary	Minimum Wage
2018	2.13	1
2019	2.02	1
2020	1.97	1

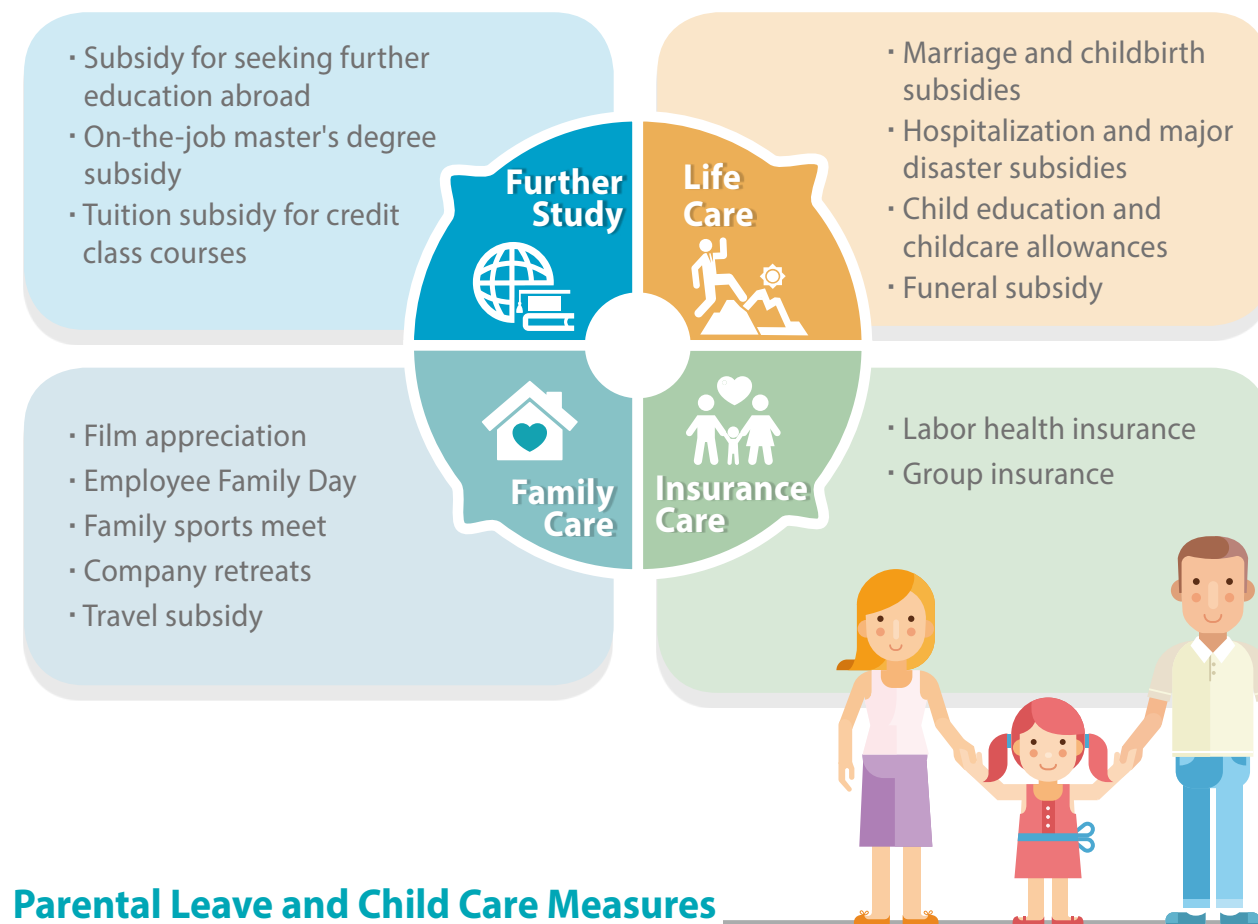
Salary by Employees' Categories (2018-2020)

Year	Category	Female	Male
2018	Management	0.93	1.00
	Non-management	1.14	1.00
2019	Management	0.96	1.00
	Non-management	1.15	1.00
2020	Management	0.92	1.00
	Non-management	1.14	1.00

Note: Proportional conversion is based on the salary of male employees as 1 unit.

