

GOVERNANCE

SOCIAL

ENVIRONMENT



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About This Report

This report is the fourth ESG report (Corporate Social Responsibility Report for the period from 2017 to 2019 and ESG Report for the period from 2020 onwards) published by Taiwan Depository & Clearing Corporation (hereinafter referred to as TDCC). TDCC has been investing plenty of resources in the different aspects of corporate social responsibility, such as corporate governance, economic, environmental, and social aspects, and we hope that we can demonstrate the results of our efforts, strengthen the linkage between our industry and CSR, conduct communication with stakeholders, and stay up-to-date with the international sustainable trends through the publication of this report.

Disclosure Period, Boundary and Scope of the Report

The period of disclosure in the report is the year 2020 (from January 1, 2020 to December 31, 2020). The disclosure boundary is within the scope of TDCC and its investee company FundRich Securities Co. Ltd. (hereinafter referred to as FundRich), including some of the floors of the Hungya Building (FundRich is located on the eighth floor) at Fuxing North Road, Taipei City and computer facilities in Nangang District and Zhubei City. Based on TDCC's economic, social, and environmental data, responses to and actions on material issues that stakeholders value are presented; Some data will be traced back to 2018, or refer to the direction of action in 2021 in order to achieve completeness and comparability of the information disclosed. The financial information will be disclosed in the consolidated financial report of TDCC and FundRich and will be specified in the report. For details, please refer to TDCC's 2020 Annual Report. Unless otherwise specified, the amounts disclosed in this report are denominated in New Taiwan Dollars.

Reporting Standards

The framework of this report is prepared in accordance with GRI Standards published by the Global Reporting Initiative (GRI); the stakeholder agreement, identification of material issues and non-financial information are disclosed and implemented in accordance with the "Core Option."

External Assurance

The information and data of this report are sorted and provided by various departments of TDCC and FundRich. To increase the quality and credibility of the information in the report, we have commissioned DNV Business Assurance Co., Ltd. to verify this report in accordance with DNV VeriSustain™ Protocol and AA1000 Assurance Standard, and it is proven that this report follows "Core Option" of GRI Standards.



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[TDCC CSR website](https://www.tdcc.com.tw/)

Reporting Cycle

This report is TDCC's fourth ESG report; ESG reports will continue to be published on an annual basis in the future. The report can be downloaded in the Corporate Social Responsibility section on TDCC website.

The publication date of the last ESG report: June 2020

Publication of this report: June 2021

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Message from the Chairman & CEO

The most serious pandemic in 100 years, COVID-19, has brought unprecedented challenges to the global economy. At the same time, the digital transformation triggered by innovative technology has led to changes in economic activities and lifestyles, thus affecting the world economy, society and life. It has also accelerated the digital transformation in all aspects of the capital market. In response to the changes in the financial environment and the advent of the digital age, with the support and guidance of the competent authorities, TDCC has been transforming and innovating its business sector with the times. Step by step, we have expanded our service scope and increased the number of clients we serve. Our business has developed from stock safekeeping to the sole post-trade facility across capital markets and money markets, providing a full range of quality services including centralized safekeeping, settlement and book-entry for five major businesses, including "equity securities", "futures", "bonds and notes", "cross-border custody" and "funds". We also further the digitalization of our core business through emerging technology applications and data utilization, and revitalize business data and information to provide various value-added data to market players and government agencies. In addition to focusing on our own industry, we have long been concerned with the international trends regarding CSR and ESG. In 2020, we published our third CSR report. In addition to receiving the "Excellence in Corporate Social Responsibility" award for three consecutive years, we also received the Platinum Award for "TCSA Corporate Sustainability Report" and the "Social Inclusion Award" for two consecutive years. In addition, we participated in the international CSR awards in Asia for the first time, the "Financial Literacy for Youth", and received an award for social welfare development, the "Asia Responsible Entrepreneurship Award", which demonstrates our long-term commitment to social welfare activities, promotion of financial knowledge education and environmental protection, and implementation of corporate social responsibility. In the future, we will continue to deepen the three aspects of financial influence, including economic development, caring for the society and protecting the environment, which are in line with the sustainable development goals of the United Nations, allowing both TDCC and Taiwan can operate sustainably and write a new chapter in history.

In order to help promote the standard of corporate governance in Taiwan, TDCC has developed an "e-voting ecosystem", which further extends e-voting services to investor relations. In addition, in line with the policy guidance of the competent authorities as well as the market expectations of issuers and investors, we have joined hands with ISS Corporate Solutions, an international corporate governance consulting firm, and Sustainalytics, an international ESG research firm, to launch an innovative service called "Corporate Investor Relations Integration Platform" in English and Chinese to provide investors with the necessary information and meet the needs of interaction with issuers and jointly promote corporate governance in Taiwan. In recent years, as more and more institutional investors start to incorporate ESG indicators into their investment decisions, TDCC has further established partnerships with ESG research institutions

and scoring agencies such as Sustainalytics, FTSE Russell, MSCI and ISS E&S Disclosure QualityScore. We have also successfully launched the first comprehensive ESG information platform launched by a depository and clearing agency, which is also the first of its kind in the world, to help improve the international evaluation of Taiwan's corporate governance. In addition, in order to strengthen market participants' macro view of the ESG investment ecosystem, TDCC has held the "Taiwan ESG and Responsible Investment Forum" for four consecutive years, inviting leading experts to have a comprehensive discussion about ESG issues and to move toward the frontline of ESG investment, which has received widespread recognition and positive comments from the market.

In terms of financial market security protection, TDCC serves as a national key infrastructure provider in the securities sub-sector of the primary financial sector. As such, we must maintain the security of our core information systems for the stable operation of Taiwan's financial markets. In 2020, the Institute was recommended by the competent authorities to participate in the Executive Yuan's National Infrastructure Protection Plan. It took about 7 months to complete the preparation, practice, rehearsal, and review meeting of this exercise, and to establish the joint protection system of critical infrastructure in collaboration with the competent authorities and external support units. During the rehearsal, teamwork was fully utilized to demonstrate the belief and mission of "safeguarding the stable operation of Taiwan's financial market", which was highly rated by the evaluation committee members and awarded a special honor by the Executive Yuan.

As for environmental protection, we enhanced the digital financial environment and reduced the impact of business activities on the environment. Through the development of comprehensive dematerialized issuance of stocks and bonds, book-entry operations, automation of issuer connection, e-voting platform, TDCC ePASSBOOK, and electronic transmission of application forms significantly reduced the amount of paper used in Taiwan's financial industry and carbon emissions from physical documents. TDCC spare no effort in promoting the paperless concept.

In terms of caring for society, "showing care for all" is our core value. we use actions to promote the concept of corporate care, promote employees' regular exercise habits, and create a healthy and happy workplace. We are actively engaged in public service through three major directions: cultivating future financial talents, promoting education in rural areas and caring for the disadvantaged groups. We are actively responding to and caring for the needs of society by organizing courses to cultivate talents in the financial sector, holding parent-child care activities with local family support centers, sponsoring talent programs in rural schools, sponsoring sports programs such as archery and badminton in rural schools, and organizing various charity activities such as blood donations for the past 11 years, and were awarded the 12th Sports Promoter Award by the Ministry of Education. In addition, we are focused on modern Taiwanese society and the development of local arts and culture. Through the "2020 Second TDCC Contemporary



Arts Award" and the "Dandelion Project", we are actively promoting arts and culture by combining support for artistic creation and corporate responsibility, nurturing young artists in Taiwan, deepening the audience's perception of art, and creating a spirit of sustainability.

In the past decade, the most significant trend that has affected us is the rise of new technologies. In recent years, TCSS has been keeping pace with these trends, actively promoting digital transformation. We have set up several digital teams, and through cross-departmental online and offline learning, we have been able to change our colleagues' original thinking, teaching them to adopt a digital mindset to solve problems from the customer's point of view. In addition, through new technologies, new methods and new concepts, we are actively developing big data, blockchain, cloud services, eKYC and information security to build a better digital financial infrastructure and promote the use of financial technology in our core business. In the next phase, we will accelerate the pace of our digital transformation by enhancing the ability of organizations to use IT through open innovation, platform economics, and assistance to government policies. We are also planning a number of application service innovations, such as the application of cloud technologies, the construction of combined information architecture, and the introduction of agile development and process automation to respond to market changes and any possible black swan events. In addition, in the face of unpredictable attacks and threats from anywhere in the world, challenges to the Company's information security defense are even more arduous. Therefore, we integrate information security issues into the Company's important future development strategy. Through active information security monitoring and various automation tools, we continue to improve information security defense and refine information security resilience, so as to maintain the stable operation of the capital market and jointly enhance the competitiveness of capital market.

Looking into the future, TDCC will continue to uphold the concept of mutual benefit and inclusiveness, make good use of core business capabilities, actively use big data, blockchain, cloud services and other emerging technologies to promote digital financial services, promote the convergence of the system with international standards, implement financial inclusion, and work with market participants to establish a financial technology service ecosystem and jointly enhance the competitiveness of Taiwan's capital market.

Taiwan Depository & Clearing Corporation Co., Ltd.

Chairman & CEO, Sherman Lin

A handwritten signature in black ink, appearing to read "Sherman Lin", written over a light blue horizontal line.



01

Sustainable Development and Strategies

1.1 Sustainable Vision

1.2 Market and Service Value Chain

1.3 About Us

1.1 Sustainable Vision

Core Strategy for Sustainability Vision

Embrace innovative technology and develop financial markets

As the only post-trade facility in Taiwan's cross-capital and money markets, TDCC not only actively assists the competent authorities in implementing policies to meet the business needs of participants, but also continues to challenge itself to expand its service scope and refine its service quality at different stages, seeking new business values through financial technology, and building a complete infrastructure for the digital transformation framework of Taiwan's securities and financial markets.

Promote business diversification as well as stable and sustainable growth

From the perspective of its core business, TDCC has been transforming and innovating its business to keep up with the times. In addition, we will develop diversified value-added services to meet market demands and create greater benefits for our customers. We also use emerging technologies such as big data, blockchain, and cloud services to revitalize data and information from our core business and assist the competent authorities in improving market supervision to achieve the goal of sustainable operation.

Based on the main core strategy of TDCC's sustainable vision, we have three major strategies: "Fulfill the Role as a Domestic Financial Service Hub", "Endeavor to Achieve Financial Inclusion to Enhance the Accessibility of Financial Service" and "Assisting the supervision of the National financial markets". At the operational level, "customer orientation", "open innovation", and "platform economy" are the main service principles and directions, as well as listening to customer needs, understanding market trends, and providing the lowest cost solution in order to become a full-scale financial service provider. Through the sustainable management strategy, we hope that stakeholders can understand the direction of TDCC's future development. We hold on to our original intentions, working along with the Taiwanese society, continuing to expand our industry, and steadily increasing the business and social value of TDCC while creating sustainable finance and achieving social prosperity.



Sustainable Development Strategy	
Fulfill the role as a Domestic Financial Service Hub	
Strategic Directions	<ul style="list-style-type: none"> • Strengthen the business information system to achieve all-round service • Develop FinTech and apply innovative services with the latest technology • Continuously promote dematerialization of business and service processes • Consolidate digital service platform, integrate financial market operation
Sustainability and Market Value	<ul style="list-style-type: none"> • Create diversified, long-term value for stakeholders and promote the sustainable growth of the company, while ensuring a smooth and sound market development with sound and efficient back office infrastructure. • Dematerialize all services, reduce market costs, integrate with the world, and provide customers with more convenient services through various value-added functions. • Use diversified platforms and extended mediums to make financial services or corporate governance decisions border-less and barrier-free; non-physical FinTech further reduces environmental pollution and energy use.
Endeavor to Achieve Financial Inclusion to Enhance the Accessibility of Financial Service	
Strategic Directions	<ul style="list-style-type: none"> • Research various system services, with the market and customer needs as the primary driving policy • Expand education on financial management and finance and popularize financial services • Cultivate Financial talents
Sustainability and Market Value	<ul style="list-style-type: none"> • In line with the financial inclusion goal set by the World Bank and through the development and innovative approach of our business, TDCC strives to build financial infrastructure with lower costs, higher efficiency and increased service accessibility. • Friendly operating interface for funds and diversified channel needs, combined with robot intelligent services and big data marketing in order to integrate the investors' and the public's financial behavior into everyday life.
Assists in the Supervision of the National Financial Market	
Strategic Directions	<ul style="list-style-type: none"> • Strengthen market transparency • Build supervision or prevention systems • Foster auditing and consulting of participants' operations • Use visual tools to provide regulators with monitoring reports and practice the use of big data.
Sustainability and Market Value	<ul style="list-style-type: none"> • In addition to fostering back-office operating functions of financial products, TDCC also assists regulators to supervise the financial market to ensure compliance and internal control of participants, securities dealers and stock affairs units, so as to maintain their operation quality and safeguard investors' interests. • Use digital financial technology to quickly organize and analyze large amounts of data, and provide regulators with real-time market supervision and analysis results with high efficiency.

TDCC's Response to Actions by SDGs

To keep abreast with the United Nations' "Sustainable Development Goals (the SDGs)," TDCC leverages its core competencies to strengthen its sustainable development, connect with the company's core capabilities, and steadily pursue the 13 objectives of the SDGs. With the company's diversified business options, we provide technological products, platforms, and supervision services that move the market towards sustainable financial services. While enhancing the competitiveness of the company, we also focus on the reduction of internal energy consumption, investigation of greenhouse gas emission, and promote green management. From a humanistic perspective, we take care of our employees and their families, promote a healthy, diverse, and kind happy work culture. Externally we foster financial talents and cultivate the next generation of Taiwan from rural areas, and we will deepen the integration of TDCC and the society, exert the influence of finance, market and society, and work together towards global sustainable development.

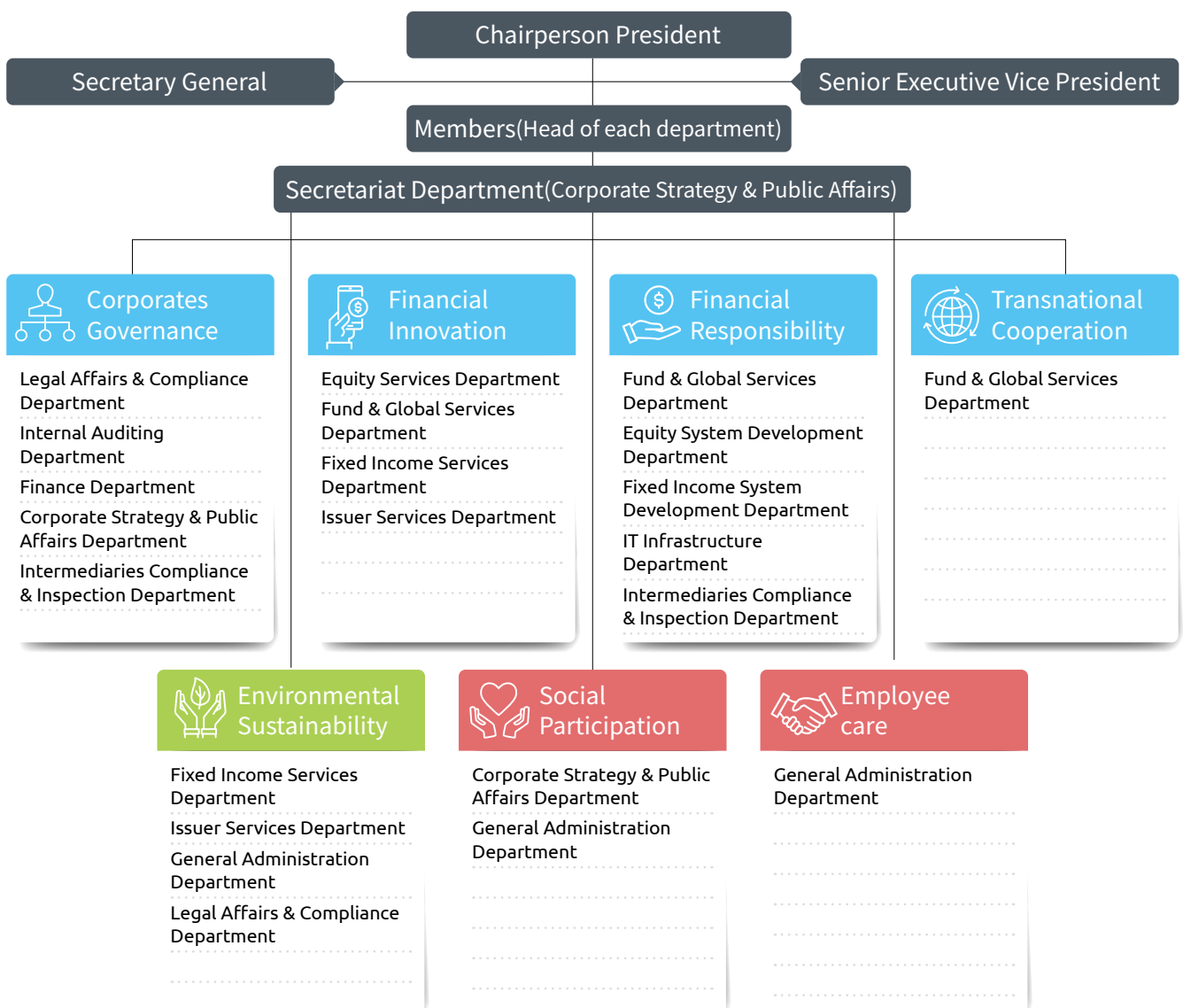


Sustainability Promotion Organization

Sustainable Development Committee

TDCC established the Corporate Social Responsibility Committee in 2017 (renamed to ESG Committee in 2021) as a dedicated unit to strengthen and promote CSR-related matters and practice sustainable development. The committee comprises seven responsible teams including the "corporate governance team," the "financial innovation team," the "financial responsibility team," the "transnational cooperation team," the "environmental sustainability team," the "social participation team" and the "employee care team." Each respective team is formed by different departments based on various issues and is concurrently led by the President; the two Vice Presidents and the Chief Secretary are in charge of supervision; the heads of each department are chosen according to different positions, and the staff of each department carries out the relevant topics.

