

CHAPTER 1

SUSTAINABLE STRATEGY



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1.1 SUSTAINABLE PROMOTION



1.1.1 Sustainability Goals and Strategies

With the vision of Embracing Sustainable Finance, Creating Win-Win-Win for Customers, the Market and the Environment, TPEX implements a three ESG aspects-oriented strategy and formulates the execution strategies from three levels, namely TPEX, the real economy and the capital market.

TPEX	Goal	In response to international trends and government calls, deepening our own sustainable development and supporting businesses in achieving net-zero transformation, aiming to co-create a sustainable future.
	Strategies	<ul style="list-style-type: none"> • Setting carbon reduction targets and specific implementation measures with reference to international initiatives or Taiwan's policies such as the 2050 Net Zero Emissions Pathway. • Using internal mechanisms and resources to train and retain talents, care for society, and cultivate the sustainable value and ESG culture. • Strictly abiding by the ethic management guide, improving service resilience, and strengthening TPEX's sustainability information disclosure and communication with stakeholders.
Real Economy	Goal	Assisting enterprises to strengthen ESG sustainable development in multiple aspects to enhance the competitiveness.
	Strategies	<ul style="list-style-type: none"> • Guiding enterprises to implement greenhouse gas inventory and assurance, and cultivating sustainable development competitiveness. • Strengthening the promotion of corporate sustainable development. • Promoting various corporate governance measures in accordance with the Corporate Governance Roadmap and relevant policies.
Capital Market	Goal	Guiding funds into ESG development and transition, and offering diversified products and services to improve the operation of the sustainable finance ecosystem.
	Strategies	<ul style="list-style-type: none"> • Promoting diversity and innovation of sustainable products, guiding funds to support the sustainable transformation of enterprises, and providing investors with more opportunities for responsible investment. • Continuously optimizing products and services, conducting financial education seminars, creating a friendly market environment, and implementing inclusive finance. • Cooperating with the competent authorities to promote the sustainable development and transformation of securities firms. • Improving the market system and enhancing the transparency of sustainable information to increase the security, fairness and stability of transactions.

1.1.2 Sustainable Promotion Organization

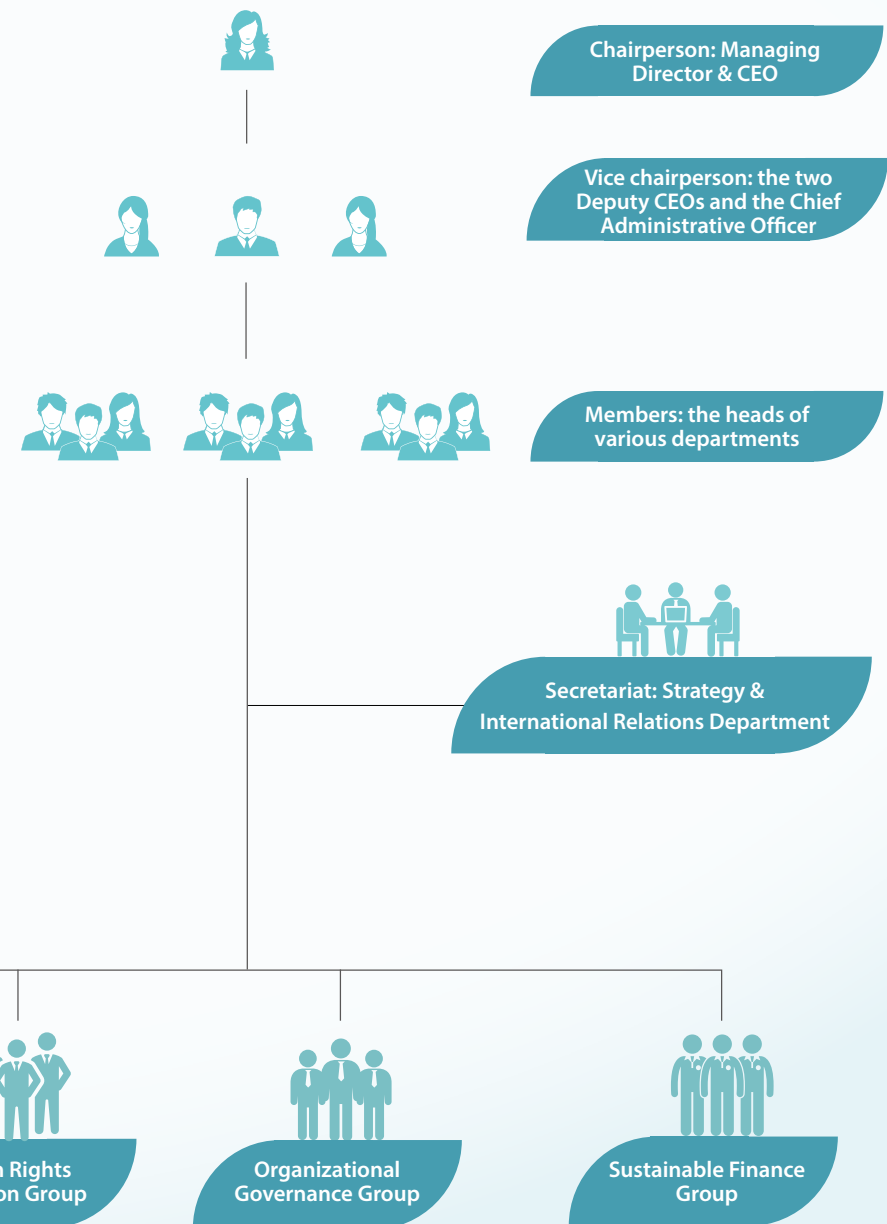
To coordinate and promote sustainable development, TPEx has established the Sustainable Development Committee, composed of cross-departmental representatives. The Managing Director & CEO serves as the chairperson, the Deputy CEOs and the Chief Administrative Officer serve as the vice chairpersons, and the heads of departments serve as members. Under the Committee, five functional promotion groups have been established—Environmental Sustainability, Social Co-prosperity, Human Rights Protection, Organizational Governance, and Sustainable Finance—to promote and implement sustainable development strategies, and to track implementation effectiveness.

To ensure the smooth operation of the Committee, a Secretariat has been established, managed by the Strategy & International Relations Department. The Secretariat is responsible for formulating sustainable development goals and strategies, coordinating meeting affairs, and compiling the sustainability report.

In principle, the Sustainable Development Committee holds two meetings annually, with additional meetings convened as needed to accommodate business promotion. In 2024, committee meetings were held in April and November. The key reports and discussions of the April meeting included: the implementation status and enhancement recommendations of the major sustainability goals and strategic plans set in the previous year; progress reports from the functional promotion groups; the compilation of the sustainability report; and the review results of the greenhouse gas inventory report.

The November meeting focused on the implementation outcomes of the functional promotion groups; the formulation of sustainability goals and strategic plans for the upcoming year; planning for the compilation of the sustainability report; follow-up arrangements for the greenhouse gas inventory; and the Committee's adoption of the ISO 14068-1:2023 Carbon Neutrality Program.

TPEx reports to the Board of Directors through the sustainability report on its sustainability strategies, key sustainability goals, implementation outcomes, and performance.

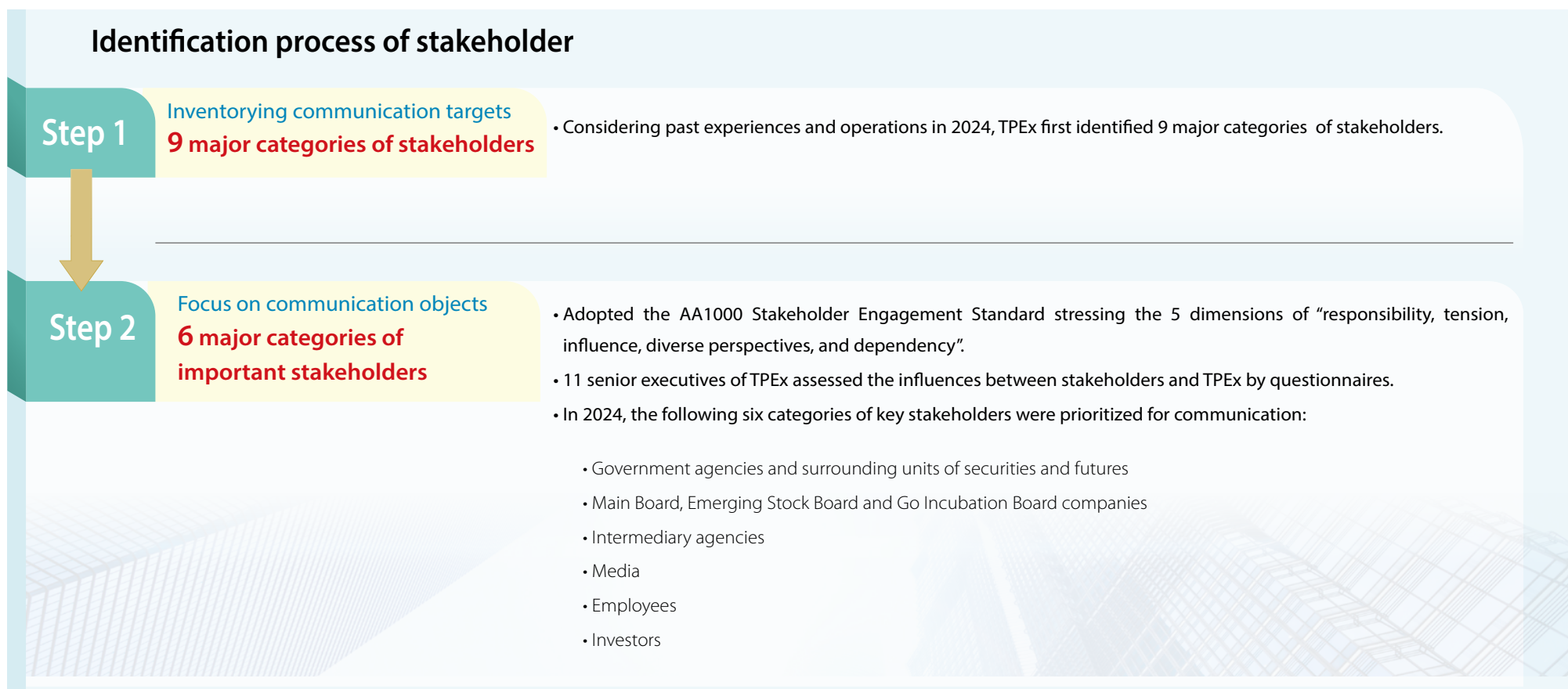


1.2 STAKEHOLDERS IDENTIFICATION AND ENGAGEMENT

1.2.1 Stakeholders Identification

Stakeholders Identification

To strengthen communication with stakeholders and continuously improve its practices, TPEX identified key stakeholders in its 2024 report using the following methods, and conducted a stakeholder survey to understand their issues of concern, with the aim of refining TPEX's sustainable development strategies.