Employee Benefits

TPEX offers a comprehensive welfare scheme throughout every employees' life journey, so that each highly committed employee can receive proper benefits supporting both personal and family wellbeing.



Parental Leave and Child Care Measures

Women account for 54.5% of TPEX colleagues, and many are of childbearing age. To support female employees achieving work-family balance, we provide considerate benefits for all stages of parenthood, from pregnancy, childbirth, breastfeeding, to childcare.

Prenatal leave provides female colleagues who experience pregnancy discomforts with time for recuperation and prenatal checkups. At childbirth, we provide maternity bonuses, maternity leave, and paternity leave for spouses. Upon postpartum, employees can use breastfeeding rooms and bottle sterilizers placed in the office, and all full-time TPEX employees are also entitled to unpaid parental leave according to the law. Family care leave and flexible commuting further enable colleagues to attend to both family and work. In addition, the employees' children enjoy tuition subsidies during their schooling stage.

No colleagues applied for parental leave in 2020; however, in 2020 and 2019, the rates of reinstatement from parental leave were as high as 100% and 75%, and the proportion of people still employed one year after reinstatement is 100%. All of the above applicants for parental leave and reinstatement are female.

The high reinstatement rate and high retention rate demonstrates that TPEX takes care of colleagues and their families while facilitating work-family balance. In view of the declining birth rate, TPEX will increase the maternity bonuses in 2021.

Subsidies for Continuing Education

To enhance employees' competencies, TPEX provide in-house training courses and also seminars or training courses offered by professional institutions. Moreover, we provide tuition subsidies to employees enrolled in on-the-job master's degrees or above and credit courses in law or accounting. We also offer a special salary increase to employees who obtain professional licenses such as attorneys, accountants, or analysts during their employment.

Subsidies for Club Activities

TPEX has issued the Club Management Measures and subsidizes club activities to encourage employees to engage in leisure activities and thereby improving their physical and mental health. These clubs can be categorized into ball games, sports and leisure, arts and culture, and religious groups. At present, 15 clubs have been established, including the golf club, billiard club, badminton club, tennis club, basketball club, baseball club, physical fitness club, Tai Chi club, swimming club, yoga club, mountaineering club, photography club, music singing club, Yuanzhi club, and Lutheran club.

Table of Important Competitive Activities of TPEX Clubs

Activity	Date	Place
The 10th Securities and Futures Cup Basketball Tournament	2020/12/13	National Taiwan Normal University Gymnasium
The 13th Securities and Futures Cup Slow Pitch Softball Tournament	2020/12/26、12/27	Taipei Rainbow Softball Field
The 34th Securities Cup Snooker Championship	2020/10/31	National Taiwan Normal University Gymnasium
The 19th Securities and Futures Peripheral Institutions Badminton Friendship Tournament	2020/12/5	Taipei Daan Sports Center



The 13th Securities and Futures Cup Slow Pitch Softball Tournament (TPEX baseball club)

4-2-3 Training and Development

Talent Development Framework

Regarding employees as the most valuable assets, TPEX actively carries out talent training to enhance employees' professionalism, stimulate enthusiasm, creativity, and a global vision. TPEX formulates a diversified annual education and training plan each year according to the yearly talent development demand. The 2020 plan focused on the three major dimensions of "professional training," "foreign language proficiency," and "general education."

Talent Development

Due to the impact of the COVID-19 pandemic in 2020, training courses were appropriately reduced to prevent unnecessary clustering. Where appropriate, TPEX also utilized video-based approaches to continue employees' training as possible. In addition, selected employees also participated in seminars or training courses offered by professional institutions via different means, thus strengthening their core and interdisciplinary competencies.