TDCC's Sustainable Development Committee Structure



1.2 Market and Service Value Chain

TDCC is an information center dealing with the most diversified subject matters and participants in the capital market, and is also a public center and information transfer center with the largest number of participants. TDCC is an important communication platform among government authorities, front-end institutions and relevant service providers. Initially, TDCC was responsible for handling business related to the "Centralized recording of securities in a book-entry system". Nowadays, our services include centralized book-entry of securities, settlement of securities in the centralized trading and over-the-counter markets, settlement of securities in the emerging stock market, computer processing of futures settlement, registration of securities without entities, and computer processing of participants' securities accounts. In addition, we are entrusted by the competent authorities to handle stock audit operations. The financial assets under our custody include a wide range of securities with a total market value of over NT\$70 trillion, which makes us a major player in the domestic capital market. In addition, we serve as the only major post-trade facility in the domestic cross-capital and money markets, and are the national critical infrastructure provider for the securities sub-sector of the primary financial sector. Maintaining the security and protection of our core information systems is crucial to the stable operation of Taiwan's financial markets. We have established a national critical infrastructure security plan, a notification mechanism, an alert mechanism, and professional support agreements to ensure the normal and continuous operation of our critical business functions in securities and financial payments.

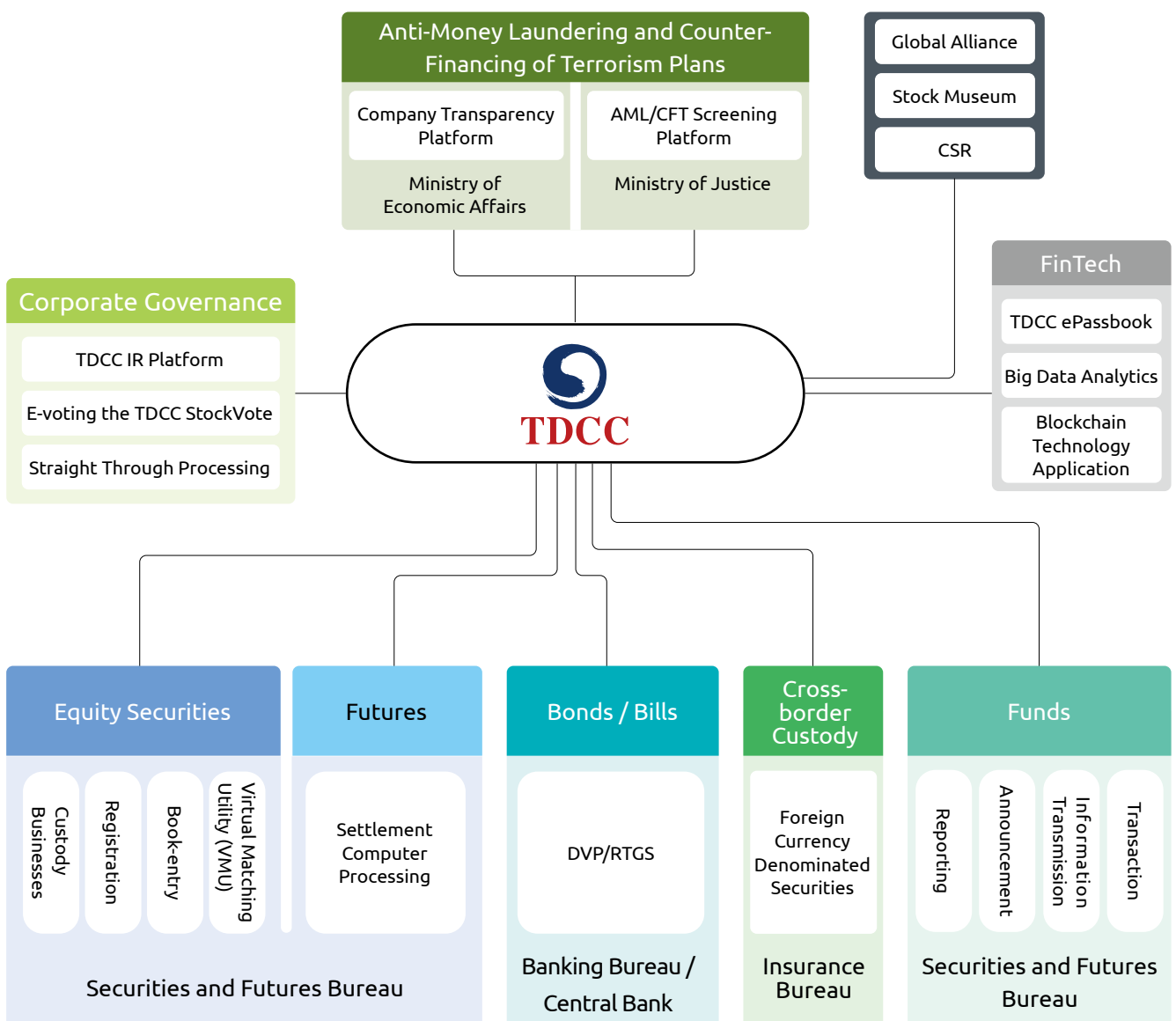
In recent years, we have kept abreast of the market and have been adhering to our own resources and core capabilities, using digital transformation strategies to actively promote business diversification through Fintech and Suptech, and have improved the quality of existing goods and services. In addition to building a secure, efficient, and low-cost back-office service for the securities market, we also established the TDCC Stockvote, a Cross-border Voting Operation via Straight Through Processing (STP) platform, a fund platform, AML/CFT Screening Platform, the Investor Relations Integration Platform (IR Platform), the Company Transparency Platform and cross-border custody, etc. to provide diverse services with financial digital technology in Taiwan's market.

In response to the growing international trend of responsible investment, in 2020, TDCC has further established partnerships with ESG research institutions and scoring agencies such as Sustainalytics, FTSE Russell, MSCI and ISS E&S Disclosure QualityScore. We have also successfully launched the first comprehensive ESG information platform launched by a depository and clearing agency, which is also the first of its kind in the world. It has been well received by the public. Not only can we understand our own situation and work on improvement, but we can also publish the latest ESG information on the integrated ESG information platform and evaluate any concerns related to ESG research institutions and scoring systems, as they often become international development trends and will be the focus of companies. Therefore, through our communication and the use of the platform, we can help companies to obtain the latest information and can respond immediately.

We are committed to fulfilling our corporate social responsibility by nurturing future financial talents, promoting education in rural areas and caring for the disadvantaged in society, as well as assisting the authorities in promoting financial education and knowledge. In addition, we established Taiwan's first stock museum in 2012, which records the developments and the footprint of the financial and stock markets in the past. It is being displayed in a lively, technologically advanced manner while retaining important historical information for the modern generation.

The key to TDCC's success is that we comprehensively improve the digital concepts and capabilities of all the employees under the organization. In the current situation, the digital neurons of our employees in each department have begun to flourish, digital circuits have gradually formed, and digital neural networks have been spreading in all departments. In the future, TDCC will face a digital wave and develop more digital services.

Primary Products and Services of TDCC



TDCC's Role - The Only Back-Office Organization across Capital Market and Money Market

Assist competent authorities in supervising markets and providing diversified services with fintech based on TDCC's institution and rule of law.

Five Major Core Services	<ul style="list-style-type: none"> ● Provide book-entry, clearing and settlement, payment, and other services as the only back-office organization across capital and money markets <ul style="list-style-type: none"> • Equity securities • Futures • Bonds • Cross-border custody • Funds services
Value-added Services	<ul style="list-style-type: none"> ● Develop diversified value-added services derived from core services based on market needs <ul style="list-style-type: none"> • Shareholder service audit • E-voting platform • TDCC ePASSBOOK • TDCC IR Platform • Shareholder service supervision
Digitization and Information Security	<ul style="list-style-type: none"> ● Continue promoting digitization of core services with emerging technologies and data and information ● Continue strengthening information security <ul style="list-style-type: none"> • Big data • Blockchain • Cloud service
Information Security Joint Defense	<ul style="list-style-type: none"> ● Make good use of data and information on core services and provide value-added services based on market needs ● Assist competent authorities in supervising and stabilizing markets <ul style="list-style-type: none"> • Big data platform • Supervisory technology
Authorized Contract Services for Other Government Agencies	<ul style="list-style-type: none"> ● Have service quality and execution capabilities recognized by other government agencies ● Provide contract services authorized by competent authorities <ul style="list-style-type: none"> • Company Transparency Platform

For more services of TDCC and market value benefits, please see [CH4 Green Management and Sustainable Financial Services](#)

TDCC's subsidiary FundRich Securities

FundRich Securities is a fund sales platform, committed to assisting investors in investing in funds online with reasonable costs, sufficient information and a user-friendly interface. With the global rise of online technology, the concept of "customer-centric" development of Fintech is shaping the new landscape of the financial service industry. The biggest challenge for the future development of online fund sales platform is how to integrate the innovative concept of Fintech into the service process, and how to integrate the fund companies on the product side and the investors on the purchase side through the innovative technology of online fund platforms to create a win-win situation in the market. The operation method of FundRich is based on an open platform structure, which meets the demand for financial technology innovation and diversified market channels. The combination of smart services such as Robot Advisor and big data marketing, and the integration of social sharing to make investors' financial management a bigger part of their lives, is in line with the most influential financial innovation of the future.

FundRich Securities' missions also include spreading correct wealth management knowledge, aiming to promote the wealth management concept of small amount investment among the youth to enable the younger generation to start managing their wealth at an early stage through lower commission charges. Furthermore, FundRich Securities also pays significant attention to the retired generation to enable the retired groups to make reasonable retirement planning. Through cooperating with the Securities Investment Trust & Consulting Association, TDCC established special retirement funds for retired groups to enjoy their lives after retirement through reasonable fund selection mechanisms. In the future, FundRich will launch a "Retirement Preparation Platform" based on the "Ready to Enjoy Retirement" universal pension saving experiment, which combines fund investment with insurance protection, so that people can purchase the necessary investment and protection for their future retirement in one go.

FundRich Securities' Core Business Philosophy



FundRich Securities' service models include the customer-oriented "Business to Customer"(B2C) model. FundRich Securities actively simplifies account opening procedures to make it easier for customers to open an account. In addition, Fund Rich Securities also accepts account opening by a legal person so that legal person can enjoy a platform that offers diversified products and simplified and convenient procedures.

FundRich Securities offers a platform featuring reasonable commission charges and user-friendly interfaces for all groups to do self-directed investment. FundRich also works with start-up teams and adopts smart tools to help investors in decision-making, which eventually drives the growth of start-ups and creates a stage for such domestic teams to further develop their business.

Features of FundRich Securities' Products and Services



Supply Chain for Products and Services

TDCC's primary suppliers can be divided into hardware equipment and software services. For primary hardware equipment, this includes manufacturers of information communication-related infrastructure, such as servers, computers and so on. Whereas for software equipment, this includes commissioned manufacturers of information security protection vendors, software, or basic programming creation. We always maintain a good relationship with our suppliers. In addition to product quality, service, delivery, and price, we also hope that the supplier and the TDCC have the same concept of corporate social responsibility to create a sustainable value chain for the future.

Suppliers' Corporate Social Responsibility

In order to implement TDCC's sustainable management vision and strategy as well as expand its influence, in addition to our own business and internal cultural establishment, we also hope to work with suppliers to implement corporate social responsibility and achieve the goal of good ethical standards, protection of labor human rights and the environment.

100% of TDCC's suppliers are local suppliers. In April 2020, we announced the "CSR Policy for Suppliers" to promulgate the corresponding code of conduct for suppliers. By the end of the year, all suppliers had signed the policy, with a 100% completion rate.

1.3 About Us

TDCC

Date of establishment: 1989

Place of business: Hungya Building at Fuxing North Road, Taipei City and Computer Facilities in Nangang District and Zhubei City

2020 Business Revenue: NT\$7,140,893 thousand Note 1

Total Number of TDCC Employees at the end of 2020: 536 people Note 2

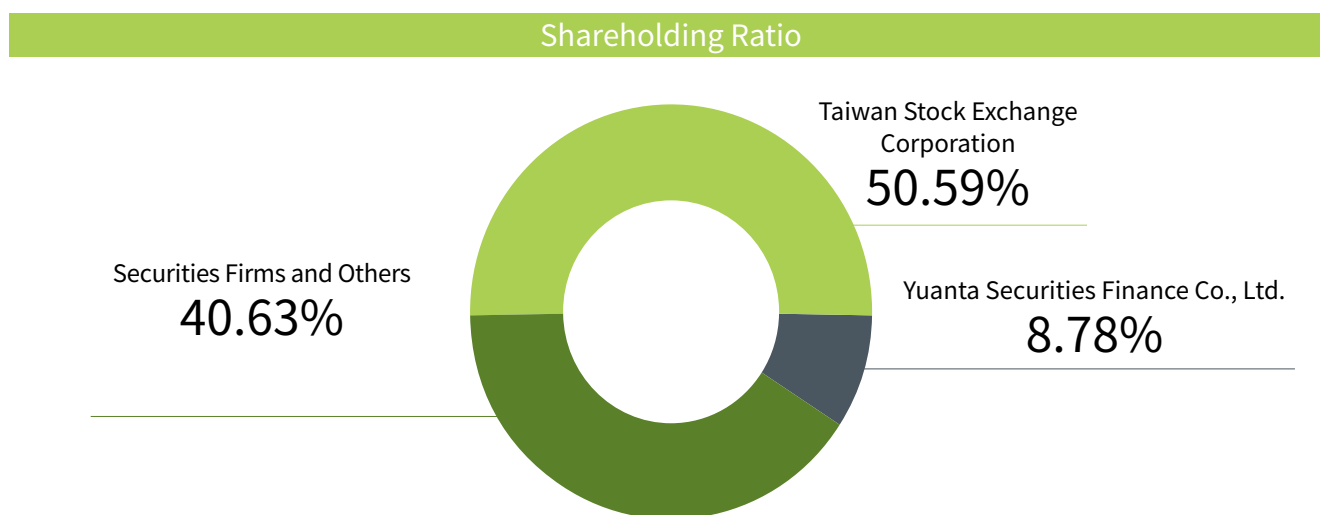
Note 1: The data source for revenues is the consolidated financial statements, including the re-invested FundRich Securities Co., Ltd.

Note 2: The total number of employees includes only regular employees. For data of contracted employees, please refer to 5.1 Human Resources.

FundRich	
Date of establishment	2015
Place of business	Hungya Building at Fuxing North Road, Taipei City
Total Number of FundRich Employees at the end of 2020	50 people

Shareholder Structure

As of the end of 2020, TDCC's shareholders structure is as follows:



Operational performance

The COVID-19 epidemic of 2020 has brought unprecedented challenges to global economic development, but at the same time, the digital transformation triggered by innovation and technology has driven a full acceleration of digital transformation in the capital market. In response to the changes in the financial environment and the advent of the digital age, TDCC has adopted an innovative mindset to carry out the concept for their platform and to keep abreast of the times in business transformation and innovation, we have been working hard for many years to diversify our business. The business of TDCC, including "creating a digital financial environment for the capital market", "enhancing the overall operational efficiency of the bond market", "optimizing the platform to strengthen fund services", "promoting e-voting services for shareholder meetings to improve the country's corporate governance effectiveness", "assisting the competent authorities to strengthen market supervision and establish a digital supervision platform", "promoting stronger international cooperation to enhance Taiwan's influence" and "fulfilling social responsibility to become a model of corporate citizenship", all produced impressive results.

In 2020, the overall financial performance of TDCC (including its reinvested operations) recorded continuous growth with earnings after tax reaching NT\$3.829 billion. The continuous profit growth has demonstrated that we have not only provided stable and sound platforms and systems, but we have also kept up with the times by innovating our business development and achieved excellent business results through teamwork.


Year	2020	2019	2018
Total assets	33,046,733	40,078,819	28,587,478
Operating revenues	7,140,893	5,345,120	5,337,137
Nonoperating income	286,720	334,452	336,402
Operating expenses	2,679,238	2,569,485	2,484,686
Employee benefit expenses	1,270,499	1,267,149	1,184,014
Tax	607,195	633,553	422,918
Profit before tax	4,748,375	3,110,087	3,188,853
Profit after tax	3,828,550	2,509,005	2,567,410

Note 1: This is the consolidated financial statement, including re-invested FundRich Securities Co., Ltd.

Note 2: The tax amount refers to the amount of tax payable in the previous year.

External Participation

We are actively involved in international organizations and are on the board of directors of the World Federation of Financial Centres (WFC) to expand our international presence with our professional and practical experience. At the same time, we participate in many domestic associations, societies and associations to share the latest knowledge in the financial industry and other fields, and to contribute to the domestic financial market. For a complete list of participating public associations, please refer to the [Association Members and Roles](#).



02

Material Issues in Sustainability

2.1 Identification of Material Issues and Communication with Stakeholders

2.2 Management Approach Towards Material Issues

2.1 Identification of Material Issues and Communication with Stakeholders

Identification and ranking of sustainability issues

Listening to the opinions of stakeholders and paying attention to the material issues of concern is the core spirit of the sustainable development of TDCC. We follow the GRI Standards (GRI Standards) and AA 1000SES standards to build a materiality analysis model and understand the level of concern for each sustainability issue, as well as their impact on TDCC's sustainable operations. This is then used as a foundation for setting sustainable management goals.

Identify stakeholders

When TDCC first published its CSR report in 2017, it identified "internal or external groups or individuals who influence or are influenced by the Company" - listing a total of six categories of stakeholders associated with TDCC.

Keep abreast with sustainability issues

To focus on sustainable issues related to TDCC operations, as well as issues of concern for domestic and foreign peers, we have identified 21 sustainability issues as the key focus items. In doing so, we aim to be more in line with the core spirit of present stakeholders as well as to meet the standards and connotations of the latest international sustainability reports.

Analyze material issues

From the 2020 Sustainability Survey, a total of 311 questionnaires were returned. After analysis of the questionnaire, it is adjusted according to the global and sustainability trends, the business characteristics of TDCC, etc., and 9 key material issues were determined.

Conclude aspects and communication

We have included the key points of communication with stakeholders on major issues. We continue to formulate management policies for major topics, disclose policies for specific issues in each chapter, as well as review and track the results of each item as a foundation for long-term sustainable development.

Major adjustments to sustainability issues

Old issues/New issues	Adjustment Description
Risk Management	Renamed "Risk Management and Communication"
Employee Training and Development	Renamed "Talent Education and Development"
Energy Management	We have added a new issue to the list; although TDCC is not a high energy-consuming industry, we are deeply concerned about the importance of power-saving and the stability of the operation of the machine room, which is also important to the stakeholders. As a result, we have included the new issue of sustainability to communicate with stakeholders.