1.2.2 Stakeholders Engagement

Stakeholders	Importance to TPEX	Expectations for TPEX	Main communication channels and frequency	Main communication results
Government agencies and surrounding units of securities and futures	TPEX is a franchise business and is subject to the approval of 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 daily operations, and surrounding units of securities and futures are important partners of TPEX to promote relevant policies.	To enhance the competitiveness of Taiwan's capital market, TPEX is committed to deepening corporate governance among TPEX-listed companies, strengthening board functions, promoting shareholder activism, improving information disclosure, and reinforcing corporate sustainability responsibilities.	<ul style="list-style-type: none"> • Meetings and public hearings (irregular) • Formal correspondence (irregular) • Phone call, fax, and email (irregular) • Compiling and reporting important business statistics (irregular) 	<ul style="list-style-type: none"> • TPEX cooperated with the competent authority in reviewing, revising various rules and regulations, and promoting new systems. • Assisted in promoting new systems in line with the competent authority's policy directions. • Completed all assignments delegated by the competent authority in a timely manner.
Main Board, Emerging Stock Board and Go Incubation Board companies	Domestic and international enterprises, after receiving counseling and examination from TPEX, issue stocks to be listed on the Main Board, Emerging Stock Board and Go Incubation Board, or issue bonds to raise funds. This helps promote economic growth and facilitates circulation of capitals.	Improve the examination and supervision framework and related regulations, enhance review efficiency, promote, and provide training on newly amended laws and regulations, respond promptly to inquiries from Main Board and Emerging Stock companies, maintain open consultation and communication channels, and improve the provision of diversified financing instruments and related services, such as stocks and bonds.	<ul style="list-style-type: none"> • Routine audits (regular/quarterly/monthly) • Field visits (irregular) • Educational training (irregular) • Formal correspondence (irregular) • Special audits (irregular) • Symposiums, educational promotion, forums (irregular) • Phone calls, fax, and e-mail (irregular) 	<ul style="list-style-type: none"> • By the end of 2024, there were 838 domestic and foreign companies listed on the Main Board, including 30 companies newly listed in 2024. • By the end of 2024, there were 347 domestic and foreign companies listed on the Emerging Stock Board, including 83 companies newly listed in 2024. • By the end of 2024, there were 107 companies listed on the Go Incubation Board and 65 companies under counseling. • In 2024, a total of 53 sustainable bonds were issued, with an issue amount of NT\$149.185 billion.

Stakeholders	Importance to TPEX	Expectations for TPEX	Main communication channels and frequency	Main communication results
Intermediaries	TPEX promotes key partnerships with professional institutions that serve as important bridges for enterprises entering the capital market. This helps improve TPEX's efficiency in counseling and examination, and facilitates the matching of high-quality enterprises with market funds	Organize promotion and education seminars on various newly revised laws and regulations, and establish sound communication channels with TPEX.	<ul style="list-style-type: none"> • Intermediary agency award ceremonies (annual) • Formal correspondence (irregular) • Meetings, seminars, and promotional events (irregular) • Telephone, fax, and email (irregular) 	<ul style="list-style-type: none"> • Organized two "Intermediary Agency Training Sessions on Assisting Domestic and Foreign Companies in Listing on TPEX." • Held the 2024 "Intermediary Agency Awards and New TPEX-listed Company Gathering" to recognize outstanding intermediary institutions and enhance mutual communication. • Communications with certifying accountants as needed for regular and exceptional management tasks. • Communications with securities underwriters as needed for TPEX-listed company management. • Conducted a total of 182 routine and special audits, risk assessments, and anti-money laundering inspections of securities firms.
Media	TPEX promotes various systems, operations, and publicity efforts that involve the interests of a broad range of investors. As media reach a wide range of investors and spread information fast, it helps enhance the efficiency of information acquisition by investors and strengthen investor services and protection.	Manage the publication of news messages related to various systems, operations, and publicity efforts, and establish a good communication channel with TPEX.	<ul style="list-style-type: none"> • Internet messaging applications (irregularly) • Press conferences and press releases (irregularly) • Telephone, fax, and email (irregularly) 	<ul style="list-style-type: none"> • Regular and irregular publication of news in print media. • Distribution of TPEX market news and advertisements through online news media. • Online advertising through media platforms such as Facebook, Google, YouTube, newspapers, and banner ads.

Stakeholders	Importance to TPEX	Expectations for TPEX	Main communication channels and frequency	Main communication results
Employees	Employees are a vital asset of the TPEX, responsible for developing new products, maintaining various trading systems, supervising the market, promoting corporates' fundraising, and revitalizing the securities market. High-quality and competent personnel are the key to strengthening TPEX's competitiveness.	Recruiting competent employees, cultivating high-quality talents, maintaining harmonious labor relations, and creating an excellent work environment are core to sustaining TPEX's competitive edge.	<ul style="list-style-type: none"> • Employee-employer meetings (quarterly) • Encouragement meetings (quarterly) • Joint meetings of the Employee Pension Fund Management Committee and the Labor Retirement Reserve Supervision Committee (held once every quarter, and may also be held irregularly) • Personnel appraisal group meetings (held once every six months, and may also be held irregularly) • Year-end thanksgiving parties (annually) • Sports events (irregular) • Training for executives and all employees (irregular) • Sexual harassment complaint handling committee (irregular) 	<ul style="list-style-type: none"> • In 2024, the employee-employer relations were harmonious, with no major issues arising between the two sides. • No employees applied for parental leave in 2024. Among those who returned from parental leave in the previous year, 100% remained employed one year after reinstatement. • According to the 2024 employee opinion survey on education and training, employees responded positively to the training programs.

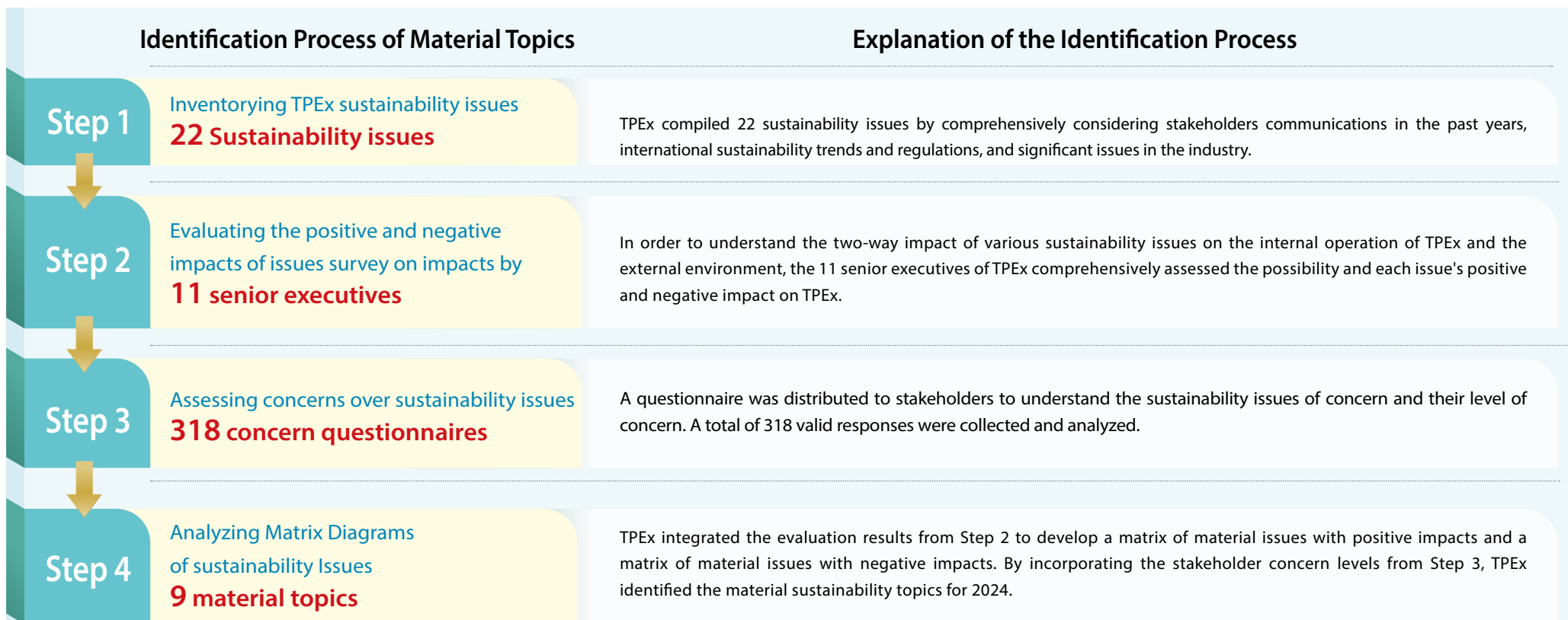
Stakeholders	Importance to TPEX	Expectations for TPEX	Main communication channels and frequency	Main communication results
Investors	With the mission of providing a fair and safe trading environment and meeting the investors' needs, TPEX provides diverse instruments such as stocks, bonds, warrants, ETFs, ETNs and derivatives, enabling investors of different attributes and types to participate.	Protect investor rights, and enhance market supervision to make information symmetrical, open and transparent.	<ul style="list-style-type: none"> • TPEX Corporate Day Events (quarterly) • Emerging Stock Board company performance briefings (biannually) • Official website and social media (irregular) • Investor emails and service hotline (irregular) • Market Observation Post System updates (regular and irregular) • Market announcements and press releases (irregular) 	<ul style="list-style-type: none"> • In 2024, the total number of traders in the TPEX market exceeded 3.92 million. • There is a dedicated hotline for investors and a consultation hotline for Emerging Stock Board investors. Each hotline is answered by dedicated personnel, and 100% of the messages have been conveyed to the relevant business department for handling and replying to the investors.