To understand the results, TPEX conducts the employee survey on training every year as the reference for future training arrangements. According to the 2020 questionnaire results, 100% of colleagues agreed that TPEX has provided sufficient core and general education training hours.

Professional Training

- Practical applications of business secret protection, infringement relief and non-compete clauses
- Case studies of patent infringement and business secret protection
- Development trends of Taiwan's startup ecosystem
- Corporate fraud cases in mainland China and sharing of audit practices
- Impact of the COVID-19 pandemic on mainland China and its industrial layout
- Signals behind mutual fund and ETF capital flows under the decoupling of the global economy and stock markets
- The Accounting Guidelines of Security Token Offerings
- ISO 22301 Business continuity management systems

Foreign Language Proficiency

- Courses arranged according to employee needs

General Education

- Health is easy, food is fun
- Ten types of travel you must try in your lifetime
- Understand the learning styles of your children
- Embracing the green life and gardening to relieve stress





In 2020, TPEX invested a total of NT\$641,379 to hold 91 training courses. The total course hours reached 300.5, and the average training hours per employee was 30.17 hours. The diverse range of courses offered includes those on core competencies as well as sessions on health and wellbeing, parenting as well as living and lifestyle, etc.

Employee Education and Training Hours (2020)

	Management		Non-Management		Total
	Male	Female	Male	Female	
Training hours received	134	130	3,810.5	4,887	8,961.5
Number of employees	8	8	127	154	297
Average training hours per employee	16.75	16.25	30.00	31.73	30.17

Employee Education and Training Hours (2018-2020)

	2018	2019	2020
Training hours received	10,610	10,637	8,961.5
Number of employees	304	298	297
Average training hours per employee	34.90	35.69	30.17

Rotation and Incentivess

To invigorate our organizational functions and enable employees to fully exert their competencies, TPEX issued the "Principles for Implementation of Employee Rotation Program." By regularly performing interdepartmental rotations, we assign employees' duties and positions according to their expertise, knowledge, and personal interests. Meanwhile, 100% of employees who have served for six months or more have undergone performance appraisals.

Employees who have made innovative recommendations, engaged in product or business research, undertook projects or activities, or performed tasks that have resulted in notable achievements are also duly rewarded based on the "Employee Incentive Operating Guidelines."

4-2-4 Health and Wellbeing

TPEX is deeply aware that only a healthy workplace can bring out the best of our employees. We, therefore, pay particular attention to the physical and mental health of employees, committing to create a safe and comfortable working environment.

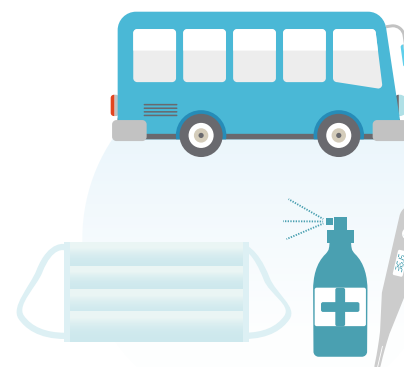
To this end, TPEX has formulated the "Ergonomic Hazards Prevention Program," the "Abnormal Workload-triggered Diseases Prevention Plan" and the "Prevention Plan for Illegal Infringement at Work" in August 2020, and hired dedicated medical personnel to provide on-site services. We furthermore promote annual employee health examinations, implement regular general labor hygiene education, maintain workplace safety and hygiene and conduct work environment testing, etc.

We also plan health promotion activities and lectures as well as provide medical consultation resources, etc., based on the results of health examinations for effectively managing, mitigating, and preventing health and safety risks. Moreover, we continue to offer courses related to stress relief, healthy diets, and lifestyles of health and sustainability (LOHAS) throughout our annual employee education and training programs.