Stakeholder Communications

In addition to analyzing and sorting the major issues in the 2020 sustainability questionnaire, we also pay special attention to the concerns of the stakeholders. Through various communication channels, we collect information about the stakeholders' opinions and maintain close contacts in order to ensure the steady progress of sustainable operations.

Stakeholders	Relations with TDCC	2020 Communication Channel and Frequency
Employees	Corporate sustainable operations and growth can only be achieved through excellent teams and talents. We are of the view that talents are the foundation and employees are precious assets of an enterprise. Thus, our employees are provided with a healthy and equal workplace at all times.	<ul style="list-style-type: none"> • Labor-management meetings (quarterly) • Employee suggestion forms, two-way communication (occasionally) • Face-to-Face Communication, Documents in Writing, Telephone (instant) • Supervisors meetings (weekly/monthly) • e-Training Digital Learning Platform (occasionally)
Customers/Participants	Customers and participants are major sources of income. We expect to offer participants with services in advance to jointly create value again.	<ul style="list-style-type: none"> • Relevant associations meetings (occasionally) • Face-to-Face Communication, Meeting, Documents in Writing, Telephone (instant) • Coordinate with the Competent Authority to Conduct Audits (occasionally) • Seminars (occasionally) • Customer satisfaction survey (annually) • Publications (bimonthly/quarterly/annually) • e-Training Digital Learning Platform (occasionally)
Competent Authorities	As a chartered industry, various businesses of TDCC are required to be approved by the competent authority, and the Company shall coordinate with the competent authority to conduct oversights and audits on relevant matters. Thus, the competent authority is important to TDCC's day-to-day operation.	<ul style="list-style-type: none"> • Official correspondence (occasionally) • Telephone (occasionally) • Email (occasionally) • Meetings and Seminars (occasionally)

Stakeholders	Relations with TDCC	2020 Communication Channel and Frequency
Shareholders/ Investors	Shareholdings of Taiwan Stock Exchange account for 50.59% of the total shares. Other major shareholders are relevant financial institutions. Therefore, TDCC's operational performance, corporate governance and sustainable development are major issues of concern.	<ul style="list-style-type: none"> • Shareholders' meeting (annually) • Board Meeting (monthly) • Face-to-face Communication, Meetings, Written Correspondence or Emails, Telephone (instant) • TDCC annual report (annually) • TDCC's online information (occasionally) • Messages from Official Website (occasionally) • Publications (bimonthly/quarterly/annually)
Suppliers/ Contractors	TDCC's services rely on committed suppliers to offer quality and compliant products and services. It is necessary to build mutual and trusted relations between the Company and suppliers.	<ul style="list-style-type: none"> • External communication mailbox (timely) • Timely business communication (occasionally) • Face-to-Face Communication, Meeting, Documents in Writing, Telephone (instant)
Communities	TDCC emphasizes the impact of social engagement on the local development.	<ul style="list-style-type: none"> • Business correspondence (occasionally) • Activities (occasionally) • Results announcement (occasionally)

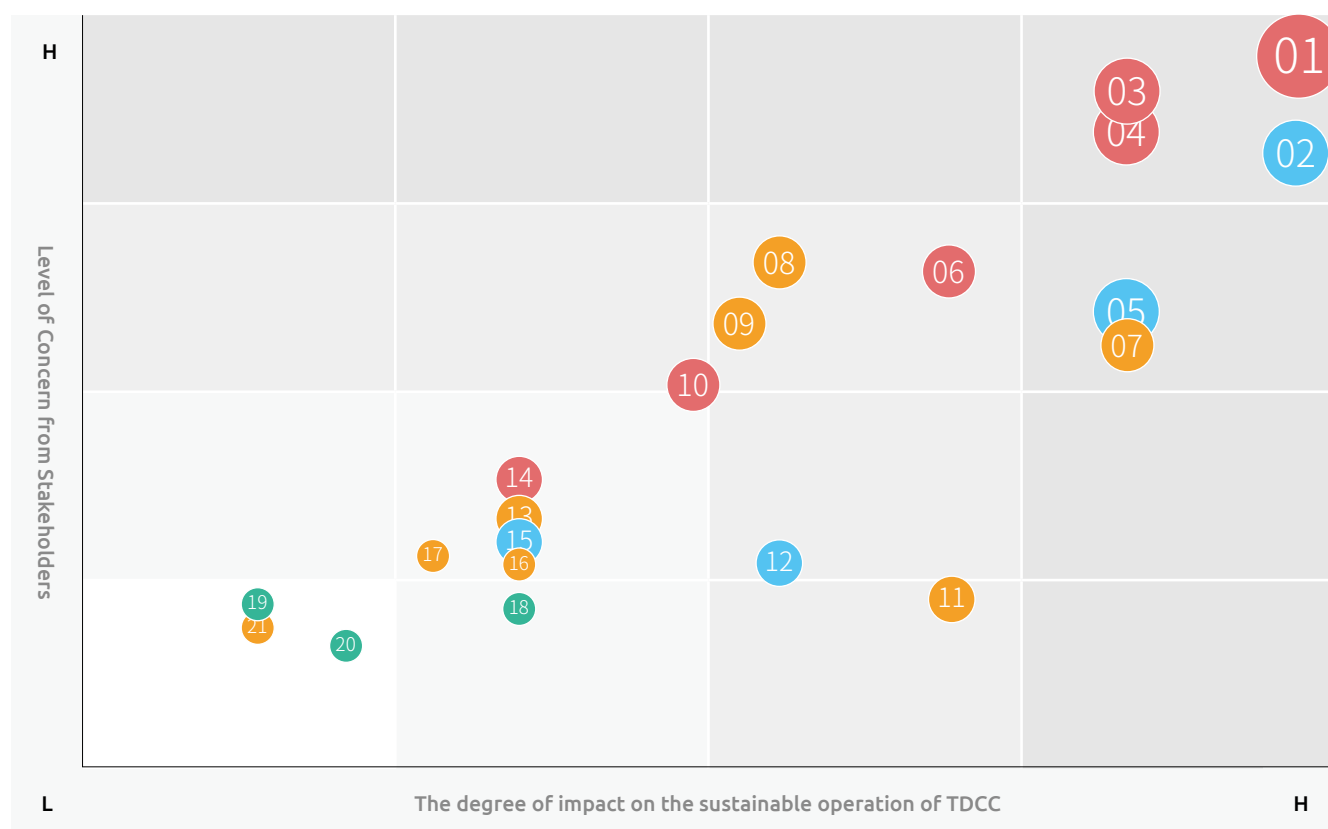
Ranking and Description of Sustainable Issues

Ranking	Category	Issues
01	Governance and Economy	Corporate
02	Products and Services	Information Security
03	Governance and Economy	Policies and compliance
04	Governance and Economy	Risk Management and Communication
05	Products and Services	Customer Relationships and Protection of Rights
06	Governance and Economy	Internal control and internal auditing
07	Employees and the Society	Talent education and development
08	Employees and the Society	Healthy workplace
09	Employees and the Society	Labor-management communication
10	Governance and Economy	Operational performance
11	Employees and the Society	Talent recruitment and retention
12	Products and Services	Sustainable Finance and Product Innovation
13	Employees and the Society	Employee compensation and benefits
14	Governance and Economy	Sustainable supply chain management

Ranking	Category	Issues
11	Employees and the Society	Talent Recruitment and Retention
12	Products and Services	Sustainable Finance and Product Innovation
13	Employees and the Society	Employee Compensation and Benefits
14	Governance and Economy	Sustainable Supply Chain Management
15	Products and Services	Promotion of International Business
16	Employees and the Society	Financial Inclusion and Financial Education
17	Employees and the Society	Human Rights and Diversity
18	Environment	Energy Management
19	Environment	Measures for Responding to Climate Change
20	Environment	Environmental Impact from Operations
21	Employees and the Society	Communities and Social Influence

A total of 9 major issues of high concern have been addressed in 2020. These are the same as the 8 major issues in 2019, with one new item "Healthy Workplace".

Sustainability Issue Matrix



2.2 Management Approach Towards Material Issues

We disclose the material issues of the TDCC in 2020 based on GRI standards and also listed the relevant stakeholders, policies and commitments, goals and related communication mechanisms for the issues in order to meet the expectations of all parties on the sustainable development of TDCC.

Material Issues and Parties Impacted

Materiality Issue	GRI Specific Topics	Within the Organization		Outside the Organization					Corresponding Sections and Chapters
		TDCC	FundRich Securities	Customers/Participants	Shareholders/Investors	Regulator	Suppliers/Contractors	Neighborhood	
Corporate Governance and Business Integrity	General Standards Disclosure	✓	✓		✓				2.2 3.1
Information Security	General Standards Disclosure	✓	✓		✓	✓			2.2 3.2
Policies and Compliance	Socioeconomic Compliance	✓	✓	✓					2.2 3.1 4.1
Risk Management and Communication	General Standards Disclosure	✓	✓	✓	✓	✓	✓	✓	2.1 2.2 3.2
Customer Relationships and Protection of Rights	Marketing and Labeling Customer Privacy	✓	✓	✓					2.2 4.1 4.2
Internal Control and Internal Auditing	General Standards Disclosure	✓	✓			✓			2.2 3.2
Talent Education and Development	Training and Education	✓	✓						2.2 5.2
Healthy Workplace	General Standards Disclosure	✓							2.2 5.4
Labor-management Communication	Labor-management Relationship	✓	✓						2.2 5.1

Notes: 1. The "Organization" represents all the department heads and staffs of TDCC and FundRich.

2. According to the occupational safety and health-related laws and regulations, based on the size of FundRich and the number of employees, it is not necessary to establish relevant regulations and implementation plans.

Material Issue Management Approach

Materiality Issue	Significance for TDCC
Corporate Governance and Business Integrity	<p>I. TDCC is the only post-trade facility in Taiwan's capital market, which is an important part of financial infrastructure. Without a sound system of corporate governance, it can at best affect operation efficiency, at worst affect the operation of financial markets. TDCC has a fully functioning board of directors, fair treatment of shareholders, transparent information disclosure, managers with integrity, and a complete audit system. It ensures comprehensive operations and lowers operational risks in Taiwan's securities markets.</p> <p>II. All members of TDCC shall respect their roles and carry out their duties in a fair manner. The "Rules of Employee Ethics and Integrity" shall be adhered to in dealing with matters such as receiving gifts or benefits, receiving of drinking and dining treats, recusal of employees due to conflicts of interest and matters relating to requests for influence lobbying.</p>
Information Security	<p>To meet expectations and requirements on information security from the public and the competent authorities, we will establish a complete, viable, and effective information security management system with information security policies as its base and according to the needs of organizational development. This is the best protection for the TDCC's information security.</p>
Policies and Compliance	<p>TDCC is strictly regulated by the competent authority, and it is also one of the financial institutions that should implement the obligation according to laws and regulations to prevent money laundering. To ensure that the business operations of TDCC are in compliance with laws and regulations, in addition to promotion and training, we also actively participate in courses and meetings held by the competent authorities, strengthen the concept of the law, as well as establish and improve the legal compliance system framework. In addition, in line with the government's anti-money laundering and anti-terrorism policies, TDCC established an "AML/CFT Screening Platform", and the Ministry of Economic Affairs designated TDCC to establish a "Company Transparency Platform", which is of great help to the implementation of Taiwan's money-laundering prevention policy and the improvement of company information transparency.</p>
Risk Management and Communication	<p>To maintain the quality of the Company's products and services, and ensure consistency, we have held onto the spirit of continuous improvement. Customer service quality and internal operation efficiency are continuously improved, risk control in each business division being a key method.</p>

Policies and Commitments

- I. We have established a "Personal Information Protection Management Policy" to implement personal information protection and a management system and to protect the rights and personal information of subjects involved.
- II. We have established the "ISO22301 Business Continuity Policy" to continuously strengthen our disaster response capabilities and establish appropriate backup mechanisms to reduce the likelihood of service interruptions and to enable our critical infrastructure business and its related applications to return to acceptable service levels within the promised recovery time targets in the event of an interruption, and to do our utmost to protect the interests of all our investors.
- III. The "Code of Ethical Conduct of Directors and Supervisors of Taiwan Depository & Clearing Corporation" was formulated to regulate that each director and supervisor should maintain a high degree of self-discipline and implement the Company's commitment to integrity management.
- IV. We have established the "TDCC Rules of Employee Ethics and Integrity" and "TDCC Directions Governing Handling of Reported Cases" in order to promote fairness when employees carry out their duties. We also aim to create a company culture of integrity and transparency for comprehensive management.

We fully utilize information and communication security technology to build an effective and complete system.

The purpose of the Information security protection mechanism is to ensure the confidentiality, completeness and usability of information assets..

- I. TDCC shall comply with regulations on securities and futures and futures management. It is committed to adjusting operating methods and internal regulations as required by competent authorities in the event of regulatory changes. TDCC is committed to handling personal data according to the Personal Information Protection Act to ensure the security of personal data.
- II. TDCC has developed policies, guidelines, and proposals for anti-money laundering and terrorism financing. It is committed to complying with the requirements of the Money Laundering Control Act and Terrorism Financing Prevention Act.

TDCC has established a comprehensive risk management organization structure. In addition to the effective operation of the risk management system and mechanism through the board's governance and supervision as well as the establishment of the risk control committee under the board for the supervision of risk management matters, the Company also introduced TPIPAS to control the risks in respect of personal information.

Materiality Issue	Significance for TDCC
Customer Relationship Management and Protection of Rights	Customer relationship management is a core concept in TDCC operations. TDCC provides centralized depository and book-entry services, secure financial market operation, and protection of investor interests. TDCC strives to improve service quality, as well as provide safe and convenient services. Using the market and customer needs as guidance to minimize operating costs and risks, it continues to diversify its services.
Internal Control and Internal Auditing	<p>I. The purpose of internal control is to facilitate the Company's sound management, with reasonable assurance on operating effectiveness and efficiency. Another purpose is to report on the reliability, timeliness, transparency, compliance of relevant regulations, and other goals.</p> <p>II. Assist the Board of Directors and the management in examining and reviewing the defects in the internal control system and the operating performance and provide recommendations for improvement in a timely manner to ensure that the internal control system is well implemented and improved.</p>
Talent Education and Development	In response to the digital transformation and innovative service development and through the development of professional talents, we were able to establish the digital thinking ability of employees. In addition, through using digital technology and integrate cross-border resources, operational efficiency was improved in order to provide market-oriented digital services.
Healthy Workplace	In order to ensure the safety and health of our employees, TDCC follows the occupational safety and health requirements set forth in national laws and regulations and has established an occupational safety and health-related plan. In order to provide adequate health care and assistance to our employees, we have also implemented a number of health promotion activities in conjunction with the Ministry of Health and Welfare's Healthy Workplace Certification.
Labor-management Communication	Communication and cooperation between labor and management are promoted through good management mechanisms and communication channels in order to protect labor rights and employee benefits, which enhances employee coherence and creates a happy enterprise.

Policies and Commitments

Quality Policies:

- I. Establish a professional, efficient, and internationalized mechanism.
- II. Provide safe, convenient, and diversified services.
- III. The services and businesses provided by TDCC do not infringe on the privacy of users and present no false information in order to protect the rights and interests of consumers.

The Company's internal audit has been carried out independently to help the board and senior management determine the effectiveness of its internal control system, and provide timely improvement suggestions for continuous effective implementation. The basis for verification and assessment is as follows:

- I. Regulations governing the establishment of internal control systems by service enterprises in securities and futures markets.
- II. Regulations governing internal control system and internal audit system for anti-money laundering and countering terrorism financing by financial institutions as designated by securities and futures businesses and the Financial Supervisory Commission.
- III. The implementation details regarding TDCC's Internal Control System and Internal Audit Rules.

- I. In line with TDCC's strategy and development goals, we continue to implement a full range of education and training resources to improve professional knowledge, digital thinking abilities, and the diversified development of employees. Regular performance appraisal is carried out to effectively enhance the employees' competency, at the same time to keep track of the performance and lead employees to grow.
- II. Adhering to the concept of "People are the company's assets", TDCC continues to carry out talent training, accumulate innovative knowledge power of various technologies through new digital learning courses, and accelerate talent development in order to strengthen employee competitiveness and allow the organization to develop sustainably, which serves as an important foundation for TDCC's future advanced insurance services.

In order to ensure the safety and health of our employees, TDCC follows the occupational safety and health requirements set forth in national laws and regulations and has established an occupational safety and health-related plan. In order to provide adequate health care and assistance to our employees, we have also implemented a number of health promotion activities in conjunction with the Ministry of Health and Welfare's Healthy Workplace Certification.

TDCC promises to maintain the harmony between labor and management and create a healthy, safe, diverse, and friendly workplace. Two-way communication and exchange of opinions is promoted to ensure the continuous progress of the working environment and the improvement of company culture.

If there are any major operational changes or decisions that affect the rights and interests of employees, these will be announced in advance in accordance with laws and regulations to protect employees' rights and interests.