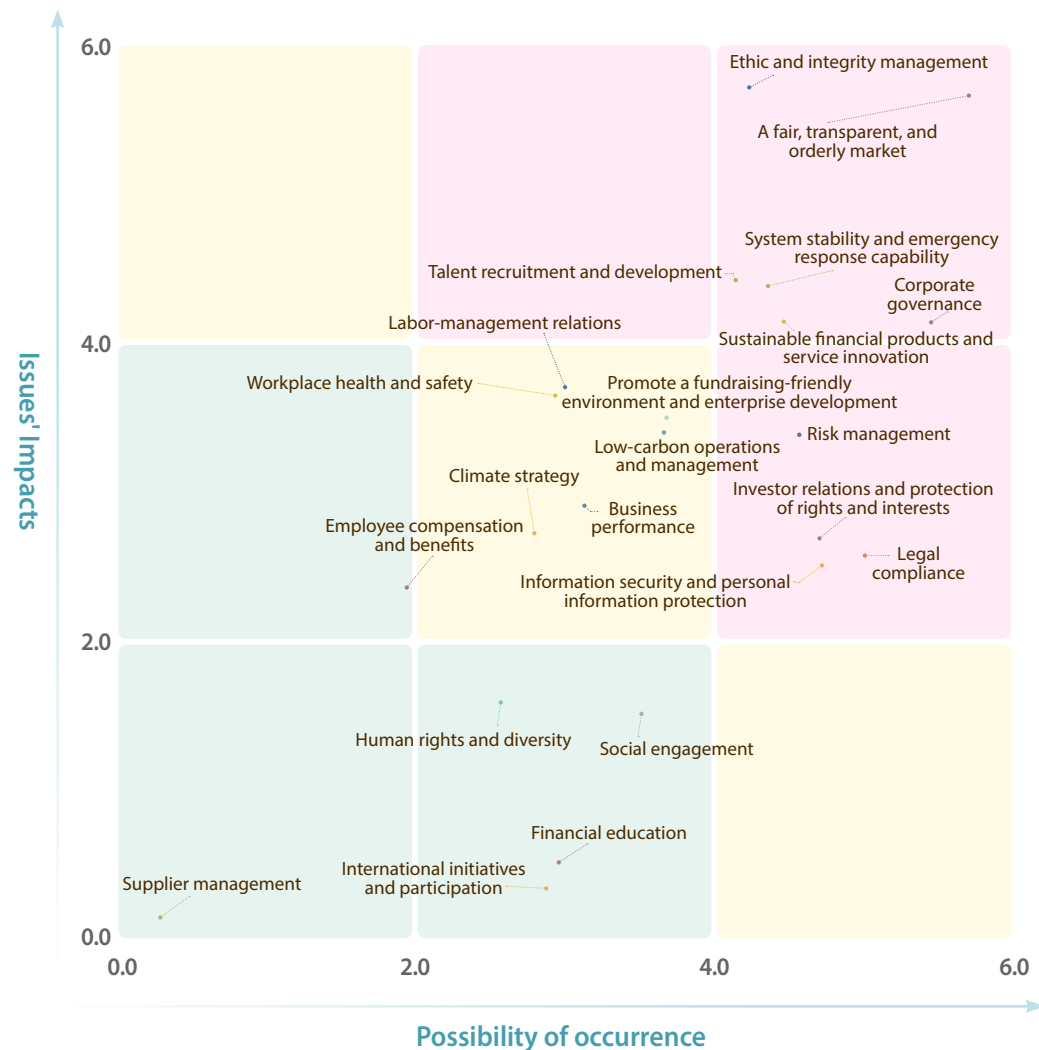
1.3 MANAGEMENT OF MATERIAL SUSTAINABILITY TOPICS

1.3.1 Material Topics Analysis

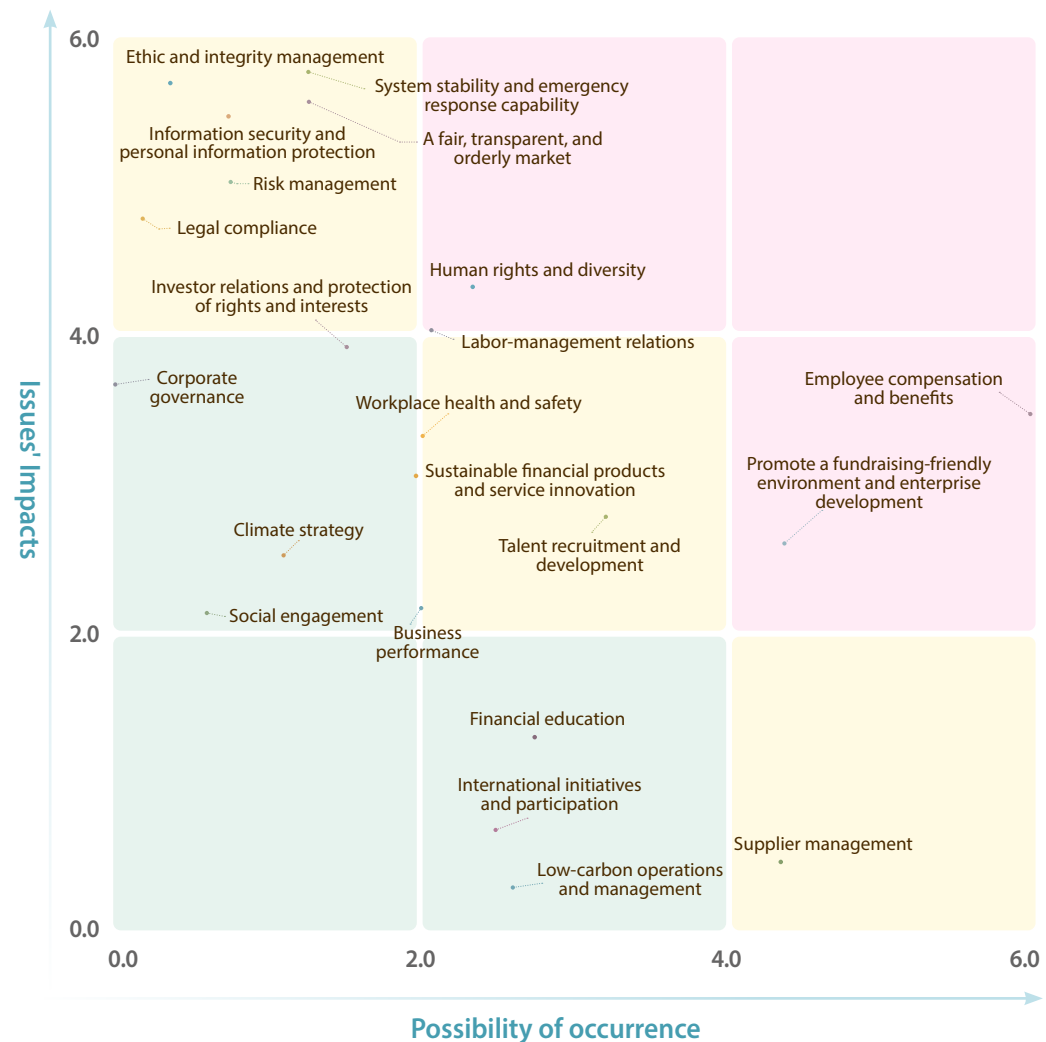
Based on the analysis of the questionnaires on positive and negative impact issues completed by 11 department heads of TPEX, six issues with the highest impact levels were identified. In addition, TPEX referenced the results of the “Questionnaire on the Level of Concern on the Sustainability Issues of TPEX” completed by 318 stakeholders and considered the expectations of the competent authority for financial market institutions. As a result, nine material issues were identified for the 2024 TPEX Sustainability Report: “A Fair, Transparent, and Orderly Market”, “Ethics and Integrity Management”, “Corporate Governance”, “System Stability and Resilience”, “Sustainable Financial Products and Service Innovation”, “Information Security and Personal Information Protection”, “Legal Compliance”, “Employee Compensation and Benefits”, and “Climate Strategy”. Compared with 2023, “Sustainable Financial Products and Service Innovation” was newly added as a material topic.