TPEX's Occupational Health Services

- Providing employees with health checkup subsidies, and providing employees undergoing health checks one day of official leave
- Participating in the "National-wide Earthquake Disaster Drill" in coordination with National Disaster Prevention Day to strengthen employee awareness
- Implementing earthquake and fire prevention drills in annual education and training programs
- Reinforcing the cleaning and disinfection of the office environment, and conducting regular carbon dioxide concentration testing.
- Assigning first-aid personnel certified through occupational safety and health education and training in accordance with Article 9 of the "Regulations for Labor Health Protection"



Arranging Ecological Tours for Employees and Families with Proper Epidemic-prevention Measures.

Considering that the pandemic has affected employees' family activities and the domestic tourism industry, TPEX organized 15 ecological tours in smaller groups when the pandemic was less severe in 2020. Various options to Taichung, Hsinchu, Taipei, and other places engaged 382 employees and 597 family members, strengthening bonds with colleagues and families while relaxing as the pandemic eases.

APPENDIX

Appendix 1 GRI Standards Index	113
Appendix 2 SASB Standards Index	115
Appendix 3 Independent Auditors' Limited Assurance Report	117

Appendix 1 GRI Standards Index

Disclosure	Disclosure	Corresponding Section/ Additional Information	Page Number
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	Name of the organization	Introduction to TPEX	8
102-2	Activities, brands, products, and services	Introduction to TPEX	8
102-3	Location of headquarters	Introduction to TPEX	8
102-4	Location of operations	Introduction to TPEX	8
102-5	Ownership and legal form	Introduction to TPEX	8
102-6	Markets served	Introduction to TPEX	8
102-7	Scale of the organization	Introduction to TPEX	8
102-8	Information on employees and other workers	4-2 Workplace Wellbeing	104
102-9	Supply chain	2-2 Operation Management	74
102-10	Significant changes to the organization and its supply chain	No significant changes to TPEX and its supply chain in 2020.	
102-11	Precautionary Principle or approach	2-2 Operation Management	74
102-12	External initiatives	1-3 Collaboration 2020 Sustainability Performance Highlights	66 14
102-13	Membership of associations	1-3 Collaboration	66
Strategy			
102-14	Statement from senior decision-maker	Message from the Chairman and CEO	6
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	2-2 Operation Management	74
Governance			
102-18	Governance structure	2-2 Operation Management	74
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholders Engagement	18
102-41	Collective bargaining agreements	No collective bargaining agreements at TPEX in 2020.	NA
102-42	Identifying and selecting stakeholders	Stakeholders Engagement	18
102-43	Approach to stakeholder engagement	Stakeholders Engagement	18
102-44	Key topics and concerns raised	Material Topics Management	23
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Entities included in the financial statement are already included herein.	
102-46	Defining report content and topic Boundaries	Material Topics Management	23
102-47	List of material topics	Material Topics Management	23
102-48	Restatements of information	No information restatements in 2020.	-
102-49	Changes in reporting	Material Topics Management	23
102-50	Reporting period	About the Report	4
102-51	Date of most recent report	About the Report	4
102-52	Reporting cycle	Every year	-
102-53	Contact point for questions regarding the report	About the Report	4
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	4