Materiality Issue	Goals and Objectives
Corporate Governance and Business Integrity	<p>I. The management promotes business operations with a fair and objective attitude as well as a strong sense of professionalism. It will strengthen the protection of shareholder and investor interests.</p> <p>II. No corruption occurred.</p>
Information Security	<p>TDCC has developed the "Information Security Policy", which is reviewed and evaluated by management at the Information Security Meeting at least once a year to reflect the latest status of information security management, operational standards, technologies, business needs and regulations in order to ensure usability, security, and effectiveness of operations related to information security. Appropriate information security management will also be reinforced.</p>
Policies and Compliance	<p>The Company shall comply with regulations concerning the management of securities and futures, personal data protection, as well as anti-money laundering. It strives for zero penalties from competent authorities for the entire year, and works in conjunction with the government's policy of enhanced anti-money laundering and counter-terrorism financing. Actions shall be taken in accordance with the policies and regulations from competent authorities without straying away from the goals.</p>
Risk Management and Communication	<p>The Company shall evaluate various types of risks on a regular basis, and propose policies as well as corrective measures accordingly. The company will also set up an expected date of completion.</p>
Customer Relationship Management and Protection of Rights	<p>I. The quality objectives, policy statements, privacy protection, information security policies, and personal data protection management objectives, etc., are set annually by all units in accordance with their powers and responsibilities.</p> <p>II. Customer service is enhanced in order to have a better-integrated customer feedback and communication platform. It strives to improve service quality, as well as the adequacy, sufficiency, and effectiveness of the quality management system.</p> <p>III. Understand the customer's overall satisfaction with the corporate image in all aspects of satisfaction ratings.</p> <p>IV. The annual business plan and performance evaluation shall be determined every year, and the scope of implementation, expected results and estimated execution timetable shall be explained in order to check the annual execution results and report to the competent authority</p>

Communication and Complaint Mechanism	2020 Methods of Action and Results	Stakeholders in Focus
<p>I. We have established the "TDCC Rules of Employee Ethics and Integrity."</p> <p>II. The "TDCC Directions Governing Handling of Reported Cases" was added for case handling of independent units and investigation. The system has also been incorporated into the scope of internal control.</p>	Please refer to 3.1 Implement Corporate Governance	TDCC, FundRich Securities, Shareholders/Investors
Suggestion forms from the official website, email, investor service hotline, or in writing.	Please refer to 3.2 Risk Control	TDCC, FundRich Securities, Shareholders/Investors, Competent Authorities
<p>I. "Directions Governing Handling of Reported Cases in Taiwan Depository and Clearing Corporation". II. "TDCC Procedures for Exercise of Rights, Complaints and Consultation".</p> <p>III. In 2020, the Company did not receive any complaints from internal or external parties, nor any cases concerning the exercise of rights in personal information protection, complaints, or consultation.</p>	Please refer to 3.1 Corporate Governance , 4.1 Comprehensive Financial Market Infrastructure and Regulation	TDCC, FundRich Securities, Shareholders/Investors, Customers/Participants
Both internal and external units have to assess the risks of various business activities. This can be done through emails, investor hotline and suggestion forms from the official website, and in writing to their respective units.	Please refer to 3.2 Risk Control	TDCC, FundRich Securities, Customers/Participants, Shareholders/Investors, Competent Authorities, Suppliers/Contractors, Communities
<p>I. Customer service hotline, front desk, website suggestion form and email.</p> <p>II. When dealing with customer complaints, the organizer will provide explanations and calm the customer. In-person visits are arranged when necessary. The organizer will submit a customer complaint form within three business days to provide an update.</p> <p>III. Conduct a quantitative survey on the satisfaction level of various business services, and for those with lower scores on the satisfaction index, ask questions about their considerations or specific suggestions with open-ended questions in order to find out the current advantages and disadvantages of TDCC. The user's open opinions are then organized and summarized as a basis of reference for future communication with users or when services are being provided.</p>	Please refer to 3.1 Implementing Corporate Governance - Compliance 4.2 Quality Customer Service	TDCC, FundRich Securities, Shareholders/Investors, Customers/Participants

Materiality Issue	Goals and Objectives
Internal Control and Internal Auditing	<p>Promote the Company's sound management to reasonably ensure the fulfillment of the following goals:</p> <ul style="list-style-type: none"> I. Effectiveness and efficiency of operations. II. Reliability, timeliness, transparency and compliance of reporting. III. Compliance with applicable rules and regulations.
Talent Education and Development	<ul style="list-style-type: none"> I. Talent Selection and Recruitment: in response to the development of digital finance, we attract diverse professionals with digital finance expertise, innovative thinking and team spirit. II. Talent Nurture: Build an optimized and innovative all-around education plan and implement a performance evaluation mechanism. III. Retaining talents: Establish diverse employee benefits, smooth labor-management communication channels, create a healthy and safe workplace and build a friendly and diverse environment.
Healthy Workplace	<ul style="list-style-type: none"> I. Build a health promotion team, build a collective consensus, and develop effective strategies and programs. II. Promote the concept of employee health improvement, apply healthy living practice strategies, and develop healthy living habits. III. Build up the concept of active health care for employees and improve their knowledge of self-care. IV. Effectively promote discussion of health issues, promote healthy behaviors and healthy lifestyles among employees, and further improve the quality of health.
Labor- management Communication	<p>A total of 4 (every quarter) labor-management meetings, along with 2 two-way seminars with newcomers and 2 two-way seminars with group-level personnel seminars that are held each year. Seminars are carried out to follow up on the issues previously discussed, and continuous research on optimization and response measures are carried out to effectively improve work efficiency.</p>

Communication and Complaint Mechanism	2020 Methods of Action and Results	Stakeholders in Focus
Audit personnel shall conduct audits according to plans. In case of any doubts during the process or when verification is required, they will always communicate with the inspected unit. When issues are discovered in audit results, they will hear the explanations from the inspected unit and offer suggestions to ensure communication and understanding. This way, the audit can be carried out smoothly.	Please refer to 3.2 Risk Control	TDCC, FundRich Securities
Employees can grow themselves through the e-Training digital learning platform; labor-management meetings are held quarterly, supervisor meetings are held weekly and monthly, and employee interviews are held occasionally to show care for them.	Please refer to 5.2 Talent Development	TDCC, FundRich Securities
TDCC has an Occupational Safety and Health Group with a complaint window where employees can submit their needs and difficulties by phone, email service box, or in writing. In addition, there is an employee assistance program to provide overall assistance to our employees.	Please refer to 5.4 Employee Health and Safety	TDCC
<p>I. TDCC set up the "TDCC Directions Governing Handling of Reported Cases," and established the whistleblowing system. In addition, TDCC has set up an independent unit that is responsible for accepting and investigating whistleblower cases.</p> <p>II. Labor-management meetings are held quarterly, supervisor meetings are held weekly and monthly, and employee interviews are held occasionally to show care for them.</p> <p>III. Multiple bilateral communication seminars are held, all of which can provide an opportunity to communicate relevant information with the company.</p>	Please refer to 5.1 Human Resources	TDCC, FundRich Securities



03

Corporate Governance

3.1 Implement Corporate Governance

3.2 Risk Control

Important Recognition

- ✓ Attended the 2020 Critical Infrastructure Protection Drill of the Executive Yuan, awarded "Outstanding Unit"
- ✓ Awarded "Platinum Award" by the Taiwan Corporate Sustainability Awards (TCSA)
- ✓ Awarded "Innovation and Growth Award" for excellence in Sustainability by Taiwan Corporate Sustainability Awards (TCSA)
- ✓ Awarded "Excellence in Corporate Social Responsibility" presented by the Commonwealth Magazine
- ✓ Awarded "Social Empowerment Award" by the 2020 Asia Responsible Enterprise Awards
- ✓ Awarded "Sports Activists Award"

Operational Performance

- ✓ In 2020, TDCC had an After-tax surplus of \$3.829 billion, with a stable and profitable performance

TDCC takes the implementation of the company's sustainable management as an important goal. From the management to the general employees, everyone implements the corporate culture of integrity in their actions and services. Through regulations such as operating codes, integrity ethics, and quality policies, diverse training courses were designed for new employees, current employees, senior executives and even board members. With the attitude of operating in good faith, supplemented by practical actions and performances such as compliance with laws, anti-corruption, and prevention of money laundering, we will increase the trust and recognition of the public.

3.1 Implement Corporate Governance

Board of Directors and Functional Committees

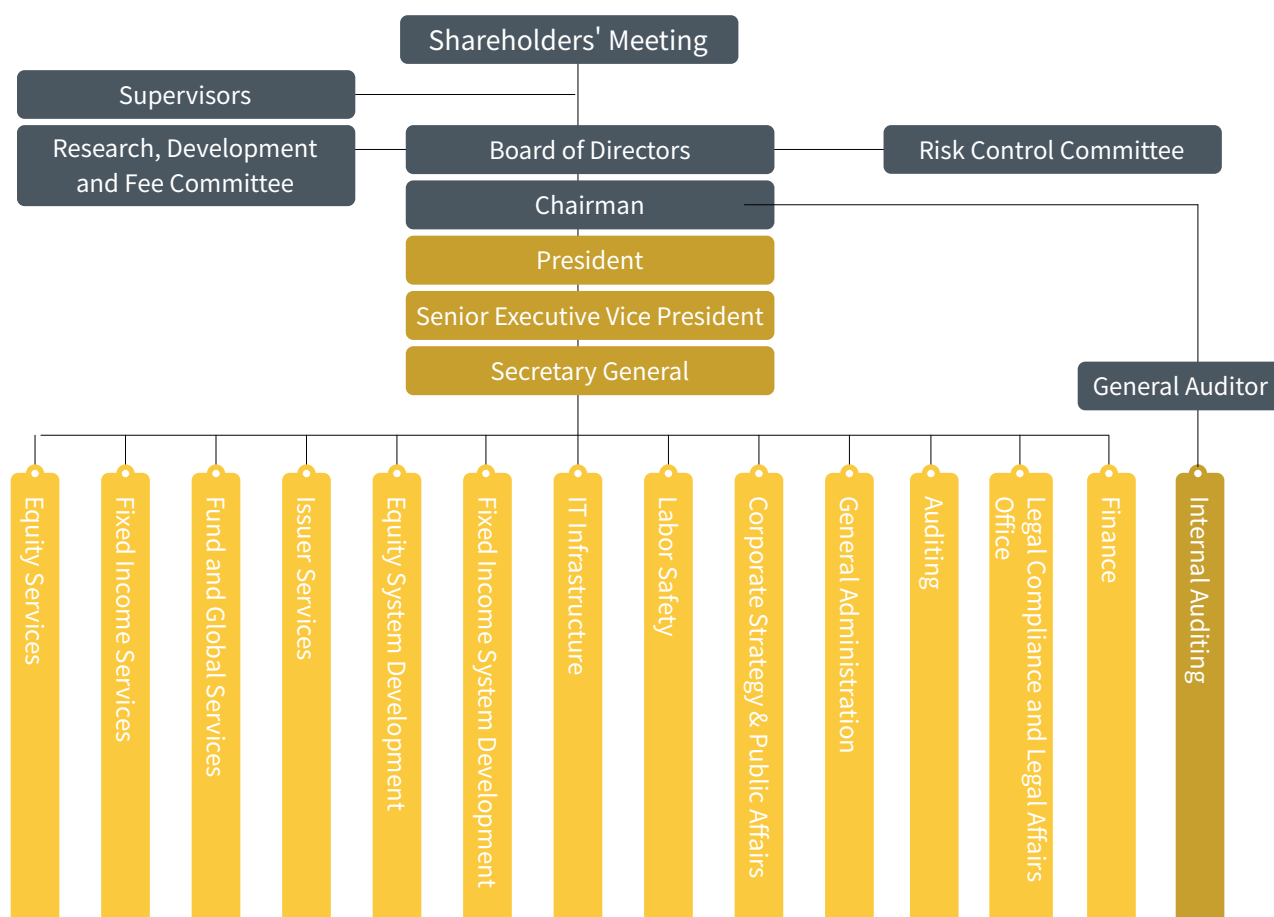
TDCC's highest decision-making authority is the shareholders' meeting, and the highest executive authority is the Board of Directors. Other committees such as the Research, Development and Fee Committee and Risk Control Committee are set up to ensure the integrity and transparency of the company's operations.

The Board of Directors

The Board of Directors of TDCC is formed by seven directors, all of whom are juristic persons, on behalf of Taiwan Stock Exchange, Yuanta Securities Finance Co., Ltd. and KGI Securities respectively. There are three supervisors, including one standing supervisor, representing Taiwan Securities Association and Taiwan Futures Exchange, respectively. The directors and supervisors all have substantial experience in the industry and at the same time have diversified professional backgrounds. They supervise and guide all major decisions of the company's management team, and ensure that each unit performs its functions. A total of 12 board meetings were convened in 2020 with an attendance rate of 100%.

To carry out an ethical operation, we formulated the "Code of Ethical Conduct of Directors and Supervisors of Taiwan Depository & Clearing Corporation" that required each director to be highly disciplined. When a company director or the juristic person represented at the board meeting has a stake in a proposed resolution, the director shall state the important aspects of the stake in the meeting and may not participate in the discussion and vote on such resolution, and shall recuse from any discussion and voting to demonstrate its commitment to the Company's ethical operation.

TDCC's Company Organization



The Board of Directors of TDCC consists of 9 directors, all of whom are corporate representatives, representing TDCC, Taipei Exchange, Cathay Capital, Franklin Templeton and the Family Heritage Trust Company. There are 3 supervisors, and in addition to Fubon, which is the Corporate Representative, the former president of FISC and the vice president of the Institute for Information Industry were appointed as the supervisors. The directors and supervisors all have substantial experience in the industry and at the same time have diversified professional backgrounds. They supervise and guide all major decisions of FundRich, and ensure that each unit performs its functions.

Functional Committees

TDCC established the "risk control committee" and "R&D and rate review committee" under the board of directors to strengthen the board's management and supervision functions. The Company also formulated the "Fund Market R&D Counseling Committee" to foster the development of the fund market and promote the needs of the fund business of TDCC. Their main functions and responsibilities are listed as follows:

Names of the committee	Main responsibilities	2020 Operation conditions
Risk Control Committee	<ul style="list-style-type: none"> Review on the risk controls and self-assessment reporting mechanism of participants Carry out risk control auditing on depository, clearing and settlement business procedures, computer operating system and operational procedures between participants 	Convened 2 meetings with an average attendance rate of 100%
R&D and Fee Committee (equity products group and fixed-income group)	<ul style="list-style-type: none"> Planning on business development and operational guidelines Carry out review on new business planning Carry out review on material changes in the respective business Carry out review on the standard of service fees for handling depository, registration, book-entry and transaction settlement, etc. 	Equity products group and fixed income group convened 2 meetings respectively with an average attendance rate of 90.3%
Fund Market R&D counseling Committee	<ul style="list-style-type: none"> Counseling and suggestions on the fund market development, product development and back office operations Counseling on the fund business planning, marketing and fee charge of the re-invested company of TDCC 	Convened 2 meetings with an average attendance rate of 89.2%

Integrity and Anti-corruption

TDCC is concerned with ethical operation and anti-corruption. Therefore, we formulated the "TDCC Rules of employee ethics and integrity" to regulate employees when dealing with matters such as receiving of gifts or benefit, receiving of drinking and dining treat, recusal of employees due to conflicts of interest and matters relating to requests for influence lobbying to ensure impartiality while performing duties by such employees of TDCC. All employees of TDCC abide by relevant regulations and discipline. Along with training, the Company creates a highly ethical and disciplined operational environment. TDCC added the "Directions Governing Handling of Reported Cases," and established the whistleblowing system to encourage anyone to report cases related to crimes, frauds or violations of laws and regulations discovered by them. In addition, TDCC has set up an independent unit that is responsible for accepting and investigating whistleblower cases. On the other hand, the whistleblowing system has been incorporated into the scope of TDCC's internal control system to promote sound management of the Company. According to the implementation of the "Rules of Employee Ethics and Integrity" and the "Directions Governing Handling of Reported Cases," no cases of corruption or complaints were found in 2020.

FundRich established the "Rules of Ethical Conduct for Employees" for directors, supervisors, managers and all employees to treat all customers, suppliers, competitors and employees fairly. They should not use their positions to gain any kind of improper benefits, thereby upholding the corporate core values of honesty, integrity and anti-corruption. In addition, the "whistleblower system" encourages internal and external personnel to report any unlawful, unethical and dishonest behavior, and designates an independent unit with the authority to receive and investigate all reported cases. The whistleblower system is incorporated into the internal control system to ensure and promote the sound operation of the Company. According to the implementation of the "Rules of Ethical Conduct for Employees" and the "Whistleblower System," no cases of corruption or complaints were found in 2020.

Human Rights and Diversified Equality

As human rights are highly valued internationally, the topic of human rights and diversity in Taiwan is one of the top ones in Asia, and TDCC values diversity and equality within the company. In order to better fulfill corporate social responsibilities and protect the basic human rights of all employees, we recognize and promise to follow the international human rights conventions including the "The Universal Declaration of Human Rights", "The UN Global Compact" and other international human rights conventions, and abide by the local labor laws. The local laws include the "The Labor Standard Act" and the "The Act of Gender Equality in Employment", etc., in the hope to establish appropriate management methods and procedures to prevent any violations of human rights.

The "Human Rights Commitment and Policy Plan" was established to create a secure working environment and a good work culture. The TDCC implements five major directions for human rights protection: implementing human rights in the workplace, providing a safe workplace, emphasizing labor-management harmony, respecting associations and communities, and protecting privacy and security.



Regulatory Compliance

TDCC

Strictly regulated by the competent authority, TDCC is also a financial institution that shall discharge its obligation to prevent money laundering in accordance with the requirements stipulated by Subparagraph 15, Paragraph 1, Article 5 of the Money Laundering Control Act, and shall abide by relevant regulations set out in the Money Laundering Control Act, Terrorism Financing Prevention Act and the "Regulations Governing Anti-Money Laundering of Financial Institutions." In doing so, we have actively participated in courses and meetings organized by relevant competent authorities and subsequently implemented requirements through amendments to regulations and the systems. Therefore, no penalty was imposed in 2020 by the competent authorities in relation to any violations of money laundering control and financial oversight-related laws as well as relevant laws governing the economy (product and marketing), the society (labor and human rights) and the environment (environmental protection).