Matrix diagram of sustainability issues with positive impacts



Matrix diagram of sustainability issues with negative impacts



1.3.2 Material Topics Management

Involvement degree in the impact of material issues

Material Topics	Value Chain					
	Upstream				Midstream	Downstream
	Government agencies and surrounding units of the securities and futures market	Main Board, Emerging Stock Board and Go Incubation Board companies	Intermediary agencies	Media	Employees	Investors
A Fair, Transparent, and Orderly Market	✓	✓	✓	✓	✓	✓
Ethics and Integrity Management	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	
System Stability and Resilience	✓	✓	✓	✓	✓	✓
Sustainable Financial Products and Service Innovation	✓	✓	✓	✓	✓	✓
Information Security and Personal Information Protection	✓	✓	✓	✓	✓	✓
Legal Compliance	✓	✓	✓	✓	✓	✓
Employee Compensation and Benefits	✓				✓	
Climate Strategy	✓	✓	✓	✓	✓	✓

Management Guidelines for Material Topics

Material Topics	Potential or Actual Impact		Policy/Commitment	Short, medium, and long-term goals			Grievance/evaluation mechanisms	2024 accomplishments	GRI/self-designed material issues
	Description of positive impacts	Description of negative impacts		Short-term	Medium-term	Long-term			
A fair, transparent, and orderly market	Attract high-quality domestic and international companies to enter the TPEX market, expand the market scale, stimulate active trading, and protect investor rights. Strengthen supervision and promote legal compliance among Main Board and Emerging Stock Board companies to enhance investor protection.	Undermining market integrity and reputation among stakeholders, a decrease in the number of listed issuers, and reduced willingness of investors to participate in the market.	<ul style="list-style-type: none"> • Implement securities firm audits, trading surveillance, and corporate supervision to enhance public investment stability. • Strive to improve trading mechanisms toward greater transparency, fairness, efficiency, and security, thereby encouraging more active trading. • Continue to implement securities firm audits. 	<ul style="list-style-type: none"> • Support small and medium-sized enterprises (SMEs) in entering the multi-tiered TPEX market to expand its overall scale. • Revise relevant regulations in accordance with the “Sustainable Development Action Plan for Listed Companies (2023)” and strengthen promotion of sustainability practices among Main Board and Emerging Stock Board companies to improve corporate quality and information transparency. • Hold two performance briefings annually for Emerging Stock Board companies to enhance information transparency and establish direct communication channels with investors. • Regularly enrich and review the industry chain information platform, updating industry and company-related information to help investors understand the trends and context of Main Board and Emerging Stock Board companies. 	<ul style="list-style-type: none"> • Review and revise relevant supervisory regulations and Main Board listing review mechanisms in a timely manner. • Enhance sustainability disclosures and align progressively with international sustainability disclosure standards. • Encourage companies to disclose Scope 3 greenhouse gas emissions information-Increase the proportion of female directors in Main Board companies. • Strengthen the supervision system for Main Board and Emerging Stock Board companies to safeguard investor rights. • Increase the proportion of female directors in Main Board companies. • Regularly and irregularly review the rationality of various bond transactions in the secondary market to maintain market stability. • Assist securities firms in complying with relevant laws and regulations. 	<ul style="list-style-type: none"> • Continuously improve market issuance and supervision systems to meet the diversified needs of enterprises and investors. • Continue to enhance sustainability disclosures and align with international sustainability disclosure standards. • Strengthen the management of information disclosure by issuers to promote open and transparent trading. • Deepen the sustainability governance culture of listed companies. • Continuously understand corporate needs and review and revise relevant regulations in a timely manner in line with international standards, encouraging more quality companies to enter the capital market, helping them face global competition and challenges, and jointly promoting sustainable capital market development. • Continuously strengthen the supervision system and information transparency of Emerging Stock Board companies to protect investor rights. 	<ul style="list-style-type: none"> • Provide an investor service hotline and dedicated email account. • Offer dedicated service windows and face-to-face communication channels for each issuer. • Organize forums with intermediary agencies to gather their feedback. • Conduct routine and exceptional supervision, financial statement reviews, and tiered internal control audits for Main Board and Emerging Stock Board companies. • Manage the information reporting and material announcements of Main Board and Emerging Stock Board companies, and maintain the reporting section on the Market Observation Post System (MOPS). • Maintain and regularly review the transaction reporting and information disclosure processes of various types of bonds. • During securities firm audits, provide firms and their personnel an opportunity to explain, with such explanations taken into consideration in the handling process. 	<ul style="list-style-type: none"> • Conducted a total of 216 and 63 audits of material information for TPEX and Emerging Stock Board companies, respectively. • Conducted a total of 214 and 33 cases of routine supervision and financial statement reviews for Main Board and Emerging Stock Board companies, respectively. • Conducted 92 and 24 audits on the implementation of internal control systems for Main Board and Emerging Stock Board companies, respectively. • Held a total of 4 promotional seminars on information reporting for Emerging Stock Board companies. • Conducted 401 cases of exceptional management for TPEX-listed companies. • Held 2 training sessions titled “Intermediary Agency Training Courses for Assisting Domestic and Foreign Companies in TPEX Listing.” • Co-hosted with TWSE and other organizations a total of 12 seminars (with 1,800 participants) on the revised standards for securities firms’ internal control systems, to help establish comprehensive and effective internal control and audit practices. 	Self-designed -material issues: A fair, transparent, and orderly market



Material Topics	Potential or Actual Impact		Policy/Commitment	Short, medium, and long-term goals			Grievance/evaluation mechanisms	2024 accomplishments	GRI/self-designed material issues
	Description of positive impacts	Description of negative impacts		Short-term	Medium-term	Long-term			
A fair, transparent, and orderly market				<ul style="list-style-type: none"> Regularly and irregularly update website bond information and related regulations to facilitate information retrieval by investors and issuers. Protect investor rights and interests. 		<ul style="list-style-type: none"> Continue reviewing and revising bond market-related regulations and systems in response to market development. Improve the overall development of the capital market. 	<ul style="list-style-type: none"> For disciplinary actions against securities firms, the sanctioned firm may submit relevant evidence and reasoning within 30 days for appeal. To enhance remedy mechanisms for sanctioned issuers, establish appeal procedures for cases involving “termination of TPEx trading” or “penalty fines” imposed in accordance with relevant regulations. 	<ul style="list-style-type: none"> Conducted a total of 182 routine and special audits, risk assessments, and anti-money laundering inspections for securities firms. Provided educational outreach and consultation services on bond-related systems and information reporting. 	
Ethics and Integrity Management	Ethics and integrity management enhance reputation and build trust with stakeholders.	Violations of ethical standards and integrity principles may lead to reputational damage, undermine investor confidence, disrupt market order, and result in penalties.	<ul style="list-style-type: none"> Formulated self-disciplinary regulations on integrity management to foster a culture of fairness, equality, and anti-corruption within the organization. Prevent conflicts of interest and eliminate misconduct such as corruption and violations of law. 	TPEx consistently complies with laws and upholds the principles of integrity, transparency, and accountability in its operations. It has established various ethical policies based on integrity. To promote ethical behavior, relevant regulations are published on the internal website for employees to access at any time. Training sessions on important topics related to ethics and integrity management are provided regularly. The internal audit unit reviews and verifies the adequacy and effectiveness of internal control systems to assist the Board of Directors and management in ensuring compliance with relevant policies and regulations. These efforts aim to establish a sound risk control mechanism and foster a sustainable operating environment.			<ul style="list-style-type: none"> Grievance Mechanism: A whistleblower policy has been established, along with a dedicated unit to handle reported cases. Reporting hotline: +886-2-2366-6084 Reporting email: ethics@tpex.org.tw Evaluation Mechanism: In accordance with the annual audit plan, quarterly audits are conducted on employees' trading of Main Board, Emerging Stock Board, and Go Incubation Board securities. The audit results are submitted to supervisors for review by the end of the following month and are reported quarterly to the Joint Meeting of Directors and Supervisors. 	<ul style="list-style-type: none"> To enhance integrity awareness and widely promote the importance of ethical business conduct, three training sessions on “Corporate Integrity and Whistleblower Mechanism” were held, with a total of 299 participants. No incidents of corruption or violations of law occurred. 	GRI 205: Anti-Corruption



Material Topics	Potential or Actual Impact		Policy/Commitment	Short, medium, and long-term goals			Grievance/evaluation mechanisms	2024 accomplishments	GRI/self-designed material issues
	Description of positive impacts	Description of negative impacts		Short-term	Medium-term	Long-term			
Corporate Governance	Good corporate governance promotes smooth operations, helps establish a good reputation, and positively influences all Main Board and Emerging Stock Board companies.	Poor governance that is rectified by the competent authority may result in reputational damage.	<ul style="list-style-type: none"> Establish an appropriate governance structure and act in compliance with laws to serve as a positive example for Main Board and Emerging Stock Board companies to enhance their corporate governance quality. TPEX's governance structure strengthens the development and implementation of internal systems. Under the supervision of competent authorities, all business operations comply with laws and uphold public interest, reinforcing governance functions and shaping a strong corporate culture. 	TPEX values stakeholder rights and is committed to establishing a sound corporate governance system to promote healthy business development. Through a professional management team, a well-structured and independent Board of Directors, rigorous internal audit and control mechanisms, and transparent and timely communication channels, TPEX aims to enhance governance quality and serve as a positive example for Main Board and Emerging Stock Board companies.			<ul style="list-style-type: none"> Formal correspondence and official communication. Reports submitted to the Joint Meeting of Directors and Supervisors. The Board of Directors has established an Internal Audit Committee, which regularly submits audit results and follow-up improvements for supervisor review and reports quarterly to the Joint Meeting of Directors and Supervisors. Dedicated investor email inbox. 	<ul style="list-style-type: none"> Recommendations issued by the Internal Audit Committee to various departments were submitted monthly for supervisor review and reported quarterly to the Joint Meeting of Directors and Supervisors, with all improvements completed. Held one Joint Meeting of Directors and Supervisors per month, with an average attendance rate of 98.57%. 	GRI 2: General Disclosures GRI 405: Diversity and Equal Opportunity
System Stability and Resilience	Maintaining the stability of financial market trading systems and ensuring system continuity during disasters are essential to maintaining uninterrupted trading operations.	System disruptions may harm investor interests and damage the organization's reputation.	<ul style="list-style-type: none"> Established a business continuity policy. TPEX's business continuity policy focuses on system reliability, information accuracy, and continuous trading operations. 	<ul style="list-style-type: none"> Ensure that the duration of any disruption to critical business operations does not exceed the maximum tolerable downtime. Complete activation of off-site trading system backup within the target recovery time. 	<ul style="list-style-type: none"> Maintain system stability and business continuity. Complete backup activation drills for information systems within the target recovery time. 	<ul style="list-style-type: none"> Ensure the implementation of the organization's business continuity plan. Continuously implement measures to strengthen the resilience of information systems. 	<ul style="list-style-type: none"> Coordinate business continuity needs through designated liaison channels. Email communication. Phone communication. Conduct internal and external audits every six months. Regularly convene Information Security Management Review meetings. 	<ul style="list-style-type: none"> Successfully passed the recertification audit of ISO 22301 conducted by the British Standards Institution (BSI); certification remains valid. Held two Business Continuity Management Review meetings. Conducted two onsite and two offsite system backup drills with a 100% success rate. Conducted simulation drills for hacker intrusion and distributed denial-of-service (DDoS) attacks, with effective defense results. 	Self-designated material topics: System Stability and Resilience