Disclosure	Disclosure	Corresponding Section/ Additional Information	Page Number
102-55	GRI content index	Appendix 1: GRI Standards Index	113
102-56	External assurance	About the Report Appendix 3: Independent Auditors' Limited Assurance Report	4 117
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Material Topics Management	23
103-2	The management approach and its components	Material Topics Management	23
103-3	Evaluation of the management approach	Material Topics Management	23
Specific Standard Disclosure			
GRI 200: Economic			
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4-2 Workplace Wellbeing	104
202-2	Proportion of senior management hired from the local community	4-2 Workplace Wellbeing	104
GRI 205: Anti-corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	2-2 Operation Management	74
GRI 300: Environmental			
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	3-2 Green Operations	92
302-3	Energy intensity	3-2 Green Operations	92
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	3-2 Green Operations	92
305-2	Energy indirect (Scope 2) GHG emissions	3-2 Green Operations	92
305-4	GHG emissions intensity	3-2 Green Operations	92
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	3-2 Green Operations	92
GRI 400: Social			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	4-2 Workplace Wellbeing	104
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4-2 Workplace Wellbeing	104
401-3	Parental leave	4-2 Workplace Wellbeing	104
GRI 403: Occupational Health and Safety 2018			
403-3	Occupational health services	4-2 Workplace Wellbeing	104
403-6	Promotion of worker health	4-2 Workplace Wellbeing	104
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	4-2 Workplace Wellbeing	104
404-3	Percentage of employees receiving regular performance and career development reviews	4-2 Workplace Wellbeing	104
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Introduction to TPEx 4-2 Workplace Wellbeing	8 104
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2-2 Operation Management	74
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	No incidents of non-compliance in social and economic areas at TPEx in 2020.	-

Appendix 2 SASB Standards Index

Topic	Code	Category	Accounting Metric	Corresponding Section/Additional Information	Page Number
Promoting Transparent & Efficient Capital Markets	FN-EX-410a.1	Quantitative	· (1) Number and (2) average duration of (a) · halts related to public release of information · and (b) pauses related to volatility	Appendix 2: SASB Standards Index	115
	FN-EX-410a.2	Quantitative	Percentage of trades generated from automated trading systems	No automated trading system was employed at TPEx in 2020.	-
	FN-EX-410a.3	Discussion and Analysis	Description of alert policy regarding timing and nature of public release of information	1-2 Sustainability	62
	FN-EX-410a.4	Discussion and Analysis	Description of policy to encourage or require listed companies to publicly disclose environmental, social, and governance (ESG) information	2-1 Enterprise Empowerment	71
Managing Conflicts of Interest	FN-EX-510a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	2-2 Operation Management	74
	FN-EX-510a.2	Discussion and Analysis	Discussion of processes for identifying and assessing conflicts of interest	2-2 Operation Management	74
Managing Business Continuity & Technology Risks	FN-EX-550a.1	Quantitative	(1) Number of significant market disruptions and (2) duration of downtime	Appendix 2: SASB Standards Index	115
	FN-EX-550a.2	Quantitative	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	2-2 Operation Management	74
	FN-EX-550a.3	Discussion and Analysis	Description of efforts to prevent technology errors, security breaches, and market disruptions	2-2 Operation Management	74
Activity Metrics	FN-EX-000.A	Quantitative	Average daily number of trades executed, by product or asset class	Appendix 2: SASB Standards Index	115
	FN-EX-000.B	Quantitative	Average daily volume traded, by product or asset class	Appendix 2: SASB Standards Index	115

Number and Duration of Trading Halts and Pauses at TPEx in 2020 (SASB FN-EX-410a.1)

	Number(Times)	Duration
Trading halts due to public disclosure of information from ESB registered companies	4	4 trading days
Trading halts due to public disclosure of information from Main Board listed companies	19	19 trading days
Trading suspensions due to intra-day volatility interruption of Main Board stocks	21,031	42,062 minutes
Trading suspensions due to intra-day volatility interruption of ESB stocks	38	9,845 minutes

Average Daily Number and Volume of Trades Executed at TPEx in 2020 (SASB FN-EX-000.A、FN-EX-000.B)

Product/Asset	Average Daily Number of Trades in 2020(Times)	Average Daily Volume of Trades in 2020(NT\$)
Stock-related Products		
Stocks	378,485	49,334,971,118
Call (Put) Warrants	25,110	631,019,696
Exchange Traded Funds (ETF)	2,350	1,695,314,128
Convertible/Exchangeable Bonds	2,105	1,052,829,601
Exchange Traded Notes (ETN)	141	7,942,170
Product/Asset	Average Daily Number of Trades in 2020(Times)	Average Daily Volume of Trades in 2020(NT\$)
Bond-related Products		
New Taiwan Dollar Debentures (Government/Corporate/Bank)	2,143	159,934,916,952
International Bonds	51	6,772,303,774
Bond ETFs	1,563	1,635,924,510