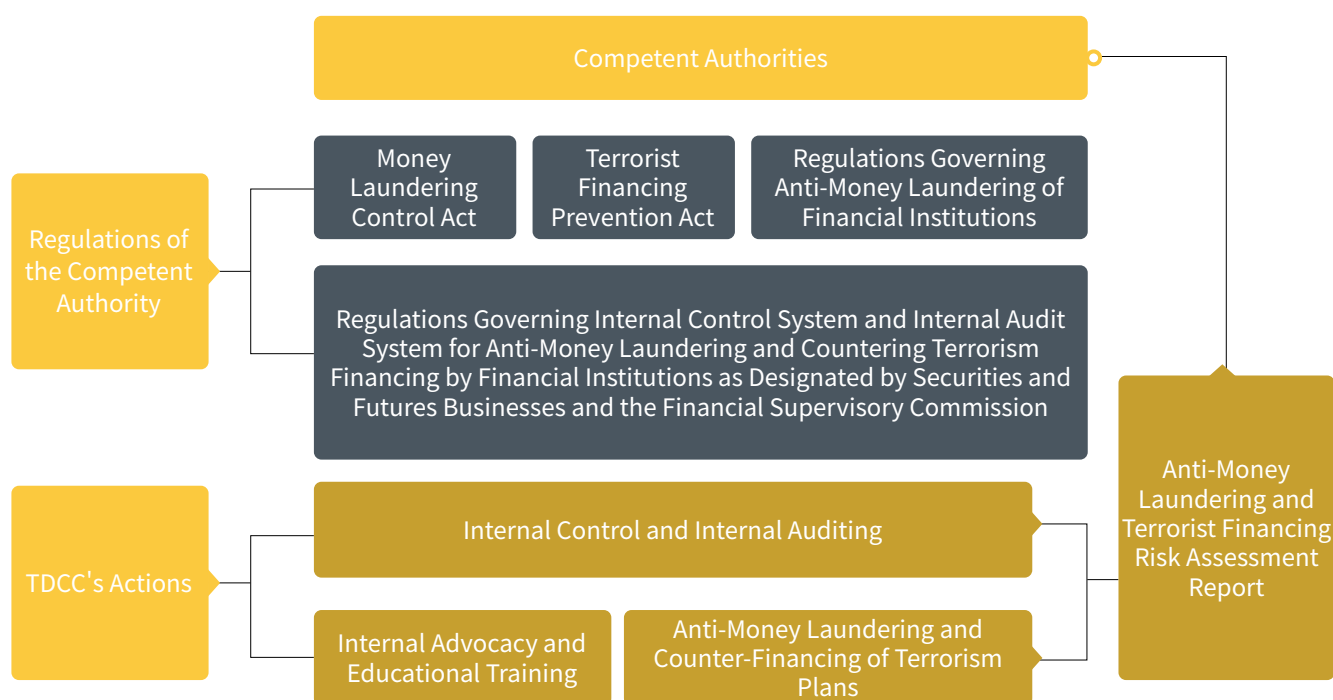
The rules and regulations of TDCC comply with the following aspects, and there are three action methods as follows:

- Keep up to date with the latest laws and regulations, communicate in real time: check daily whether the competent authority announces amendments to related legislation in advance, and assess whether it is related to TDCC's business.
- It is necessary to cooperate with the revision of the higher-level regulations, add new types of businesses, or adjust and revise the internal regulations according to the operation.
- Check whether the Company's new business complies with laws and regulations to ensure the innovative developments comply with government regulations.

TDCC is an important post-trade facility in Taiwan's capital market, and we assist the government in improving the financial market through various public platforms such as the "AML/CFT Screening Platform" and "Company Transparency Platform". The implementation of corporate governance and the prevention and control of money laundering also effectively improves our country's international obligations to put an end to money laundering as well as prevention and combating the financing of terrorism. At the same time, TDCC regularly reviews both the risk factors as well as risk control measures,

and after conducting risk assessment operations, the anti-money laundering and anti-terrorism risk assessment reports are updated and sent to the competent authorities for reference in order to enhance the effectiveness of the TDCC's anti-money laundering and anti-terrorism operations.

The legal compliance framework for the prevention and control of money laundering and capital terrorism



TDCC began to counsel the securities dealers from 1995 onwards in order to assist securities dealers and stockholders to comply with laws and regulations and implement internal control. The securities dealers cooperated with the stock exchanges and counter buying centers to conduct inspections since the following year. Through two-way communication, the concept of the law is reinforced among the entry-level employees to avoid the risk of breaking the law. Since 1998, TDCC has cooperated with the competent authority to start counseling and assisting in formulating the internal control system of the share-holding unit in public companies. TDCC was also entrusted by the competent authority to conduct share-related audits. Securities dealers and stock service institutions already have a set of compliance standards. We continue to publicize as well as to conduct briefing sessions and educational training every year to strengthen the legal concept of all employees at TDCC as well as to establish a good legal compliance system structure.

FundRich

In order to ensure the operations of FundRich comply with regulations, FundRich strengthens internal compliance regulations and code of conduct through education and training. As one of the financial institutions that should fulfill anti-money laundering obligations in accordance with Paragraph 1, Article 5

of the Money Laundering Control Act, FundRich must comply with the relevant regulations, including the Money Laundering Control Act, the Terrorism Financing Prevention Act, and the Regulations Governing Anti-Money Laundering of Financial Institutions, while carrying out anti-money laundering operation and terrorism financing prevention according to Article 5 of the "Regulations Governing Internal Control System and Internal Audit System for Anti-Money Laundering and Countering Terrorism Financing by Financial Institutions as Designated by Securities and Futures Businesses and the Financial Supervisory Commission." Employees actively participated in training and briefings conducted by the competent authorities and trade associations. FundRich has gradually implemented regulatory requirements through amendments to regulations and systems. Hence, no penalty was imposed by the competent authorities due to compliance with regulations related to anti-money laundering and financial supervision, as well as violation of economic (anti-corruption and anti-money laundering), social (labor, human rights, product marketing labels) and environmental (environmental protection) laws in 2020.

3.2 Risk Control

Key actions taken by TDCC

TDCC has established a complete risk management organizational structure. In addition to the effective operation of the risk management system through board governance and supervision, and the establishment of a risk control committee under the Board of Directors to supervise risk management matters, TDCC also introduced the Taiwan Personal Information Protection and Administration System (TPIPAS) to control the personal data risks and implement the security management system, quality management system, and internal control and audit system to ensure the safety of business operations.

Risk Control Committee

In order to effectively control operational risks of clearing and settlement, the risk control committee regularly convenes meetings once every half year or at any time when deemed necessary. The committee pays close attention to and supervises various issues, primarily covering the risk control review on the operational procedures of depository, clearing and settlement, operational system of a computer system and operational procedures between participants. In addition, the committee reviews the risk controls and self-assessment reporting mechanism of participants.

Business Continuity Planning (BCP)

Since 1997, TDCC has compiled a "Manual for Abnormal Situation Processing" and conducted drills based on if an abnormal situation shall occur. In 1999, based on the "Information Security Management Standards of the Executive Yuan and its affiliated organizations" promulgated by the Research, Development and Evaluation

Commission of the Executive Yuan, TDCC's "Business Continuity Plan (BCP)" was formulated. Business continuity strategies were formulated and formed a business continuity operation team. The team coordinated overall command and resource utilization, and clearly defined the task organization and responsibility for the sustainable operation mechanism such as the pre-existing backup protection mechanism, contingency measures during the event, and post-recovery operations.

We handled BCP drills with uninterrupted business and information operations on a regular basis in accordance with the abnormal situations of the manual, including natural disasters, human disasters and infectious diseases in order to confirm that all backup equipment, sites, and systems can ensure the uninterrupted operation of the core business. The proficiency of core business personnel and job agents is enhanced in handling abnormal conditions.

National Critical Infrastructure Protection Plan

As a national critical infrastructure provider, TDCC is a Level 2 unit in the securities sub-domain under the financial sector of the national critical infrastructure classification. To assess risks including natural and man-made disasters and information security incidents, as well as the risk of disruption of critical resources, we have formulated national critical infrastructure security protection plans, established notification mechanisms, alert mechanisms and professional support agreements to ensure the normal and continuous operation of the important business functions of our securities and financial payments.

Quality Management System

We attach importance to customer service quality and constantly optimize internal operation efficiency to provide the best service to our customers. We implement a quality management system and integrate its spirit into our internal processes and daily operations to standardize all operations and ensure consistency in quality, refine operational efficiency through PDCA steps, and constantly pursue excellence and prioritize quality.

Internal Control and Auditing System

TDCC formulated the internal control system in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" promulgated by the competent authority. The system was approved by the Board of Directors, and the objective of which is to facilitate the Company's sound management so as to reasonably ensure the effectiveness and efficiency of our operation, deliver reliable, timely, transparent and compliant reports and abide by relevant laws and regulations.

TDCC established the internal auditing office under the board of directors. The Company conducted an audit on the business operated by each department and office, assisted the board of directors and managers in investigating and assessing the internal control system and providing suggestions in due course so as to ensure the continuous and effective implementation of the internal control system.

In 2020, the Company has completed 337 audit operations, and the audit results complied with regulations related to the Company's internal control system, in which no incompliance was found.

TDCC's Information Security Protection

To meet the expectations and requirements of the public and the authorities for information security, TDCC has implemented an information security management system with the full use of information and communication security technology, which has become the most important foundation for our internal operations and business.

TDCC's Implementation of Three Major Focus Points in Information Security Protection

Process incident supervising, tracking and monitoring each day



After immediately monitoring various incidents and correlation analysis, make analytical statement and give an alarm and make notification



Collect various safety incidents each day and transfer the safety incident information to the monitoring software of the SOC system



Information Security Implementation

The Business Continuity Management System (BCSMS) is designed to ensure the immediate activation of recovery mechanisms in the event of disruptions, to maintain the normal and continuous operation of critical businesses, and to enhance the ability of colleagues to handle crises and maintain key business operations in the securities, futures and bills markets. On December 1, 2020, TDCC passed the British Standards Institute (BSI) certification process and formally obtained the "ISO 22301:2019 Business Continuity Management System" international standard certification, providing the best guarantee of the normal operation of the securities, futures and securities markets in Taiwan.

Routine Safety Inspections

The 7 items of the routine safety inspection conducted and completed in 2020 include safety inspection, penetration testing, system weakness scanning, web weakness scanning, social engineering, and basic safety testing of mobile application APP. After the result assessment, the medium risk and above that were discovered have corresponding measures to improve them.

- In accordance with information security regulations as well as the requests from the Financial Supervisory Commission, banks are required to strengthen the security protection measures of the bank settlement system (SWIFT) every six months, and conduct information security management verification on the SWIFT system. The issues found in the inspection results have been improved and completed. Each year, we invite professional manufacturers to conduct CSCF evaluations on the SWIFT system of TDCC based on the "SWIFT Customer Security

Control Framework" (CSCF) published by the SWIFT organization. The items recommended by the evaluation results have been improved and completed.

Behavior Monitoring Software

In order to visualize our business application system, we use recording software to monitor user behavior. By monitoring and recording user behavior in real-time, it can detect abnormal behavior and instantly send out a signal to meet the requirements regarding usage records, trace data and evidence preservation.

ISO 27001 Information and Communication Security Management System Verification

To ensure the confidentiality, comprehensiveness and availability of the information system, and provide the securities and futures market with safe, efficient and stable information service, we have been striving to implement and strengthen the information security mechanism as well as enhance its effectiveness. We obtained the BS 7799 information security management system certification early in 2004, becoming the 26th institution that passed BS 7799 certification in Taiwan. As ISO introduced ISO 27001:2005 information security management standard based on BS 7799 in 2005, TDCC passed the ISO 27001:2005 information security management standard verification in 2006 immediately, and passed the latest ISO 27001:2013 in 2014 to continue to maintain the effectiveness of the information security verification.

TDCC's 62 information systems at the senior, middle and general levels and the related supporting information processes have been implemented into the Information Security Management System (ISMS), and the controls are in compliance with the ISO27001 standard and have been verified by a third party. The audit of the ISO27001 ISMS was conducted by BSI, a certification institution, in May and November 2020, respectively. The results of the audits were in accordance with the requirement and the validity of TDCC's certification was confirmed.

The National Information and Communication Security Taskforce on the 2020 information and communication security audits

The Information and Communication Security Taskforce Yuan has designated TDCC as the audited organization for information and communications security in 2020. The auditing criteria are the Information and Communications Security Management Act and its sub-laws, ISO27001, ISO20000 and the Company's information and communications security maintenance plan. The scope of the audit covers the information security management policies and procedures of the entire company as well as its core information communication system.

On July 21, the audit team of the Executive Yuan conducted an on-site audit, and recognized that many of our information security measures are better than the requirements of the Information Security Act, and that our active efforts in promoting information and communications security management and the level of attention paid by our senior management are excellent. The audit confirmed that TDCCs' information and communication system operations are sufficient to ensure the safety and sustainable operation of our core business.

Employee Information Safety Training

- We will also announce and share safety information and new knowledge on the Company's EIP platform to enhance the knowledge of colleagues' safety prevention.
- In addition, TDCC organizes drills in social engineering security and training courses on information security from time to time. Social engineering drill test e-mails are randomly sent to TDCC's colleagues, and the test results met the target values set by the Securities and Futures Bureau of Financial Supervision Committee.
- In order to meet the requirements of the "Rules for Grading the Responsibility of Information Security" and the "Guidelines for Establishing Internal Control Systems for Securities and Futures Market Services", each staff member of TDCC must receive at least 3 hours of general training on information security, and each information security officer must receive at least 15 hours of professional training on information security.

Ongoing Operational Response to COVID-19

1. In order to ensure the Company's continuous operation, between March to June 2020 office operations have been relocated, the list of core personnel has been consolidated, and the Aikuo Telecom Park has been used as the second office of the CPS. A number of office equipment configurations and video equipment installations have been completed, as well as the relocation of office equipment for colleagues in Hongya and Nangang; the information system has been built in Nangang to act as a co-location backup and the Zhubei server room as an off-site backup center. After the pandemic has subsided, the Aikuo Telecom Park will be retained as an off-site backup center for TDCC.
2. We prepared and announced the implementation of a working manual for relocated offices. In addition, we prepared drills related to the new Aikuo Telecom Park while also holding training to take over all core business and information system operations from the Park. Home office equipment and Internet connections were used to verify the efficacy of the manuals during practical exercises in the Hungya Building and the Park.
3. TDCC's "Abnormal Situation Handling Manual", "Safety Protection Practice Regulations" and "Business Continuity Plan (BCP)" have been revised to include measures to deal with infectious diseases.

Key actions taken by FundRich

FundRich submits documents related to the annual audit plan and its implementation to TDCC, whereas TDCC inspects FundRich at least once every year in accordance with the relevant laws and regulations. FundRich regularly performs internal inspections. Moreover, FundRich regularly submits written reports to various supervisors for review, reports to the board of directors, and completes the self-assessment of various departments and offices.

In December 2020, the "Training on Anti-money Laundering and Combating the Financing of Terrorism" was conducted. All colleagues, some directors and supervisors participated. They will go through the risk factors as well as review the risk management and control measures, then conduct risk

assessment operations. The anti-money laundering and anti-terrorism risk assessment reports are updated and sent to the competent authorities for reference in order to enhance the effectiveness of the TDCC's anti-money laundering and anti-terrorism operations. In addition, FundRich also provides training courses on personal information awareness, fair treatment principles and the whistle-blowing system to help employees serve the public more professionally.

FundRich Information Security

Information Security Implementation

Regular external audit of the computer room

The fund platform system hardware equipment is managed by TDCC. The safety maintenance services provided include physical safety, power support, server authority control, network architecture, network safety equipment, network equipment/server monitoring and notification, all of which are in compliance with ISO27001 international information safety standards. One external unit audit verification is carried out every year, and there were no missing or improvement suggestions in 2020.

Website weakness scanning


The external information security companies are entrusted to performing 2 scans per year. The risk weakness found should be repaired by external manufacturers.

Penetration test

The external information security companies are entrusted to performing 1 scan per year. The risk bug should be repaired by external manufacturers.

Employee Information Safety Training

- Carry out social engineering drills, information safety training and propaganda at irregular intervals, social engineering drill test e-mails are randomly sent to the Company's colleagues, and the test results met the target values of the Securities and Futures Bureau of Financial Supervision Committee.



04

Green Management and Sustainable Financial Services

- 4.1 Comprehensive Financial Market Infrastructure and Regulation
- 4.2 Quality Customer Services
- 4.3 Domestic and Overseas Marketing and Communication
- 4.4 Environmental Protection and Green Operations

As a post-trade facility in the capital market and the currency market, TDCC is committed to constructing financial market infrastructure and assisting in building respective financial infrastructure, which improves trading efficiency, reduces the time difference of data as well as the overall energy consumption of the market and the operating costs of participants and customers. In a time that is dominated by information technology, Taiwan's financial market and investment environment will be improved with sustainable, innovative and high-quality services from TDCC. We also assist regulators in supervising financial markets through different systems and making sure participants, securities dealers and service providers comply with rules and implement the internal control system. In this way, we can ensure the service quality, investors' equities and the security of the national financial market.

TDCC will continue to evaluate impacts and opportunities in emerging financial fields such as blockchain, big data, build a Big Data Business Intelligence Platform in which we introduce integrated tools to clean and analyze data, such as the balance of funds and bills, and generate reports. With these tools, TDCC is able to understand investors' habits and needs, develop markets, and provide investors with value-added services. All of these not only make transactions more flexible but also form a smart eco-chain of data while stepping into the field of information services, endowing investors with a better market experience.

2020 Sustainability Results of TDCC's Financial Services

TDCC ePASSBOOK 2.0

App Service



- ✓ **1,790 thousand** accounts have been opened in total.
- ✓ Nearly **80%** of investors have opened their security accounts through TDCC ePassbook.

Shareholders Meeting e-voting Platform "TDCC StockVote"



- ✓ An estimated **1,773** entities, including 1,720 public listed entities and 53 newly listed entities, used the "TDCC Stockvote" platform.
- ✓ The total number of electronic votes in the shareholders' meeting was 7,931,301 votes, and the total number of shares was **334.7 billion** shares.
- ✓ E-voting by using the platform accounted for **56.1%** of the average number of shares present.
- ✓ Formulated "**Guidelines for Holding Shareholders' Meetings in Response to Epidemic Preparedness**" for both epidemic preparedness and protection of shareholders' rights.

Investor Relations Platform (IR Platform)



- ✓ At present, the platform provides basic information about investors and the contact windows of more than **1,800** companies in Taiwan.
- ✓ We have successfully launched the first comprehensive ESG information platform launched by a depository agency, which is also the first of its kind in the world.
- ✓ In April, the "2020 Taiwan Stock Exchange Preview Online Forum" was held. We invited international institutional investors, domestic and foreign scholars and experts, as well as listed companies.

Cross-border Voting Operation via Straight Through Processing (STP)



- ✓ We created a collaboration with Boardridge, an international voting organization, and ISS.
- ✓ Among the shareholder meetings held by **1,851** listed (over-the-counter) companies together with emerging companies included shareholders from foreign companies, who are to be included in the STP operation agenda.
- ✓ Foreign shareholders from 6 major custodian banks also used our platform. Out of the **100,341** total votes, **1,668** votes were made by foreign shareholders in our platform.

Short-term Bills Issuance Registration and Custody Operations



- ✓ We have 71,782 Short-term Bills registered/deposited with a value of NT\$1,539.6 billion, and a balance in the custody of NT\$2,506 billion.
- ✓ In U.S. dollar notes, we have 22 Short-term Bills registered/deposited with a value of NT\$920.5 million, and a balance in the custody of NT\$867.9 million.
- ✓ in RMB notes, we have 1 Short-term Bill with a value of NT\$400 million, and a balance in the custody of 400 million.

Fund Transaction Platform



- ✓ FundClear registered **1.645 million** views for the year, which increased 30% from 1.25 million views in 2019.
- ✓ Fund information transmission service (inbound and outbound) averages **933 thousand** transactions per month.
- ✓ The numbers of fixed deposits and subscriptions on the fund trading platform in 2020 are **2.52 million** and **NT\$16.5 billion** respectively, which increased significantly compared with 1.38 million and NT\$8.2 billion in 2019.