Material Topics	Potential or Actual Impact		Policy/Commitment	Short, medium, and long-term goals			Grievance/evaluation mechanisms	2024 accomplishments	GRI/self-designed material issues
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Sustainable Financial Product and Service Innovation	<ul style="list-style-type: none"> • Provide investors with diversified investment options while safeguarding their rights and interests. • Attract domestic and foreign issuers to participate in Taiwan's sustainable bond market and deepen the development of sustainable finance in the country. 	<ul style="list-style-type: none"> • Failure to do so may harm investor rights and damage reputation. • A decline in market integrity and issuer participation may result in reduced investor confidence and fewer listed products. 	<ul style="list-style-type: none"> • Develop innovative sustainable financial products and services to offer investors diverse investment choices and protect their rights. • Referencing international sustainable bond principles, TPEX has established a trading mechanism for sustainable bonds. • Implement preand post-issuance external evaluation and information disclosure mechanisms to ensure fairness and transparency of information. 	<ul style="list-style-type: none"> • Continue developing diverse sustainable financial products and service innovations aligned with market trends to guide capital toward sustainability issues. • Promote broader issuer participation in the sustainable bond market to expand market scale. • Hold regular and irregular promotional seminars and participate in sustainability-related forums or lectures to advocate for the sustainable bond system. • Regularly and irregularly update sustainable bond information and related regulations on the website for easy access by market participants. 	<ul style="list-style-type: none"> • Continuously monitor international trends in sustainable bonds and assess the feasibility of introducing new types of sustainable bond products to meet evolving sustainable investment and financing needs. • Improve transparency in information disclosure to protect investor interests. 	<ul style="list-style-type: none"> • Build a robust ecosystem for sustainable bond markets. • Deepen the understanding and practice of sustainable investment and financing. • Support Taiwan's pathway toward the 2050 net-zero emissions target. 	<ul style="list-style-type: none"> • Organize promotional seminars or incentive programs. • Regularly review post-issuance disclosure of sustainable bond reports. • Manage issuer information filings and announcements, and maintain the dedicated section on the Market Observation Post System (MOPS). • Issuers whose applications for sustainable bond qualification are rejected by TPEX may submit an appeal in writing within 20 days from the date of the rejection notice. • Hold promotional seminars. • Provide investor hotline and dedicated email service. • Offer one-on-one service windows and face-to-face communication channels for each issuer. 	<ul style="list-style-type: none"> • Signed a co-branded product licensing agreement with international index company ICE Data Indices, LLC. • In 2024, a total of 53 sustainable bonds were listed, with an issuance amount of NT\$149.185 billion. • Facilitated the listing of Taiwan's first batches of sustainable government bonds and sustainable convertible (exchangeable) corporate bonds. 	Self-designated material topic: Sustainable Financial Product and Service Innovation
Information Security and Personal Data Protection	Safeguard the information privacy and security of clients and stakeholders to maintain market stability.	Any compromise of client or stakeholder data privacy and security may jeopardize market order and damage trust.	<ul style="list-style-type: none"> • Established an information security policy. • Protect the confidentiality, integrity, and availability of information assets to ensure secure and stable information services. 	<ul style="list-style-type: none"> • Report incidents of confidential data leakage in accordance with regulatory requirements and within specified timelines. • Successfully passed the certification for the ISO 27001:2022 standard. 	<ul style="list-style-type: none"> • Report incidents of confidential data breaches in accordance with regulations and within the required timeframes. • Ensure continued validity of ISO 27001 and BS10012 certifications. 	<ul style="list-style-type: none"> • Report incidents of confidential data breaches in accordance with regulations and within the required timeframes. • Ensure continued validity of ISO 27001 and BS10012 certifications. 	<ul style="list-style-type: none"> • Convene regular Information Security and Personal Data Protection review meetings. • Provide a dedicated investor service hotline and email contact. 	<ul style="list-style-type: none"> • Maintained valid certifications for ISO 9001, ISO 27001, and ISO 20000 issued by the British Standards Institution (BSI). <p>(The certification scope covers system development, IT operations, mainframe networks, and data center facility management maintained by the Information Technology Department.)</p>	GRI 418: Customer Privacy







Material Topics	Potential or Actual Impact		Policy/Commitment	Short, medium, and long-term goals			Grievance/evaluation mechanisms	2024 accomplishments	GRI/self-designed material issues
	Description of positive impacts	Description of negative impacts		Short-term	Medium-term	Long-term			
Information Security and Personal Data Protection				<ul style="list-style-type: none"> Introduced “device identification” mechanisms as part of a zero-trust network framework. Ensure the collection, processing, and use of personal data comply with legal requirements to reduce the risk of improper disclosure. 	<ul style="list-style-type: none"> Implement measures to enhance overall cybersecurity capabilities. Introduce zero-trust architecture mechanisms in accordance with the “Reference Guidelines for ZeroTrust Framework in the Financial Industry” Ensure the collection, processing, and use of personal data comply with legal requirements to reduce the risk of improper disclosure. 	<ul style="list-style-type: none"> Continuously implement measures to enhance overall cybersecurity defense capabilities. Continue adopting zero-trust architecture mechanisms in line with the “Reference Guidelines for Implementing Zero Trust Architecture in the Financial Industry” Ensure that the collection, processing, and use of personal data comply with legal requirements, thereby reducing the risk of unauthorized disclosure. 	<ul style="list-style-type: none"> Establish an information security policy, a personal data protection manual, and relevant procedures; conduct internal and external audits on a semiannual basis. Coordinate system-related requirements through designated business liaison channels. Ensure all employees receive annual training on information security and personal data protection. 	<ul style="list-style-type: none"> Held two Information Security and Personal Data Protection review meetings. No incidents of data tampering or personal data breaches occurred in 2024. Successfully conducted both onsite and offsite system backup drills, with a 100% success rate. The entire organization passed the certification for ISO 27001 (2022 version). Maintained valid BS10012 certification issued by the British Standards Institution (BSI). Implemented a “device identification” mechanism under a zero-trust network framework. Achieved a 100% completion rate for employee training on information security and personal data protection. 	GRI 418: Customer Privacy
Legal compliance	Complying with laws and regulations ensures sound operations, enhances reputation, and strengthens stakeholder trust.	Legal violations may lead to reputational damage, negative public perception, and potential penalties.	Fully comply with all applicable laws and regulations, and actively maintain open communication with stakeholders to prevent potential legal violations.	Regularly review relevant laws and regulations to prevent any legal violations, and provide timely training to employees to foster a culture of legal compliance.			TPEX has established a complaint mechanism and a dedicated legal unit. In the event of potential regulatory violations, stakeholders may submit complaints through this mechanism, and the designated legal personnel will handle the matter in accordance with TPEX's internal procedures.	<ul style="list-style-type: none"> No regulatory violations or corrective actions by competent authorities occurred in 2024 	GRI 2: General Disclosures




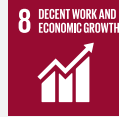





Material Topics	Potential or Actual Impact		Policy/Commitment	Short, medium, and long-term goals			Grievance/evaluation mechanisms	2024 accomplishments	GRI/self-designed material issues
	Description of positive impacts	Description of negative impacts		Short-term	Medium-term	Long-term			
Employee Compensation and Benefits	A fair and well-structured compensation and benefits system motivates employees in their career development and supports their families at different life stages, thereby enhancing overall corporate competitiveness. Competitive compensation and benefits help attract and retain talent.	The absence of fair compensation and benefits may hinder talent retention and pose risks to the organization's long-term operational development.	Salaries are not determined by gender, race, religion, political affiliation, or marital status. Employees receive equal treatment in salary progression and promotion during their tenure. Base salaries are standardized by job grade, providing a stable compensation structure.	Talent is TPEx's most valuable asset. We offer market-competitive salaries, benefits exceeding legal requirements, diverse learning resources, a safe and healthy work environment, and conduct regular performance evaluations and reward programs to attract and retain outstanding employees.			<ul style="list-style-type: none"> • Hold regular labor-management meetings to foster cooperation and enhance work efficiency. • Periodically review employee performance evaluations. Employees who propose innovative ideas, engage in research, lead projects or activities, or make outstanding contributions are given appropriate rewards. 	<ul style="list-style-type: none"> • The minimum starting salary in 2024 was 1.66 times the statutory minimum wage under the Labor Standards Act. • The average salary of entry-level employees in 2024 was 2.95 times the statutory minimum wage. • Labor-management meetings were held quarterly, with harmonious relations and no major disputes. • 100% of employees with over six months of service completed performance evaluations in 2024. 	GRI 401: Employment
Climate Strategy	Aligning with international trends by offering climate-related financial products encourages issuers to pay attention to climate issues and disclosures, while also providing investors with diversified investment options.	Failure to respond may harm investor interests and damage the organization's reputation.	Develop innovative climate-related products and services to offer investors diverse investment options and protect their rights and interests.	<ul style="list-style-type: none"> • Continue developing diverse climate-related products and services in line with market trends, leveraging sustainable investment to raise market awareness of climate issues. • Promote the use of sustainable bonds by more issuers to raise funds for low-carbon transition initiatives. 			<ul style="list-style-type: none"> • Organize promotional seminars. • Visit potential issuers and underwriters to introduce the sustainable bond mechanism, discuss related topics, and promote sustainable investment and financing concepts. 	<ul style="list-style-type: none"> • TPEx signed a co-branded product licensing agreement with international index provider ICE Data Indices, LLC, and will plan new index products in response to market demand. • TPEx actively expanded the sustainable bond market. In 2024, several product types were listed for the first time, including social responsibility government bonds, green government bonds, green convertible (exchangeable) corporate bonds, green covered bonds, and sustainability-linked convertible bonds. 	Self-designated material topic: Climate Strategy