Number and Downtime Duration of Market Disruptions at TPEx in 2020 (SASB FN-EX-550a.1)

On July 20, 2020, the Emerging Stock market was suspended for 74 minutes due to a memory abnormality of the trading system. TPEx immediately held an emergency response meeting and switched to the backup. Subsequent improvements include strengthening the hardware and the usage monitoring mechanism, and updating contracts to require vendors to disclose further information, such as the system's features, limitations, and vulnerabilities.

Appendix 3 Independent Auditors' Limited Assurance Report

Deloitte.

勤業眾信

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www.deloitte.com.tw

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
Taipei Exchange

We have performed a limited assurance engagement on the selected subject matter information (see Appendix A) in the Sustainability Report ("the Report") of Taipei Exchange ("the Company") for the year ended December 31, 2020.

Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with GRI Standards and Sector Guidance published by the Global Reporting Initiatives (GRI) and other applicable rules according to its sector features, and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

Auditors' Responsibilities for the Limited Assurance Engagement Performed on the Report

We conducted our work on the selected subject matter information (see Appendix A) in the Report in accordance with the International Standard on Assurance Engagements 3000 (revised) (ISAE 3000 (revised)) to issue a limited assurance report on the preparation, in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Obtaining and reading the Report.
- Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures for the preparation of the Report.
- Inquiring the personnel responsible for the preparation of the Report to understand the process and controls in the preparation of the selected subject matter information.
- Analyzing and examining, on a test basis, the documents and records supporting the selected subject matter information.

Inherent Limitations

The subject matter information includes non-financial information, which is under more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Controls

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Auditing Standard No. 46 "Quality Control for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China and, accordingly, maintains a comprehensive system of quality controls, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report are, in all material respects, not prepared in accordance with the above mentioned reporting criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of the Report.

Deloitte & Touche

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2021

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of selected subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of selected subject matter information shall prevail.

APPENDIX A

SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	Rules/Standards	Descriptions of Indicators	Corresponding Sections	Applicable Criteria
1.	GRI 302-3: 2016	Energy intensity	3-2 Green Operations	Calculated the electricity usage from the electricity bill; calculated the Company's vehicles energy consumption based on its expenditure on vehicle fuel and average fuel prices; Estimated the Company's energy intensity (energy per person) using the number of employees at the end of 2020.
2.	GRI 404-1: 2016	Average hours of training per year per employee	4-2 Workplace Wellbeing	The average hours of training per year per employee by gender and by employee category were obtained and calculated from the training records, sign-in forms and the request for approval for external training.
3.	GRI 405-1: 2016	Diversity of governance bodies and employees	Introduction to TPEX, 4-2 Workplace Wellbeing	The ratios of governance bodies and employees counted by genders, ages and positions.
4.	Designated Indicator 1	Total number, total value and environmental benefits of the green bonds issued	Creating Value through Sustainability: TPEX Sustainability Strategies, 3-1 Sustainable Finance	Count the total number and total value of the green bonds issued; count the estimated CO ₂ abatement of Taiwan Power Company's and Taiwan Semiconductor Manufacturing Co., Ltd.'s green investment plans based on their project evaluation and opinion reports.
5.	Designated Indicator 2	The number of valid questionnaires used to identify stakeholders' issues of concern.	Stakeholders Engagement	Determine the number of valid questionnaires used to identify stakeholders' issues of concern.
6.	Designated Indicator 3	Listing examination satisfaction survey	Material Topics Management	Review the results of the securities underwriters' satisfaction questionnaire survey and calculate the number and percentage that responded satisfied or above.



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證券刊物編號 11-11008004