Cross-border Custody



- ✓ Service targets include professional investment institutions such as insurance, banking, securities, and custody banks, and the custody of foreign securities is approximately **NT \$3.9 trillion**.

Allow investors to inquire about the central depository subjects



- ✓ More than **39,000** inquiries were made by investors or successors through TDCC. Among them, TDCC received **30,794** inquiries through the National Tax Administration's One-Stop Service for Financial Heritage.
- ✓ A total of **9,400,000** inquiries were received in cooperation with public authorities, of which **9,396,403** were inquired electronically, and the ratio is as high as 99.62%.

Digital Transaction of Bonds Using Blockchain Technology



- ✓ Reducing the burden of manual work by operators and improving settlement efficiency.
- ✓ Significantly enhance the security of the digital transactions of bonds.
- ✓ A total of 5,128 digital transaction slips and 572 certificates of exemption/same industry issue balance.
- ✓ A total of 10,136 digital transaction slips for bonds and bond passbooks, 5,349 payout statements, and 4,768 digital bond passbooks.

2020 TDCC Market Supervision Results

Digital Supervision Technology (Suptech)

- Provide a wide range of monitoring technology services for bills market monitoring information, foreign securities monitoring information for the insurance industry, and fund market monitoring information **to create high monitoring operation efficiency for the competent authorities.**
- The Central Bank of the Republic of China (Taiwan) and the Banking Bureau of the Financial Supervisory Commission (FSC) wrote to express their appreciation for the information on the regulation of the bills market, saying it is of great reference value and is useful for grasping the market dynamics.

Company Transparency Platform (CTP)

- **655,205** companies completed the declaration, accounting for **93.09%** of the companies that should be declared.
- A total of **3,613** financial and non-financial businesses or personnel have completed the registration.
- Accumulated **278,270** inquiries.
- **1,022** abnormal reports on the platform.
- Received the best rating "regular follow-up" for the third round of evaluation by the Asia Pacific Group on Money Laundering (APG).

AML/CFT Screening Platform

- Added the back-office automatic message reminder function to remind each business and their contact windows to check for the user data settings abnormalities.
- Simultaneously update the data on the CTP platform to improve the convenience for the users.
- Excellent recognition from the APG.
- In 2020, there were **6,001** user accounts.

Customer Due Diligence (CDD) Management System

- In 2020, we had **824** customer reviews and risk ratings.

Information Monitoring Station for Offshore Structural Merchandise

- We filed and announced **13,196** products.

Internal Control and Asset Safety Review Coaching for Securities Dealers

- Coordinate with Taiwan Stock Exchange and Taipei Exchange to carry out regular audits on the central depository operations of **51** firms.

Internal Control and Audit of the Stock Affairs Unit and the Verification of the Request for Proxy

- During the routine inspection, 134 stock affair units were audited, 15 cases of investor report cases were audited, and 63 inspections were conducted during the period of soliciting proxies, which amounts to a total of **212** audits.

4.1 Comprehensive Financial Market Infrastructure and Regulation

TDCC's Features and Value of Financial Market Services

I. TDCC ePassbook 2.0 App Service

Comprehensive recovery of forgotten assets

Through the "Equity Card" function, investors are reminded of the number of paper-based securities passbooks in their name at one go, which helps them to retrieve their forgotten assets and quickly convert them to a TDCC ePASSBOOK for a one-stop view of all their assets.

Visualization of asset trends

Combined with the Big Data database, the "Stock Asset Trend Chart" feature allows investors to graphically view asset movements over a maximum period of one year.

One-stop approach to rights and interests of shareholders

During the shareholders' meeting, we proactively send out messages to remind investors of the shareholders' meeting they are eligible to attend, and can directly connect to the e-voting platform to vote and then use their cell phones as certificate.

Cross-industry integration of fund assets

- We integrate cross-investment and multi-category fund assets with IDs, including futures trusts and private equity funds.
- For details, please refer to the website on "TDCC ePASSBOOK".



Scan to download TDCC
ePASSBOOK

Market Value

- Real-time display and broadcast of market information, actively allow investors to get a hold of the information on their rights, offering a more intimate reminder mechanism on the customized integration of investors' rights.
- Investors can check their bank deposit account balance and transaction details with the APP, providing investors with a wider arrange of digital services.
- Combined with the Big Data database, the "Stock Asset Trend Chart" feature allows investors to graphically view asset movements over a maximum period of one year.



II. Shareholders Meeting e-voting Platform "TDCC StockVote"

● TDCC StockVote

The use of electronic voting in the regular shareholders' meetings helps to increase the shareholders' attendance and increase the shareholders' participation rate. Three highlights of the E-voting Platform for Shareholders Meeting:

Globalization

TDCC cooperates with Broadridge and Institutional Shareholder Services (ISS), which are the top two international e-voting organizations, to provide Cross-border Voting Operation via Straight Through Processing (STP) services, to make foreign voting more convenient and fast.

Digitization

Through linking more than 40 order management APPs and TDCC ePASSBOOK APP in Taiwan with API technology, TDCC enables one-stop shopping for e-voting, trading orders and asset management, and makes it more convenient for investors to vote.

ESG Promoters

In order to be in line with the "Corporate Governance Blueprint" of the Financial Supervisory Commission, the "Investor Relations Platform" has been added to the e-voting platform to provide the investor relations contact person of each company and the ESG score information of the top 400 listed companies by market value for the reference of companies and investors.

For details, please refer to the "[TDCC StockVote](#)" website

Market Value

- Aimed at helping to increase the shareholders' attendance and increase the shareholders' participation rate.
- Aimed at helping to improve the discussion efficiency of the shareholders meeting, reduce the manual work and time for convening such a meeting, and improves corporate governance in Taiwan's capital market.



III. Investor Relations Platform (IR Platform)

- Guided by the new version of the "Corporate Governance Blueprint" proposed by the Financial Supervisory Commission, we have created the Investor Relations Platform in Chinese and English under "TDCC StockVote" and was launched in March 2019, providing information about corporate governance, services for investors, evaluation for corporate governance and partnerships.
- In the future, TDCC will use "communication", "ESG" and "international cooperation" as the central theme for platform development. Currently, we have included FTSE Russell, MSCI, ISS ESG, Sustainalytics and other international leading scoring agencies to build a domestic ESG and responsible investment ecosystem and to enhance the image of corporate governance in Taiwan.
- We provide one-stop service for listed companies to obtain ESG information from different organizations at the same time, so that the data can be analyzed more objectively and the specific indicators can be used as a guide for companies to improve their own ESG direction, and be aligned with international standards. Institutional investors can refer to ESG information, and engage in, discuss and interact with ESG issues together with their investee companies. General investors can also check the ESG performance of listed companies with the platform as a reference for investment.

Market Value

- The IR Platform strengthens the flow of information, motivates international investors to put stocks of Taiwan into their portfolio and activates our stock market.
- The IR Platform provides issuers with comprehensive and objective ESG information to promote the ESG performance of their listed companies and to promote the responsible investment market in Taiwan.
- The Platform provides a basis for institutional investors to negotiate ESG issues and improve corporate governance and sustainable development.
- Provide easy-to-use ESG information for general investors.



IV. Short-term Bills Central Depository, Closing and Settlement, Commercial Paper

Short-term Bills Central Depository Clearing and Delivery

Implementing "Central Depository, Clearing and Settlement System for Short-term bills", TDCC became Taiwan's first institution that links with the CBC Interbank Funds Transfer System and adopts real-time gross settlements system (RTGS). The system has been providing the delivery versus payment (DVP) information service for short-term bill transactions in domestic primary and secondary markets and redemption service to increase the application of funds in the money market. In recent years, we adopted big data database tools and visualization application software technology to build a platform for bills market surveillance, which is used by the Banking Bureau and Inspection Bureau of the FSC, as well as the Central Bank Business Bureau, the Economic and Research Office, the Financial Inspection Office, and other regulatory agencies for daily surveillance.

Commercial Paper (CP2)

In response to the issuers' requirements for streamlining CP2 issuance procedures and reducing risks, the regulator has authorized TDCC to promote the CP2 dematerialized issuance, which increases the efficiency and safety of issuance and reduces the costs of manual works. To improve the efficiency of the primary bill market, TDCC launched an e-delivery service for the issuing of commercial papers in 2018. Now issuers, consignment-in bills dealers and confirming banks can deliver transaction scripts and issue documents through emails in our platform.

In 2020, we build a bill market management information platform with the new financial intelligence technology for bills dealers, replacing the traditional flat digital forms that are currently available for dealers' inquiries, and helping bills dealers to fully grasp transaction information regarding the bills market.

Market Value

- Prevent the risk of loss and forgery in the transportation process
- Effectively eliminate default settlement risks of the counterparty
- Improve transaction efficiency and reduce market operating costs
- Compliant with the BIS settlement and delivery standards for large-value transactions
- Assist regulators in getting all information about the transactions, credits and risks of the bills market
- Reduce manual work and risks of issuers and bills dealers in the primary market
- Strengthen infrastructure in Taiwan's short-term bills market

V. Fund Transaction Platform

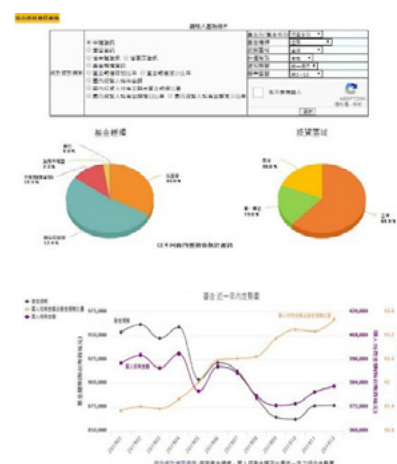
Fund Declaration and Announcement Platform

The Platform applies financial technology and intelligent software tools to present market statistical information in the form of visual graphs or trend lines and provides the investors with easy-to-understand and integrated charts.

In 2020, we collaborated with Morningstar to integrate unique and proprietary information such as fund ratings, fund portfolio style boxes, and \$10,000 growth charts into the existing fund information portal for investors' reference.



Click to go to the fund monitoring station



Visualization of comprehensive statistics and trend charts

● Fund trading services

In response to the impact of retirement in the future, to encourage the promotion of independent financial planning and to enhance the concept of investment in retirement fund management, the fund trading platform will be able to allow its distributors to set a deduction date for their regular quota investments every day in 2020.

● Fund Information Transmission Platform

Provide Taiwan's master agents with information of fund-placing redemption orders on the fund trading platform, and to automatically receive transaction confirmation from offshore fund companies.

In 2020, TDCC joined hands with fund distributors such as FundRich to consolidate the huge amount of domestic and foreign fund information in the Fund Observation Post System and digitally integrate it into its sales platform as the best tool to assist investors in making fund trading decisions.

VI. Cross-Border Custody

We started the custody service for foreign securities. Using SWIFT as our framework, we offer direct information transmission services and a cross-border custody system for accounting and management. We also offer custom-made statements and reports, securities settlements, news of companies, assets evaluation and other services. We have connected with a total of 7 markets, including the U.S., U.K., France, Germany, Japan, Hong Kong and Singapore and we also attracted many cross-border institutions. The main custodian banks of domestic funds have been entrusted with the custody of stock funds, which has been expanded to include stock delivery and corporate action message processing in Luxembourg, Germany, France, Italy, the United States, the United Kingdom, Hong Kong and Japan.



Market Value

- Simplify the complex operational relationships between agencies.
- 2.52 million regular quota investment deposits and \$16.5 billion in subscriptions
- More flexible fund deduction and price risk diversification, which provides safe and convenient payment collection and payment services.
- Assist regulators in monitoring and verifying the fund market.
- Improve the automated information transmission operation when the general agent places order the funds in order to reduce the risk of manual errors.

Market Value

- Provide the CBC with periodic reports, so that the CBC can have the most complete information on foreign exchange income and expenditures associated with foreign currency denominated bonds, which is useful when monitoring the market.
- Provide supervisory reports to the Insurance Bureau and provide an interactive analysis page using the system's online query method, so that the competent authorities can effectively grasp the overall foreign portfolio investment situation of the insurance industry in real-time.
- Establish the cross-border system for Taiwan financial market, introduce international custodian technologies, and develop talents in cross-border custody.
- Establish the local cross-border custody system for cross-border custody participants to reduce their costs of construction and operation and help control the operating procedures.
- Exchange real-time information with foreign custodian banks in order to lower the risks of manual labor for the cross-border custody participants.

VII. Futures Clearing System

TDCC established the Futures Clearing Systems for computers in response to the business needs of Taiwan Futures Exchange.

In 2020, we developed and maintained 23 computer systems for new products, new systems, and various business needs. For example, a newly added function of assisting successors to open accounts through the single-window system of the IRS by updating the batch inquiry information; a final settlement price in response to Brent Crude futures; an adjustment of the operational functions for the first half of the year 2020 for "ETF futures and exchange rate futures with dynamic price stabilization measures", "Taiwan Sustainability Index Futures" and "Taiwan Biotechnology Index Futures".

VIII. Allow Investors and Public Authorities to Inquire about the Central Depository Subjects

● Investors can access information on pooled insurance online

With the Company's approved e-certificate, investors can check their account opening, balance and movement information through the Investor Central Depository Account Query System without having to visit the counter and can submit applications 24 hours a day.

In 2020, the scope of Internet inquiry service will be expanded to include a search query for under-age children and heirs, and support for mobile devices. In addition, the current method of mailing reports will be changed to allow online downloading of inquiry results, which will significantly shorten the time investors have to wait for inquiry results.

Click to go to the Investor Central Depository Account Query System

● Electronic government inquiries

Now Administrative Enforcement Agency of the Ministry of Justice, civil execution departments of district courts, Control Yuan, Agency against Corruption of the Ministry of Justice, Ministry of Health and Welfare, and revenue service, which are required by law to inquire about the centrally held securities information of specific targets, have introduced electronic query system, which greatly enhances the efficiency of public affairs.

● Digitization of single-window case of the financial heritage

It provides a convenient service for the public to inquire about the financial estates of the heirs. A pilot was launched by the National Taxation Bureau of Taipei in December 2019, and in July 2020 the service was implemented nationwide. Through the Bureau, heirs can check the financial estate information of nine major entities and their member institutions at one time, which is a significant benefit to the public.

Market Value

- Helps investors know and use more channels of hedging quickly and deftly
- Conduct transactions to swiftly respond to global changes
- The system enables investors to monitor risks in real time, conduct diversified investments and hedging

Market Value

- Improve the efficiency and convenience for people to inquire their own or inherited financial related information
- Improve the efficiency of government agencies and help the government to promote national financial and tax supervision
- Digitalization of the workflow significantly reduce the manpower and time required for operation
- Greatly reduce time and transportation costs for investors



[Click here to check the status of the application online](#)



[Click here to check the status of the application online](#)

In order to enable the public to obtain the results of inquiries for filing estate tax returns as soon as possible, TDCC has taken the lead in using electronic transmission of inquiry data, and has added new information such as closing prices and conversion amounts to optimize the operation process electronically, effectively enhancing the efficiency of responses. Applicants can also visit the official website of the CGSE to keep track of the progress of their

IX. Digital Transaction of Bonds Using Blockchain Technology

● Increased efficiency of Bond Transaction

It provides bills dealers with the ability to transmit transaction slips and bond passbooks to customers through the system, reducing the burden and cost of manual receipt and delivery of transaction slips for bill dealers while also reducing the physical custody and entry/exit operations of custodian banks. It can also provide online confirmation of early termination to replace the existing paper application process, effectively shortening the operating time and improving delivery efficiency, solving the problem of requiring staff or mail delivery which has existed in the fixed income commodity market for over 30 years.

● Blockchain Application

In order to secure the information security control of electronic bond transactions, blockchain technology is introduced to authenticate, electronically sign, encrypt and record the transaction documents and bond passbooks transmitted or confirmed by both parties to the transaction in the blockchain storage Storage.

Market Value

- In order to reduce the burden of manual work by the operators and improve the efficiency of delivery operations.
- The transaction documents and other data are tamper-proof and non-repudiation, and can be used as digital evidence to greatly enhance the security of digital transactions of bonds.



TDCC Assists Market Supervision

I. Suptech

● Mechanism design for digital monitoring and reporting of bills finance corporations

Using big data database tools and visual application software technology, the "Bills Market Supervision Platform" is built for daily supervision for the Banking Bureau and Inspection Bureau of the FSC, as well as the Central Bank Business Bureau, the Economic and Research Office, the Financial Inspection Office, and other regulatory agencies for daily surveillance.

It integrates the reporting information of bill companies with the granular data of bills trading business, credit business and bond business to assist the supervisory authorities to conduct multi-dimensional supervisory analysis with interactive and visualized big data tools to achieve "precise supervision".

● Domestic Agent Declaration Service for Offshore Structural Merchandise

In accordance with the policies of the competent authorities, the domestic agent declaration service for offshore structural merchandise has been added, and the new "OBU/OSU/OIU customer investment balance statistics" and other monitoring reports have been completed. In addition, the reporting, inquiry and download functions of the reporting platform are adjusted to assess the impact on reporting institutions and to proactively guide the industry to complete the reporting data supplementation; the existing file specifications for transmission of entrusted sales information and the transmission logic of changes are substantially adjusted.

● Fund Supervision Information Inquiry Platform

In 2020, the platform provides the competent authorities with information on the daily net value change rate or interval net value change rate of each fund, so that the competent authorities can clearly understand the information on the net value change of domestic and foreign funds. In addition, by searching the information on the underlying bonds held by the investment trusts, we evaluate their risk. The information on the platform is used for cross-analysis and cross-period comparison, and a large amount of effective information is compiled and provided to the competent authorities for interpretation and application.

Values and Benefits

- Helps to grasp the dynamics of the market and improve supervision efficiency of the regulators
- It is helpful for the regulators to apply as reference basis for the current situation analysis and future policy research
- Enhance the transparency and completeness of derivatives market information
- Provide regulatory and risk management information to competent authorities and over-the-counter (OTC) trading centers to promote the steady growth of the derivatives market.

II. Company Transparency Platform(Company Transparency Platform , CTP)

Under the appointment of the Ministry of Economic Affairs, TDCC established this platform according to the Company Act. The Company Transparency Platform has 3 major functions, which are declaration, query and supervision.