1.4 2024 SUSTAINABILITY PRACTICES

1.4.1 SDGs Outcomes

SDGs/SSE	Goals	2024 Accomplishments
	End poverty in all its forms	<ul style="list-style-type: none"> • Joined hands with TPEX's listed companies to donate funds and supplies to the disadvantaged groups through 1919 Food Bank. • Responded to the Finance with Love - Food (Necessities) Banks joint donation event and provided resources such as food and necessities of life to underprivileged families.
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> • Sponsored the Hot Meal Program for Disadvantaged Elderly Living Alone of Hondao Senior Citizen's Welfare Foundation. • Commissioned Xingjian Organic Production Cooperative to farm organic paddy fields and donated the harvested rice to social welfare groups.
	Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • Set up vaccination stations in the workplace to provide COVID-19 and influenza vaccination services, thereby increasing vaccination rates. • Sponsored medical equipment purchases of hospitals affiliated with the Ministry of Health and Welfare such as Puzi Hospital, Sinying Hospital, Hengchun Tourism Hospital and Penghu Hospital. • Sponsored NTU Children's Health Foundation to help children patients gain better functionality and development.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities	<ul style="list-style-type: none"> • Hosted 2024 TPEX Financial Elite Camp for College Students, with 46 participating schools, totaling 149 teams and 551 participants. • Participated in the Financial Services Education Charity Fund which supports young students from underprivileged families to complete their studies. • Donated to the School Education Savings of the Ministry of Education, which helps keep underprivileged students in schools. • Donated to the Financial Literacy for Youth Program which enhances financial knowledge and employability of economically disadvantaged college students. • Sponsored five branches of Taiwan Fund for Children and Families, providing scholarships to underprivileged students. • Directed educational resources to remote areas including sponsoring Art Without Distance – Deeping Education for Outlying Islands by the National Theater & Concert Hall, and Vox Nativa Taiwan's indigenous education service program. • Sponsored the Beyond Beauty: Taiwan from Above III documentary by Chi Po-lin Foundation, aiming to raise environmental awareness among the general public.

SDGs/SSE	Goals	2024 Accomplishments
  Target 5.5	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> • 55.6% of employees and 18.8% of the management are female. • Co-hosted a series of events promoting female start-up entrepreneurialship with the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs, including one salon/seminar and two competency enhancement courses. • Participated in the International Women's Day and WFE's 2024 Ring the Bell for Gender Equality.
	Ensure access to affordable, reliable, sustainable and modern energy	<p>Funded construction of solar power facilities which generated an accumulated 31,900 kilowatt hours up until 2024.</p>
  Target 8.3	<ul style="list-style-type: none"> • Promote inclusive and sustainable economic growth • Ensure smooth operations of the capital market. Support and encourage growth of micro, small and medium-sized enterprises (MSMEs). • Promote corporate financing and stock transactions, thereby driving economic growth. 	<ul style="list-style-type: none"> • By the end of 2024, a total of 1,185 companies were listed on TPEX Mainboard, Emerging Stock Board (ESB) and Go Incubation Board for Startup and Acceleration Firms (GISA Board). • In 2024, 14 and 41 companies applied for listing on TPEX Mainboard and registration on ESB, respectively. • In 2024, 54 companies registered for GISA Board and applied for counseling service. • The average daily trading value of TPEX Mainboard securities reached NT\$112.275 billion, the second highest in history.
  Target 10.5	Ensure equitable opportunities. Through policies and legislation, improve regulations on and supervision of the financial market and financial institutions, and strengthen implementation of the laws and standards.	<ul style="list-style-type: none"> • Continued to require suppliers to sign the Corporate Sustainable Development Commitment, with a total of 156 documents signed in 2024. • Aligned with the Sustainable Development Roadmap mandated by the Financial Supervisory Commission (FSC), accelerated promotion of corporate governance among TWSE and TPEX listed companies, thereby supporting sound corporate development and boosting market confidence.
  Target 12.6	Promote sustainable development of enterprises	<ul style="list-style-type: none"> • Hosted 2024 Corporate Governance Evaluation Education Programs to update main board companies on the recent amendments. • In 2024, 347 main board companies issued the 2023 sustainability reports, of which 251 were voluntary. • Established a dedicated webpage titled IFRS Sustainability Disclosure Standards Alignment Portal and continued to improve and expand its functionality. • Adjusted the weight of "promotion of sustainable development" in the corporate governance evaluation, aiming to progressively transition the corporate governance evaluation into an ESG evaluation in 2026.

SDGs/SSE	Goals	2024 Accomplishments
  Target 13.3	Take actions to combat climate change and its impacts	<ul style="list-style-type: none"> • In 2024, 53 sustainable bonds were issued on TPEx Mainboard, with a total issue amount of NT\$149.185 billion. • Completed the 2024 greenhouse gas (GHG) inventory and received ISO 14064-1:2018 certificate for GHG inventory from the British Standards Institution (BSI). • Continued to use green energy which accounted for 26.69% of the overall electricity consumption. • Used hybrid models for company car.
	Protect, restore and promote sustainable use of terrestrial ecosystems, secure biodiversity and prevent land degradation	<ul style="list-style-type: none"> • Sponsored conservation and forestation in multiple coastal and mountainous areas by professional institutions such as the Forestry and Nature Conservation Agency, Ministry of Agriculture.
	Promote peaceful and inclusive societies, promote law enforcement and combat organized crimes	<ul style="list-style-type: none"> • Assisted the competent authority to combat financial investment frauds by actively collecting and reporting fraudulent advertisements. Patrol operations began on April 12, 2023, with a total of 24,748 online advertisements reported in 2024. • Actively conducted fraud prevention campaigns for raising awareness among the general public.
  Target 17.16	Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> • Continued participation in major international conference, including: <ul style="list-style-type: none"> - WFE's 63th General Assembly & Annual Meeting, Working Committee Meeting and seminars - WFE's 2024 Clearing and Derivatives Seminar - IOSCO Seminar Training Program and Annual Meeting - AMCC's 2024 Meeting and Global Certificate Program – Phase One - CCP Global's 2024 Annual General Meeting - AOSEF's 2024 General Assembly, Working Committee Meeting, special meetings and seminars - ICMA's 56th Annual General Meeting and Conference

1.4.2 Enrichment of TPEx Industrial Clusters

TPEx built a multi-tiered capital market to help companies grow and thrive through the GISA Board, ESB and Mainboard markets. In the meantime, development of diversified industry clusters is made possible through institutional design and counseling mechanisms, thereby enhancing the resilience of Taiwan's capital market and nurturing the future guardians of Taiwan's economy.

GISA Board: Cultivating Innovative Companies and Strengthening Growth Momentum

TPEx established the GISA Board in 2014 with a mission to provide free counseling and financing services to micro, small and medium-sized innovative companies, nurturing start-ups and innovative industries in Taiwan. In response to the government's objectives under the MSME Diversified Revitalization and Development Plan, TPEx actively collected opinions from stakeholders and launched "GISA Plus". Through strengthening incentives, simplifying procedures, providing tiered counseling and enhancing promotion, the mechanisms for each stage from counseling application to formal listing were adjusted to support the entry into GISA Board for more startups, innovative and youth startup teams and companies, and to progressively strengthen their corporate foundations and facilitate their engagement in the capital market. Currently, the GISA Board-listed companies are in the following nine industries: electronic technology, digital cloud, green energy and environment, lifestyle and health, cultural creativity, biotechnology and healthcare, agriculture, forestry, fishery and animal husbandry, social enterprises and others. With the ever-changing nature of industries, the GISA Board-listed companies have developed increasingly diversified operating models. TPEx will also continue to help the companies showcase the features and advantages of Taiwan's innovative products and services based on their development trajectory and the strategy of industrial cluster diversification. These are aimed at highlighting Taiwan startups' technological strengths, and at contributing to the development of industries.

ESB: Harboring Innovation Potentials and Building Prototypical Clusters

The semiconductor, electronics and biotechnology industries have long been key drivers of Taiwan's capital market. With funds from the capital market, they formed complete ecosystems and have become crucial sectors of Taiwan. In recent years, with accelerated global digital transformation and sustainable development, companies involved in digital cloud and green energy and environment have become a non-negligible force in the capital market. TPEx is strengthening campaigns for companies of the emerging industries to join the TPEx market, creating distinctive emerging industrial clusters following the semiconductor and biotech sectors. This will not only benefit healthy development of the industries, but is also expected to moderately reduce the capital market's overreliance on the electronics industry, thereby strengthening market resilience and sustainable development.

By the end of 2024, 14 digital cloud companies and 24 green energy and environment companies were listed on ESB, indicating the industrial clusters are gradually taking shape. In order to support the development of domestic and foreign industries and urge enterprises into the multi-tiered capital market, TPEx will continue to co-host information sessions with intermediary institutions, strengthen interactions with relevant industrial associations and make on-site visits to explore potential quality companies. These efforts are aimed at creating new emerging industrial clusters.

