

# MESSAGE FROM THE CHAIRMAN

An active practitioner of sustainable development, TPEX has been dedicated to supporting the growth of small and medium-sized enterprises (SMEs), and in recent years also draws attention to and promote implementation of Environmental, Social and Governance (ESG) among TPEX-listed companies, in response to the globally rising awareness of net zero and reduced carbon emissions. In the meantime, through a diversity of products, TPEX provides the local governments and companies more adequate financing channels, while arousing investors' awareness of responsible investment. These resonate with the Sustainable Development Goals (SDGs) of the United Nations and accelerate market participants' advancement toward sustainable development.

On the front of supporting companies' sustainable development, TPEX continues to encourage and counsel companies on the compilation of sustainability reports, and urges listed companies to enhance disclosure of risks and opportunities associated with climate change as well as corresponding countermeasures in their reports. The latter is performed by following international standards such as those from the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB). An ESG digital platform is built to help companies enhance efficiency in their sustainability information disclosure. TPEX also continues to optimize the dedicated webpage for IFRS Sustainability Disclosure Standards (<https://isd.tpex.org.tw>) by expanding the scope of customized services, and by providing updated regulations, practical guidance and promotional resources, all aiming at assisting companies in their alignment with the international standards. In response to the competent authority's policies such as to turn Taiwan into the Asian Asset Management Center, and the Green and Transition Finance Action Plan, TPEX continues to strengthen sustainability information disclosure and information transparency. By measures such as establishing

the Green Securities Certification System, and transitioning corporate governance evaluations into ESG evaluations, a culture of sustainability governance is instilled into companies. Workshops and short videos are also made available to support companies in conducting their carbon emission inventory, leading them towards the goal of net zero emissions.

In terms of promoting green finance and developing ESG-related products, TPEX continues to deepen the development of sustainable finance in Taiwan and expand the scope of sustainability bonds, in order to solidify the sustainable finance ecosystem. To further assist government agencies and companies in raising funds needed for sustainable development and transformation through the bond market, TPEX launched a subsidy for assessing issuance of sustainability bonds in August 2024. It was a practical action taken to support issuers in their journey towards sustainability. According to



statistics from the World Federation of Exchanges (WFE), the issuance scale of sustainability bonds on TPEX in 2024 ranked the second among major exchanges in the Asia-Pacific region and the sixth in the world. The Climate Bonds Initiative (CBI) released a report in June 2024 stating that all green, social and sustainability bonds listed on TPEX comply with its Climate Bonds Database methodology. CBI also commended TPEX as a high-quality exchange for sustainability bonds, which demonstrates the sustainability bonds market created by TPEX is aligned with international practices, with internationally recognized results. In addition, TPEX is also actively developing ESG indexes, climate resilience indexes and related index products, in an effort to perfect the sustainable finance on all fronts. It is hoped that TPEX provides the most adequate services for corporate financing, and more diversified responsible investment targets for the capital market.

TPEX not only actively supports the government and enterprises to strengthen their ESG practices through various mechanisms of the capital market, which is where its core capacity lies in, but also spares no effort in advancing its own sustainability development. In addition to proactive implementation of energy-saving and carbon-reducing practices and strengthened climate change-related risk governance, TPEX participates in charitable actions, supports social welfare programs, and sponsors research and development of the capital market, thereby giving back to the society and internalizing ESG actions as daily practices. The tiny actions come together and form huge impacts, on environmental protection, social care and sustainability governance. TPEX strives to become a well-rounded, sustainable exchange, and will continue to work with all participants in the TPEX market to collectively implement ESG. The ultimate goal is to bring about positive impact on the society and contribute to Taiwan's sustainable development while driving economic advancement.

Chairman

*Chen Li-Chang*