● Declaration

Provide about 690 thousand domestic registered companies or their designated reporting agents to electronically declare data such as the board members, supervisors, managers and shareholders with more than 10% shareholding, including their name, nationality, date of birth, date of registration, ID number, amount of shareholding.

● Query End

Provide financial institutions or designated non-financial enterprises or personnel that comply with Article 5 of the Money Laundering Control Act, confirming the identity of customers in accordance with the Money Laundering Control Act, and inquire about the company's declared information.

● Supervision

For the regulator's supervision needs, basic information of the reporting company (such as regional analysis, organization type, capital level and time trend, etc.), the declaration status, and the query status of the inquiring unit are provided for the regulator to supervise and audit. °

Values and Benefits

- Improve the transparency of corporate information, strengthen our action against money laundering
- Electronic declarations improve efficiency, save energy and reduce carbon emissions.
- Contributed to the third-round APG evaluation in which Taiwan was upgraded to the "General Tracking" list and received high praise from various countries, which invite us to share the evaluation with.
- Provide the competent authorities with access to real-time information to improve the effectiveness of the inspection and supervision by the regulators
- In 2020, a total of 3,613 unit codes were registered for financial institutions and non-financial businesses or personnel, with 278,270 inquiries and 1,022 abnormalities reported through the platform, contributing to the prevention and control of money laundering and the enhancement of the transparency of legal entities in Taiwan.

III. AML/CFT Screening Platform

● System Background

TDCC has established "AML/CFT Screening Platform" for users to inquire about customers' background information to comply with requirements stipulated in the Money Laundering Control Act and the Terrorism Financing Prevention Act. Other than the participants of TDCC, other financial institutions and designated non-financial businesses or personnel can also apply to use this system.



● System Operation

This system contains the Dow Jones Watchlist and the name list from the Company itself. Users can query and compare through the system to confirm the customer's identity and perform a continuous review.

● Units that Use the System

securities, investment credits, investment advisers, and designated non-financial business or personnel such as accountants, bookkeepers, real estate agency brokers, lawyers, jeweler's shop, tax agents, land administration agents, foreign exchange agencies and financial technology innovation companies.

Values and Benefits

- Covers financial institutions such as securities, bills, futures, securities, investment credits, investment advisers, and designated non-financial business or personnel such as accountants, bookkeepers, real estate agency brokers, lawyers, jeweler's shop, tax agents, land administration agents, foreign exchange agencies and financial technology innovation companies
- In 2020, a total of 6,001 accounts were used by 34 businesses, out of which 43 accounts were used by government agencies, as they are of great help in the prevention of money laundering.

IV. Customer Due Diligence (CDD) Management System

TDCC offers management of the digital review process including establishing electronic files for query results, automated generation of CDD reports, online review, automated monitoring of review on a regular basis and automated scan of customer documents. In 2020, a total of 824 customer reviews and risk assessments were completed, including 465 new customers, 39 new businesses, 30 periodic audits, and 290 other cases including for instance changes in directors and supervisors or penalties imposed by the FSC. °

Values and Benefits

- Compliant to regulations of anti-money laundering and help the regulators to supervise the market
- Establish the digital review process and improve work efficiency

V. Information Monitoring Station for Offshore Structural Merchandise

The Information Monitoring Station for Offshore Structural Merchandise provides basic information on offshore structural merchandise, reference price, interest, notes for investors and major information disclosure. We also offer electronic registration of new merchandise, electronic change of registration information and redemption in advance. TDCC launched SFTP service for files of the declaration platform, which significantly improve the information declaration efficiency and operation safety.

In 2020, the new station for offshore structural merchandise was entrusted with sales information helpers, which were provided to the sales distributors by the issuers and the master agents for the use of the incoming and outgoing commissions.

Values and Benefits

- Greatly improve the transparency of the offshore structural merchandise market and safeguard the equities of investors
- Enable investors to have reference for assets management and reduce their investment risks
- Replace the traditional manual operations which save manual work and time, simplifies the daily declaration process, and improve the safety as well as the efficiency of information declaration
- Improve the efficiency of the daily organization and reporting of sales information entrusted to domestic issuers and master agents
- In 2020, 13,196 products were filed for registration and publication

V. Internal Control and Asset Safety Review Coaching for Securities Dealers and Internal Control and Audit of the stock affairs unit and the verification of the Request for Proxy

- Through various auxiliary services, as well as auditing guidance in regard to internal control and information security for securities dealers' crowdfunding operations, and auditing stock affair units, we propose improvements to address deficiencies.
- When assisting securities firms to handle TDCC businesses, they can use safety control to give guidance and verify.
- Participate in the preparation of the yearly "Standards for Internal Control Systems for Securities Dealers" and "Standards for Internal Control Systems for the Operation of Securities Introducing Broker Business".
- Formulate and amend the "Standards and Regulations for Internal Control System of Stock Affairs Unit", and hold briefing sessions for the stock affairs units to implement the internal control system.
- Check the solicitation of the proxy at the shareholders' meeting, implement the internal control system that is entrusted to handle inquiry in order to strengthen the management of the solicitation of the proxy.

Values and Benefits

- Improve the efficiency of the securities market, enhance the efficiency and safety of stock operations, and further assist the competent authorities in monitoring the market.
- Ensure investors' rights and interests and maintain the sound development of the securities market.
- Ensure users' security of information, system, facilities and network. Safeguard the equities of all investors and maintain stable operation of the securities market.

Innovative Financial Service for FundRich

FundRich's Business Performance

FundRich is highly trusted by its customers, and FundRich's AUM reaches **\$54.5 billion** by the end of 2020, representing an annual growth rate of **61%**.

In recent years, the cumulative growth in the number of customers has been good, and the ReLife Project was launched to bring about the people's awareness on retirement and increase investors' willingness to open accounts, with the number of newly opened account holders reaching 180,040 by the end of 2020, representing a **50%** increase compared to 2019.

The cumulative purchase volume in 2020 was approximately **NT\$51.9 billion**, which was nearly **108%** higher than NT\$25 billion in 2019.

The ReLife project brought along the purchase of regular quota investments, and the cumulative purchase volume in 2020 was approximately **NT\$150 billion**, which was nearly **150%** higher than NT\$ 60 billion in 2019.

The first Online Fund Account Opening System in Taiwan

In order to streamline procedures for opening an account, FundRich and TDCC actively communicated with regulators and unions and got permission from regulators to streamline procedures for open a fund account. FSC announced that the chip bank card can be used to verify one's identity and also agreed another way of verifying one's identity when opening an account online, which was to log in to their E-bank accounts and authorize the bank to conduct chargebacks. Currently, it takes 7 to 10 days to open an account by mail, and 1 to 2 working days to open an account online through internet banking and credit cards. As of December 2020, the proportion of FundRich accounts opened online through internet banking and credit cards has reached 73.3%, which has significantly reduced the time spent on opening accounts.

The only fund platform that can provide diversified smart tools for investors

Following the trend of digital finance, FundRich has introduced many smart tools so that all investors can find funds that fit their risk ratings among 3,777 funds. With the core value of being "intimate, convenient, and smart +" and the new motto being "Making investment easier", we provide the investors with a simple and easy-to-use platform to open accounts. At the same time, it introduces a fund screening method that is different from the rest of the industry and focuses on how to manage customers' wealth. The platform further classifies funds according to clients' financial needs, so that clients can easily select the best fund to fulfill their financial needs. At the same time, they also hope to give investors the correct concept of financial management with equal emphasis on remuneration and volatility risk, so that more people can invest through funds and start planning their own finances. The additional series of funds to be updated in 2020 are the most popular funds in the market.

"ReLife -toward steady Retirement Life" Project

"ReLife Project - Experimental Project for Self Pension Saving Investment" was officially launched in July 2019, encouraging people to prepare for their retirement in advance through long-term investment and prepare for retirement in advance. "ReLife Project" promotes regular quota, long-term with disciplined investments to start the first step towards the preparation for retirement. By investing a certain amount of money every month and averaging the investment cost, the investment risk of market fluctuations is reduced. Participating individuals can choose a suitable solution for themselves and leave it to a professional team to manage their assets in preparation for their retirement. With the market enthusiasm brought about by the ReLife project in 2019, we hope that this will carry on into 2020. TDCC continues to offer the ""ReLife -toward steady Retirement Life" program with FundRich, offering nine funds with regular quota investments for retirement preparation. So far, the number of people who adopted deduction of fund under the ReLife Project has reached 70 thousand people, with a total monthly deduction amount of NT\$670 million. This has successfully started an unprecedented trend of retirement management, and has opened a new milestone in promoting investors to prepare for retirement management with mutual funds, accumulate assets in the long term, and achieve the goal of enjoying retirement life.



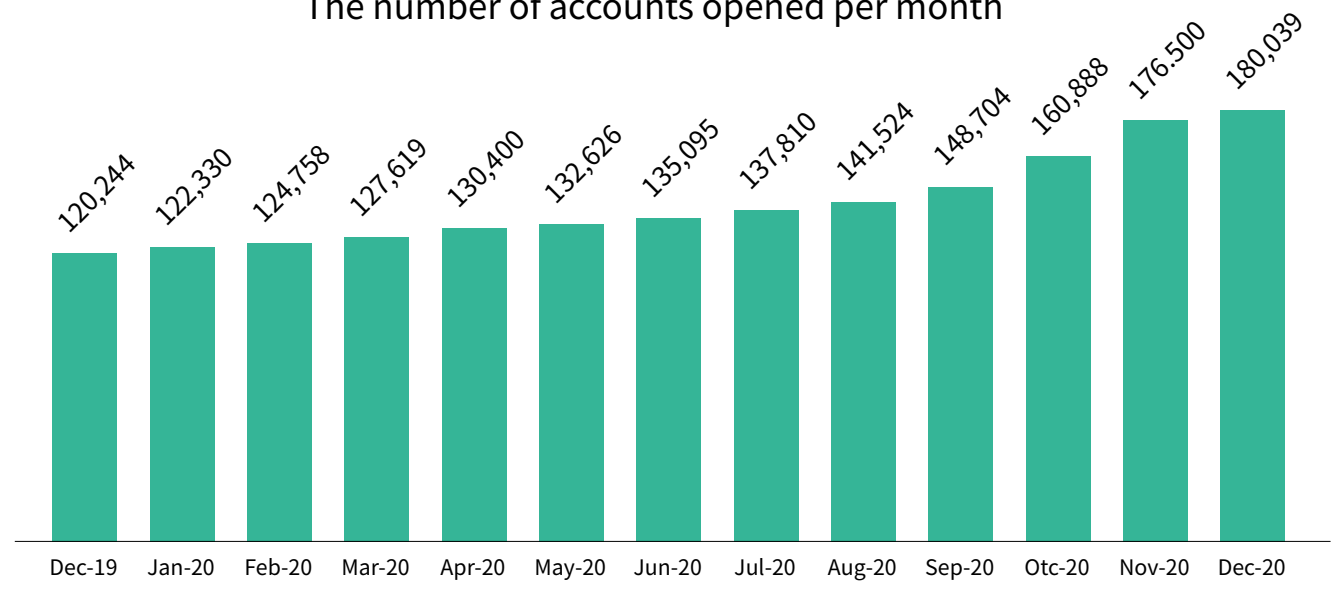
[Click here to go to FundRich](#)



Key Results for FundRich in 2020

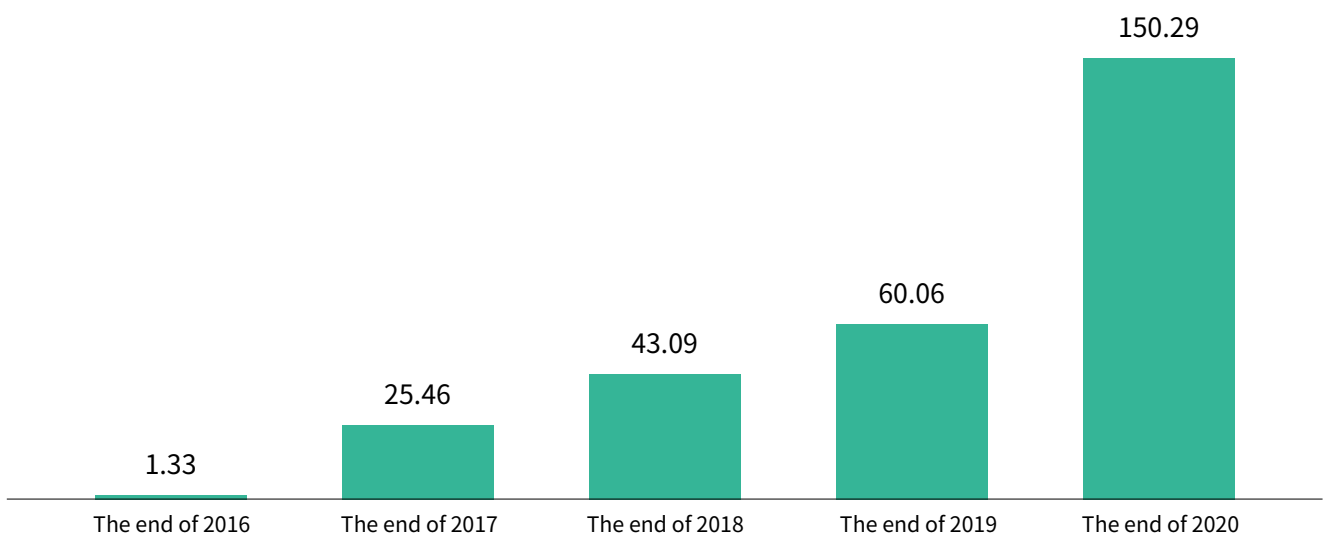
FundRich is highly trusted by customers. The annual fund purchase volume continues to grow every year, with a growth of 61% in 2020 compared to 2019. Additionally, the ReLife Project brings about the people's willingness to open accounts for retirement investments, the number of accounts opened in 2020 increased by 50% compared to that of 2019, illustrating the importance of FundRich in the digitalization era of the fund market.

The number of accounts opened per month



FundRich promoted regular quota investments and re-opened subscriptions for the ReLife project to increase interest in regular quota investment purchases. The cumulative purchase volume of regular quota investments in 2020 was approximately NT\$15.029 billion, which was nearly 150% higher than NT\$6.006 billion in 2019.

The cumulative purchase volume of regular quota investments (NTD/ 100 million)



4.2 Quality Customer Services

TDCC values customer service as the first priority of business development, and takes asset safety protection measures to safeguard customers' equities and privacy and ensure the safety of our service foundation. In addition to setting up hotlines and customer service counters, TDCC also establish an online platform that allows data download, making sure customers can get updated information as well as top-quality service. We always put the needs of customers first. Through collecting customers' opinions by satisfaction surveys, conducting real-time or regular communication, TDCC maintained a spirit of promoting the development of information services while promoting diversified businesses and innovative technologies to keep the warm culture that is unique to TDCC.



Personal Information Protection

As a post-trade facility in both the capital market and the money market, TDCC always endeavors to build infrastructure in financial markets. In addition, because TDCC keeps the central depository data for investors, we attach great importance to personal information protection and information security. FundRich being both a domestic and foreign fund transaction platform, customer privacy and the stability and safety of the server are also very important. We are committed to protecting the security of personal information and communication through various security protection mechanisms to ensure customer rights and interests. TDCC and FundRich did not receive any complaints about infringement of customer privacy or loss of customer data in 2020.

TDCC

● Taiwan Personal Information Protection and Administration System (TPIPAS)

Due to the nature of business, TDCC keeps the data regarding central depository subjects of all investors in the market; therefore, we attach great importance to personal information protection. To ensure that the personal information maintained by TDCC is duly protected, the Company has introduced the TPIPAS since 2012. We

successfully passed the verification conducted by a professional institution and obtained the dp.mark from the Ministry of Economic Affairs. The Company engages a professional institution to conduct verification for TDCC every year to continue to maintain the effectiveness of the dp.mark. There were no reported complaints of disrupting customer privacy and losing data in 2020.

Every year, TDCC will adjust and change according to the business, through the production or revision of individual asset operation flow charts, legal identification procedures, inventory of the number of individual asset types collected by the company's business, measure individual asset risks of the company's business processes, implement the requirements of TPIPAS, and implement the risk safety control procedures accordingly, to effectively control and avoid the risk of leakage of personal data held by TDCC.

FundRich

● Personal Information Protection

FundRich also invites professional consultants to assist in reviewing the risks of personal information that may arise. Based on the results of the risk assessment, FundRich will supervise to establish appropriate management mechanisms and set up a contingency management response mechanism. Each year, the Compliance Unit will convene all departments to test the effectiveness of the contingency mechanism at regular intervals.

Surveys of Customer Satisfaction

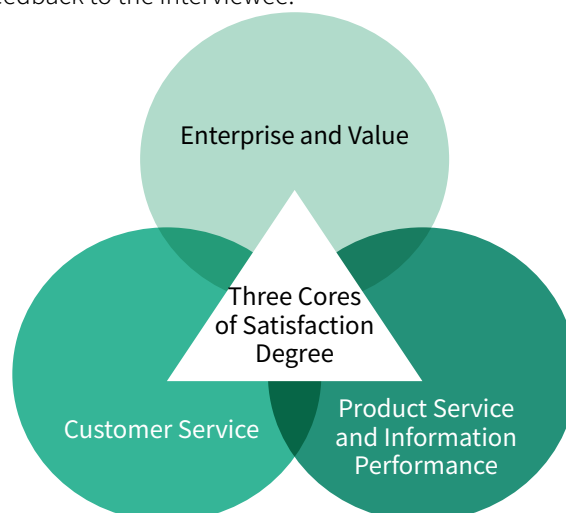
In order to understand customers' opinions, implement customer care, and improve and provide better service quality, TDCC conducts annual customer satisfaction surveys. Through this mechanism, we can regularly track the user's evaluation of TDCC and interpret the significance of data objectively and scientifically. Based on these recommendations, professional advice will be provided on how to set the focus of our services and improve customer satisfaction.

In 2020, we commissioned a professional market research firm to conduct a customer satisfaction survey targeting three groups of customers, including domestic and foreign fund-related institutions, stock service providers, and TDCC ePASSBOOK users. The reclaimed sample size of each group is as follows: domestic and foreign fund-related institutions have returned 14 surveys; stock service companies have returned 50, totaling 64. Out of 65 customers, the overall reclaim rate reached 98.5%, while TDCC ePASSBOOK users have completed 932 surveys. According to the survey report from the market research firm, the average satisfaction rating of the three customer groups with the indicators set by TDCC was 91.23.