Mainboard: Enhancing Industrial Visibility and Building Flagship Clusters

TPEX established the Industry Chain Information Platform, which includes 30 industries, making it easy for investors to view clusters of main board companies in each industry and to access the basic financial and business information of individual companies in each industry chain. The platform also provides overall industrial information such as introduction to associated industries and government policies, bringing the cluster effect into full play.

A short video was created on February 1, 2024 to promote the Industry Chain Information Platform. The video covers guidance on how to select the industry chains, the sub-industries of the upstream, midstream and downstream supply chains and related government policies, while further inquiries can be made by clicking on the renowned domestic and foreign companies. Listed companies can also use the platform to showcase all their business operations across sectors, management philosophy, product introduction, business performance, awards and recognitions, ESG information, and even links to their financial reports, etc., which serve as a bridge to the investors. The Industry Chain Information Platform not only helps companies stay updated on industrial trends, explore potential partners, and develop new business opportunities, but also allows investors to discover values of the industries and new investment directions.

Complete list of featured industry chains

Traditional Industries and Others	Biotech and Healthcare	Green Energy and Environment	Electronics	Digital and Cloud Services
<ul style="list-style-type: none"> • Electric Machinery • Finance • Cultural and Creative (Gaming) • Golf Equipment • Tourism and Hospitality 	<ul style="list-style-type: none"> • Agricultural-Tech • Genetics and Bio-tech • Pharmaceutical Manufacturing and Development • Medical Device • CDMO 	<ul style="list-style-type: none"> • Green Energy • Circular Economy • Pollution Controlling 	<ul style="list-style-type: none"> • Semiconductor (IC design) • IT/Telecom • Opto-electronic 	<ul style="list-style-type: none"> • E-commerce • Cloud Computing • Artificial Intelligence • Big data

1.4.3 Support for Corporate Sustainable Development

To guide TWSE/TPEX listed companies in their sustainable development efforts, TPEX has continued to drive them toward international sustainable development goals following FSC's Sustainable Development Roadmap, Sustainable Development Action Plans for TWSE and TPEX Listed Companies, and Roadmap for Taiwan Listed Companies to Align with IFRS Sustainability Disclosure Standards.

Guidance toward Net-zero

TPEX has been guiding Mainboard listed companies to disclose GHG inventories and assured information in accordance with the Sustainable Development Roadmap, set carbon reduction targets, strategies, and specific action plans, and also encourages the companies to disclose information on Scope 3 GHG. TPEX and TWSE also commissioned the Business Council for Sustainable Development (BCSD) in 2024 to create the Reference Guide and FAQs on Scope 3 Greenhouse Gas Inventory, which has been published on the TPEX website for public reference. The Foundation of Taiwan Industry Service and BCSD were also commissioned to offer Greenhouse Gas Inventory Workshops to lecture companies on the key contents of the Guidelines and the inventory practices.

Deepened Sustainability Governance Culture

TWSE and TPEX listed companies are required to appoint at least one director of a different gender from 2024 onward when the term of office of directors expires. In 2025, if the directors of either gender account for less than one-third of the board, the company must disclose the reasons and the measures taken in its annual report. In addition, to urge creation of a Sustainable Development Committee (Chief Sustainability Officer, CSO) within listed companies, two sessions of Sustainable Development Committee and Chief Sustainability Officer Forum were held in 2024, in which listed companies were invited to share their perspectives on sustainability governance and the opportunities and challenges surrounding their sustainability actions. The exchange of practical experience was intended to help promote sustainable development in the capital market, strengthen corporate competitiveness in sustainability, and drive new momentum for Taiwan's green journey.



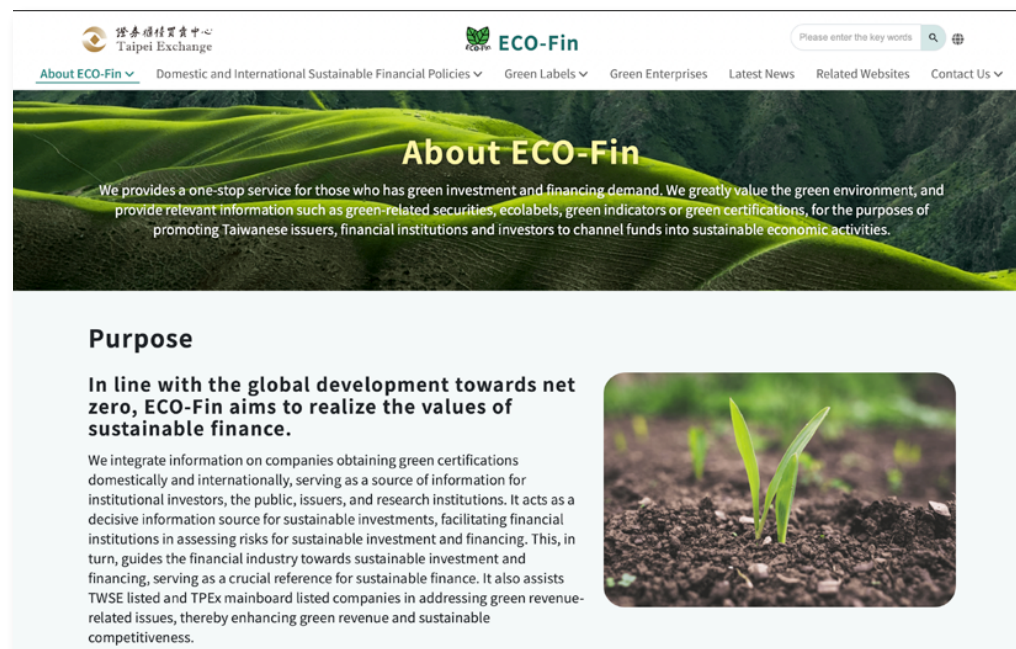
Promotion for ESG Evaluation

In the 11th corporate governance evaluation in 2024, the weight of the “promotion of sustainable development” indicator was increased from 28% to 35%. This was done by incorporating the competent authority’s sustainable development goals for the companies into the evaluation indicators, thereby encouraging and guiding companies to actually adopt sustainable development practices. The aim is to progressively transition corporate governance evaluations into ESG evaluations in 2026 by referring to relevant international standards and evaluation items, and considering Taiwan’s industrial characteristics in the selection of distinct and comparable indicators. The performance of TWSE/TPEX listed companies on each ESG aspect will thus be assessed and provided to investors as a reference for making ESG investment decisions.

Advancement in Sustainability Information Disclosure

TPEX launched the ECO-Fin platform in February 2024, which compiles important green-related labels at home and abroad and publicize the status of TWSE/TPEX listed companies in obtaining the labels. The platform also integrates sustainable finance policies of Taiwan and beyond, as well as information on green securities such as the sustainable bonds, sustainable indexes and commodities in Taiwan. Also included are Nasdaq Green Designations, London Stock Exchange’s Green Economy Mark and information on other overseas green securities, which offer issuers and investors an overview of and important trends in international green finance development.

TPEX and TWSE established the ESG Digital Platform in May 2024 to enable more effective ESG information disclosure and in a uniform format by TWSE/TPEX listed companies, and to encourage disclosure of more diversified sustainability information. In response to the requirement that all TWSE/TPEX listed companies prepare sustainability reports starting in 2025, a Sustainability Report Preparation and Production Function was added to the ESG Digital Platform in 2024. In February 2025, a template for producing sustainability reports was formally launched to help companies improve their efficiency of report preparation and reduce their burden. Global Reporting Initiative (GRI) standards and examples were also provided to enhance the quality of information disclosure, and information sessions were held to help companies learn more about sustainable information disclosure.



The screenshot shows the ECO-Fin platform website. The header includes the Taipei Exchange logo, the ECO-Fin logo, and a search bar. The main banner features a green landscape with the text "About ECO-Fin" and a description of the platform's purpose. Below the banner, there is a section titled "Purpose" which states that ECO-Fin aims to realize the values of sustainable finance by providing a one-stop service for green investment and financing demand. To the right of the text is an image of a small green plant growing out of dark soil.

About ECO-Fin

We provides a one-stop service for those who has green investment and financing demand. We greatly value the green environment, and provide relevant information such as green-related securities, ecolabels, green indicators or green certifications, for the purposes of promoting Taiwanese issuers, financial institutions and investors to channel funds into sustainable economic activities.

Purpose

In line with the global development towards net zero, ECO-Fin aims to realize the values of sustainable finance.

We integrate information on companies obtaining green certifications domestically and internationally, serving as a source of information for institutional investors, the public, issuers, and research institutions. It acts as a decisive information source for sustainable investments, facilitating financial institutions in assessing risks for sustainable investment and financing. This, in turn, guides the financial industry towards sustainable investment and financing, serving as a crucial reference for sustainable finance. It also assists TWSE listed and TPEX mainboard listed companies in addressing green revenue-related issues, thereby enhancing green revenue and sustainable competitiveness.

Alignment with IFRS Sustainability Disclosure Standards

TPEX serves as the convener of promotion and education working group within the taskforce for the Roadmap for Taiwan Listed Companies to Align with IFRS Sustainability Disclosure Standards. A dedicated webpage titled IFRS Sustainability Disclosure Standards Alignment Portal was established which offers the Exclusive Roadmap function. In 2024, the Simulation Roadmap function was launched to help TWSE/TPEX listed companies and those planning to apply for listing to customize individual company's timeline for aligning to the regulations. TPEX also offers practical guidelines and FAQs in accordance with the taskforce's progress in deliberation of sustainable standards, as well as a diversity of promotional resources such as training courses, information sessions, and short videos, in an effort to continuously strengthen and expand functions of the website. These are aimed at assisting companies with early planning and progressive alignment with the IFRS Sustainability Disclosure Standards, and accelerating corporate sustainability transformation and commitments. TWSE/TPEX listed companies with paid-in capital of NT\$10 billion and above are urged to start implementing introduction plans for the IFRS Sustainability Disclosure Standards.

Theme of information session	Number of sessions	Content
Sustainability Report Preparation and Production Function	5	The latest policy requirements were explained to help companies improve the quality of their sustainability reports. Case studies and hands-on practices were offered for members of TWSE/TPEX listed companies tasked to prepare sustainability reports to understand and handle sustainable development. The Sustainability Report Preparation and Production Function on the ESG Digital Platform was also explained in detail.
Sustainability Report Preparation for TPEX Listed Companies	3	Based on TPEX's Handbook on Sustainability Report Preparation and Production, assistance was offered to TPEX Mainboard listed companies creating sustainability reports for the first time on practices such as identification of stakeholders and important topics, collection of sustainability information, and writing of the Sustainability Report .
Internal Control System for Sustainability Information Management	4	A campaign was launched for TWSE/TPEX listed companies to include sustainability information management into internal control and internal audit systems starting from 2025, and to remind companies on how to prepare and produce sustainability reports and introduce IFRS sustainability disclosure standards, etc. The ESG Digital Platform was also introduced during the sessions, with explanation on corporate ESG information disclosure and sustainability report filing.

1.4.4 Expansion of the Sustainable Bond Market

TPEX announced the amended Taipei Exchange Operation Directions for Sustainable Bonds on December 14, 2023 which established the Sustainable Development Convertible (Exchangeable) Bond (EB and CB) mechanism, and expanded the scope of sustainable bonds to include EB, CB and bonds with warrants. These measures allow TWSE/TPEX listed companies to acquire funds for sustainable development, enhance sustainability of the environment, and expand Taiwan's sustainable bond market. TPEX spent more than six months on the preparation and campaigns, visiting 31 companies and five underwriters to promote the new system, followed by the sustainable EB and CB listing ceremony on August 8, 2024. Far Eastern New Century Corporation took the lead in listing Taiwan's first two tranches of green exchangeable bonds with a total issue amount of NT\$2 billion. Century Iron and Steel Industrial Co., Ltd. also listed Taiwan's first green convertible bond with an issue amount of NT\$2.5 billion on November 8, while Taiwan Cement Corporation listed Taiwan's first sustainability-linked convertible bond (SLCB) with an issue amount of NT\$8 billion on December 10. These three companies play pioneering roles in sustainable EB and CB, starting a new chapter for Taiwan's sustainable bond market.

In addition to assisting domestic and foreign companies in issuing sustainable bonds to obtain the funds needed for sustainable development, TPEX is also actively promoting government sustainable bonds. The Taipei City Government (TCG) issued three social bonds totaling NT\$2.5 billion on January 10, 2024, and issued three more totaling NT\$7.5 billion on March 25, 2024. TCG's overall issuance in 2024 was six social bonds totaling NT\$10 billion. The Kaohsiung City Government issued its first green bond totaling NT\$2 billion on January 12, 2024. The issuance of government sustainable bonds provides investors with solid investment targets and enables diversification of issuers in the sustainable bond market. It is hoped that more government agencies can take part in the issuance, thereby enhancing the healthy development of Taiwan's sustainable bond market.

In the future, TPEX will continue to follow the development of international markets and study the feasibility of building a system for new types of sustainable bond products. The new system can expand the ecosystem of sustainable bonds, diversify sources of sustainable investment products, allow Taiwan's sustainable development bond market-related mechanisms and products to be more in line with international standards, and help build a more internationally competitive capital market for sustainable development.



TPEX Sustainable Convertible/Exchangeable Bonds Listing and Accreditation Ceremony

Issuance of sustainable bonds in 2024

	2024 new issuance		2024 accumulated issuance	
	Number of bonds	Amount (NT\$ billion)	Number of bonds	Amount (NT\$ billion)
Green bonds	32	116.10	152	473.53
Sustainability bonds	9	9.09	47	121.10
Social responsibility bonds	11	16.00	33	70.60
Sustainability linked bonds	1	8.00	6	15.90
Total	53	149.19	238	681.13

First Listing of Green Covered Bond

Taiwan's first green covered bond was issued through the Shinhan Bank of South Korea on October 22, 2024, with a total issue amount of US\$ 400 million. The bond was in the meantime listed on TPEX and Singapore Exchange (SGX). This is the first of its kind since TPEX announced on March 7, 2024, the opening of the market for foreign issuers to launch covered bonds in Taiwan, signifying the diversity in Taiwan's bond market and its deepening connection with the international market. The listed green covered bond has a tenor of 5 years, with a floating interest rate, and uses South Korean mortgage claims as the cover pool following relevant provisions of the Korea Covered Bond Laws. As a green bond, raised funds thereof are intended for lending to green investments such as those involving green buildings and renewable energy.

1.4.5 Promote Net-zero and Carbon Neutrality

GHG Inventory Workshops Supporting Corporate Net-Zero Efforts

In coordination with FSC's policies on Sustainable Development Actions Plan for TWSE and TPEX Listed Companies and to assist the listed companies in performing their GHG inventory, and eventually to facilitate their implementation of IFRS Sustainability Disclosure Standards, TPEX worked with TWSE, Taiwan Futures Exchange (TAIFEX) and Taiwan Depository & Clearing Corporation (TDCC) to host five Greenhouse Gas Inventory Workshops in Taipei, Hsinchu, Taichung and Kaohsiung beginning August 2024. In the workshops, professional lecturers provided step-by-step guidance to the audience in a small-class setting. They cover domestic and international trends, latest policies and GHG inventory standards, and case-based practices following the Reference Guide and FAQs on Scope 3 Greenhouse Gas Inventory.

TPEX Commitments and Carbon Neutrality Roadmap in Response to Taiwan 2050 Net-Zero Goals

TPEX actively responds to the Taiwan 2050 Net-zero policy and continues to lead by example, in the hopes of planting seeds in TPEX listed companies, inspiring better practices, disseminating ideas of sustainable development and joining hands with companies to collectively create a sustainable future.

In 2023, TPEX completed its first GHG inventory and checklist, for 2022, and based on ISO 14061-1:2018. In 2024, TPEX introduced carbon neutrality standards and made commitments following ISO 14064-1:2018 and the Guidance on Carbon Neutrality Implementation and Declaration issued by the Ministry of Environment, and also set short-term and long-term carbon-reduction goals with 2023 as the base year. The goals are accompanied by a carbon neutrality roadmap, with plans to conserve energy and reduce GHG emissions through using renewable energy, retiring energy-intensive equipment, enhancing energy efficiency and implementing low-carbon procurement.

For the future implementation of carbon neutrality measures, organizational GHG reduction will be achieved through the above-mentioned reduction measures, while the emissions that still occur will be offset through the purchase of high-quality carbon credits.

TPEX has commissioned BSI to perform ISO 14068-1: 2023 assurance, which after completion will allow TPEX to declare achievement of carbon neutrality for 2024.

1.4.6 Prevention of Financial Investment Frauds

Removal of Fraudulent Investment Advertisements

TPEX actively assisted the competent authority in combating illegitimate investment consulting and collecting fraudulent investment advertisements. Using techniques such as text mining and website analysis, TPEX inspected advertisements on Facebook and websites with high traffic volumes, compiled and reported suspected fraudulent online investment advertisements, and requested the judicial police agencies to promptly remove illegal advertisements. A total of 24,748 online advertisements were reported in 2024, including 21,078 on Facebook and 3,670 on Google, effectively reducing the public's exposure and falling prey to the fraudulent investment information, thus preventing fraud risks. In addition to continued campaigns on prevention of financial investment frauds through diversified channels, TPEX and other securities-related entities are helping with review of cases from the Anti-Fraud Reporting and Inquiry Platform currently being developed by the Ministry of Digital Affairs. For reported cases involving FSC's jurisdiction, TPEX would help determine whether they are fraudulent advertisements, and if so can have them removed as soon as possible. TPEX has also joined forces with other securities-related entities and technological start-ups to combat fraud.

Anti-Fraud Campaigns

TPEX continues to compile information on financial investment frauds, and promotes fraud prevention in a variety of ways in order to raise public awareness.



2024 First Interactive Anti-Fraud Online Game



2024 Second Interactive Anti-Fraud Online Game

Promotional channels	Fraud-prevention accomplishments
Press release	14 anti-fraud press releases
Facebook fan page	35 postings on prevention of financial investment frauds and risk awareness
News channels	Displayed fraud-prevention reminders through tickers on popular TV programs during the Chinese New Year
Videos	Produced one promotional video and one advertorial themed “Beware of AI attacks; Three measures to ensure your asset security”. The native advertising video had 1,000,227 impressions, the digital advertorial was viewed 22,246 times, and the Facebook posting had a reach of 136,125 person-times.
Trivia quizzes with prizes	Organized two online anti-fraud trivia quizzes with prizes, each with 34,799 and 60,548 participants.
Podcast advertisements	Reminded the general public to be vigilant of scams in investment chat groups with dynamic inserts in 288 podcast channels with 290,058 total downloads.
Writing contest	TPEX, TWSE and TAIFEX commissioned the Securities & Futures Institute (SFI) to organize the Prevention of Investment Fraud Writing Contest in order to strengthen campaigns for investors to understand financial management and avoid investment frauds.
Campaign lectures	TPEX and TWSE commissioned SFI to organize 2024 fraud prevention campaign lectures targeting young college students in 75 universities.
Campaigns during physical events	Raised awareness of investment fraud prevention at events such as Fintech Taipei 2024 exhibition, Charity Carnival, SDG Asia, award ceremony of TPEX Financial Elite Camp, investors seminars, listing ceremonies, business performance announcements, Meet Taipei Startup Festival, information sessions on sustainable bond information reporting.
Anti-fraud webpage	Connected to the anti-fraud webpages of the competent authorities, securities-related entities, the National Policy Agency and Ministry of Justice.