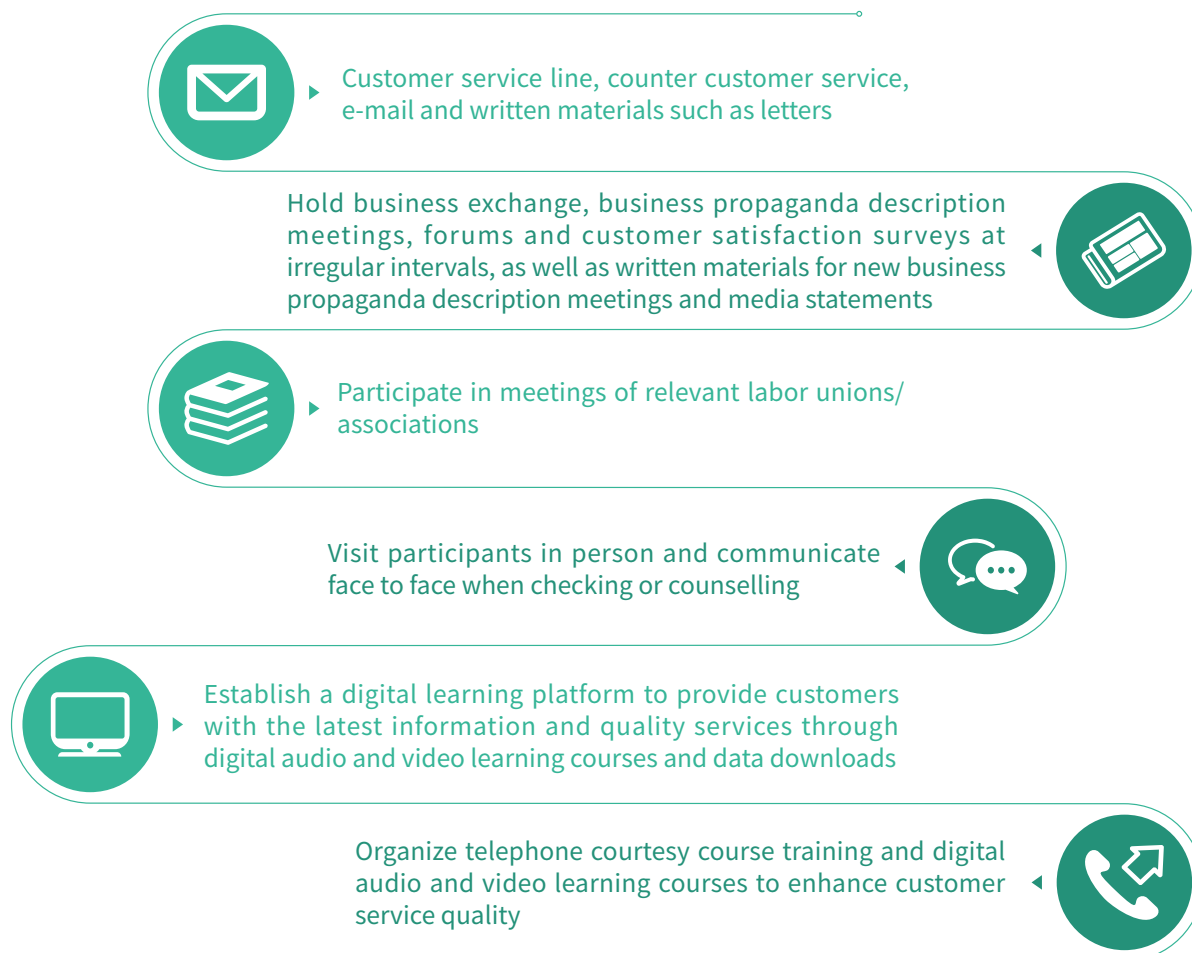
Processing the Customer's Opinion and Communication

TDCC

Customers' feedback and advice are divided into "immediate handling" and "to be determined". We will make appropriate corresponding plans and act in an appropriate manner. Customer dissatisfaction will be referred to when we identify the issues or set the quality goal in the future. The President shall chair the meeting to discuss the action plan, and responsible departments shall notify the respondents of follow-ups as well as give feedback to the interviewee.



TDCC actively communicates with customers in the following methods and actively responds to the needs or questions of stakeholders:



FundRich

FundRich not only presents fund-related information but also listens to the suggestions of customers to solve their problems. FundRich Customer Service Center arranged a variety of training courses in 2019, including "Information Security Education and Training," "Financial Consumer Protection," "Principle of fair hospitality", "Handling Consumer dispute and financial friendly service training", "Personal Information Protection Training" and "Anti-Money Laundering and Counter-Information Warfare Education and Training" in order to improve service quality and meet customer needs.

Digital Learning Platform

In response to the Internet era and the rapid development and constantly updated financial service, TDCC has established the e-Training Platform since 2011 to provide services such as digital audio and video learning courses and course material downloads. This is to ensure the timeliness of promotion before a new business goes online, and to assist the employees of domestic securities dealers, bills dealers, investment companies, banks and issuing companies in grasping the up-to-date information and quality services. In addition, the platform also provides the feedback mechanism of courses for responding through e-mail as the platform correction reference and it assists in understanding the learning effect of the students. In addition, the platform also provides the feedback mechanism on the courses and students can respond through e-mail for future reference when updating the platform, and it assists in understanding the learning effect of the students.

4.3 Domestic and Overseas Marketing and Communication

TDCC keeps pace with the times, and continuously introduces diversified products and services coordinated with domestic and foreign laws and regulations, and in combination with the big data and cloud technology. In order to let investors and TDCC employees understand various new businesses, we hold various business promotion seminars, educational training, information campaigns, visits and exchange activities. In the promotion of international business, we actively participate in the Asia-Pacific depository institutions, sign memos of cooperation with international depository organizations, and closely interact with depository institutions, clearing institutions, and custodian banks of different countries, and share topics about business promotion, financial governance and information security through forums and seminars.

Domestic Business Promotion

In order to continue to promote the services and businesses of TDCC and continue to expand the market trends of inclusive finance and open financial services, in addition to actively holding business briefings and providing various consultation channels, we also cooperate with relevant units to participate in exhibitions or promotion activities. This year, in response to the epidemic, online forums and e-Training sessions were held. Our goal is to continue to expand our service range and collect market information to facilitate the continuous optimization of products and services. Business promotion and training activities in 2020 are as follows:

TDCC ePASSBOOK

Business and System Platform Briefing

TDCC

- The briefing on the new functions of the TDCC ePASSBOOK APP had 83 participants, and audio-visual courses are provided for securities dealers.
- Investors are exempt from audio-visual courses on the public acquisition of securities and related operations; 187 people watched the audio-visual courses.
- The second half of the year, 468 people watched the TDCC audio-visual course on digital learning.
- The presentation of the shareholders' meeting on proxy solicitation was conducted as an audio-visual program for stock affairs units and proxy solicitors, and has been viewed by a total of 580 people.
- An audio-visual seminar on the revision of the standardized internal control system of the stock unit was conducted, which has been watched by 202 people.
- Eight events were held to promote bond companies, with 422 participants.
- Four separate seminars on stock business were held for the stock affairs unit, which were attended by 320 people in total.
- Two seminars were held for the managers of the stock affairs unit, which were attended by 93 people in total.
- An education session was organized for stock auditors, which was attended by 86 people.
- Two seminars were held for fund-related businesses, which were attended by a total of 135 people from 63 organizations.

2020 Taiwan Shareholders' Meeting Prospective Online



Business Promotion Channels

Internet Marketing Analysis

TDCC

In order to allow the shareholders' meeting of listed companies to be held smoothly, we invited international institutional investors, domestic and foreign scholars and experts, and listed companies to participate in the "2020 Taiwan Shareholders' Meeting Forward-looking Online Forum", which we held on April 30. The event attracted more than 300 listed companies and institutional investors, and about 600 people joined the event online, indicating that issues discussed during the shareholders' meetings are very important to Taiwanese enterprises.

FundRich

- Promote long-term investment concepts through major news and financial media through embedded advertising, and track users who have been linked to FundRich through network advertising.
- In 2020, the company held 16 online and 15 offline events to promote its brand through financial education and fee discounts, targeting various types of people and expanding the visibility of the FundRich brand.
- FundRich adopts a precise segmentation strategy, which includes collecting user behavior of all users, and filtering user behaviors by labeling and classification.
- FundRich defines Facebook as a tool for content management, which can be used as a brand facade and customer service channel. FundRich also makes use of LINE's high usage and transmission rate, which can increase the contact with investors, and through collecting and labeling of existing customers and potential customers, promotion and discounts can be carried on to perform precise marketing. On the other hand, LINE can provide basic investor inquiries and discount notifications. If there are functions to gather more personal information, it can be positioned as the precursor station of the official APP.

Data is the driving force behind better investment services. In the future, FundRich will continue to create simpler and more intimate services for investors through the following data application orientations:

FundRich Provides Investors with the Driving Force

Smart Memory

Automatically record the trajectory of the investor's goods through system services, along with a concise interface, which allows the investors to quickly grasp information on the funds they are interested in.

Data Correlation

Through the labeling of data governance, we can provide a variety of fund commodities and market article reports in order to establish the correlation between each other, so that investors can make investment decisions more conveniently while they browse through information.

Mass Search

Incorporate real-time statistic data on the fund commodities and information that the investors have been searching about into the website's guided keyword search, which helps the investors to find the fund commodities that is in the market focus.

International Promotion and Exchange

In order to master the trend of international financial supervision and related business development, TDCC actively participates in international organizations and follows the international trend through meetings, personnel exchanges, and training. We share business development experience during important occasions such as international meetings to enhance visibility and strengthen the connection between Taiwan and the international market.

TDCC sends personnel to participate in international conferences and events abroad, such as annual meetings of the International Organization of Securities Commissions (IOSCO), SWIFT International Banking Operations Seminar (SIBOS), World Forum of CSDs (central securities depositories) (WFC), annual meetings of Asia Pacific Central Securities Depository Group (ACG), Asia Fund Standardization Forum (AFSF), Fund Forum and other important meetings. In 2020, the traditional physical event was suspended due to the global COVID-19 pandemic, but with the help of modern technology, uninterrupted international communication was still possible online. In line with the government's efforts to promote Taiwan's capital market blueprint and to strengthen communication between Taiwan's market and international securities institutions, in 2020, TDCC continued to participate in international capital formation organizations, serving as the vice-chairman of the Asia Pacific Capital formation (ACG) and a member of the board of directors of the World Capital formation (WFC). We send members to participate in online international conferences to keep abreast of international trends and developments and to enhance the international visibility of Taiwan's capital markets. Throughout the year, we participated in 21 international exchange events, including 5 ACG Executive Committee meetings, 5 WFC Board meetings, and 11 major international conferences.



Holding a Key Position in an International Agency

TDCC successfully applied for the establishment of an Investor Service Working Group of ACG in 2018 under the support of the ACG members and became the convener of the group. TDCC also became the ex officio executive committee member of ACG Executive Committee, actively participating in the operations of the ACG Organization. In 2019, Mr. Sherman H.M. Lin, Chairman of the Board, was elected Vice-Chairman of ACG. At the same time, Mr. Lin serves as a member of the Board of Directors of WFC participating in important decisions of WFC. The year 2020 coincided with the WFC Chairman's initiative to promote the reform of the organization and set up a study group to handle related planning and promotion issues. As the Vice-Chairman of ACG, Mr. Lin attended the meeting by video on behalf of ACG to speak and participate in the discussion on the various reform proposals, and the relevant recommendations will be included as an important reference for the future promotion of organizational reform.

In addition, in order to implement the mission of the Investor Service Working Group "Building a platform for communication", in 2020, TDCC has launched "e-Services for Investors" as the annual research topic of the Investor Service Working Group, and sent questionnaires to ACG member institutions to investigate the current status, development plans and new technology applications of e-Services for Investors of each institution. The compiled information and survey results and their analysis are expected to be published in 2021 for member organizations to use as a reference for developing e-services.

Participation in International Events in 2020

To continue to exert market influence and stabilize the role of the back office of the financial market, TDCC pays close attention to global trends, participates in international conferences, communicates with global industry experts, and applies the latest practices and innovative technologies to enhance sustainable financial services, which assists TDCC to create more business opportunities for the future.

TDCC Acted as the Speaker, Sharing Business and Actions, Promoting International Sustainable Financial Services

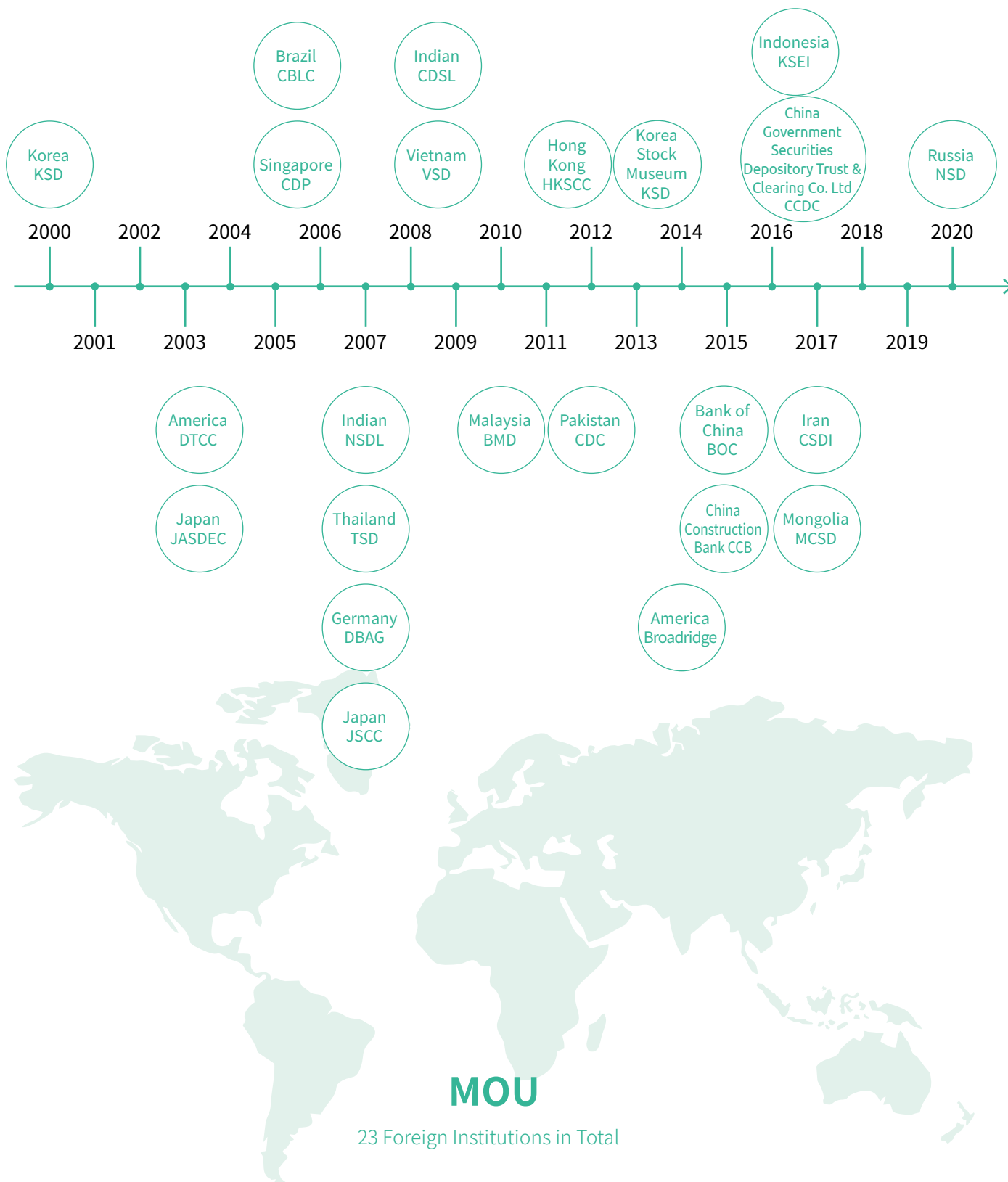
Meeting Agendas	Method	Content
Business Networking Meeting with European Depository Institution Clearstream	Teleconference	<ul style="list-style-type: none"> Mutually exchange views on the recent business situation, the policy implementing a negative interest rate of the USD by the International Central Securities Depository (ICSD) and the impact of the COVID-19 pandemic on global financial development.
	July	
Online ePASSBOOK Seminar	Online meeting	<ul style="list-style-type: none"> The TDCC ePASSBOOK, launched in March 2017, has reached a milestone of 1 million users in February 2020. In order to continue to refine and innovate, TDCC and Malaysia's Depository and Clearing company held an e-passbook online seminar on August 19, 2020 to discuss the development of securities passbook services under the current trend of digitalization, the construction of a cross-industry ecosystem, and potential future opportunities. 
	August	
Joint Business Seminar	Online meeting	<ul style="list-style-type: none"> In order to nurture the young generation of talents in the depository field, depository institutions KSD (Korea), KSEI (Indonesia), and TDCC have joined hands to promote international exchange and learning for the young generation of talents by sharing the latest business and market developments. Some of the topics of the joint business seminar of the three institutions include: COVID-19 response, service digitalization, cross-border custody business, depository certificate services, and investor data building and verification.
	November	
Taiwan Mongolia Capital Market Business Exchange Video Seminar	Online meeting	<ul style="list-style-type: none"> The Mongolian Securities Clearing Center is a member of ACG and a member of the Investor Service Working Group. In order to deepen the cooperation with member institutions and to assist the Mongolian capital market to learn from the practical experience of clearing models, risk management, default management, participant information exchange and fees under Taiwan's T+2 clearing and settlement system, TDCC cooperates with stock exchanges and Mongolian institutions to arrange bilateral director meetings and business exchange seminars. The event was attended by the Chairman of TDCC Mr. Sherman H.M. Lin, and the General Manager of the Taiwan Stock Exchange, Mr. Chien Lih-Chung, together with the CEOs of the Mongolian Stock Exchange, Mongolian Securities and the Mongolian Securities Clearing Center. The Mongolian side also invited representatives from the Financial Supervisory Commission, the Ministry of Finance and other authorities, as well as representatives from the Securities Industry Association, the Association of Global Custodian Banks and clearing members to participate in the event. The conference not only helped Mongolia's capital market to promote the new T+2 system smoothly but also shared Taiwan's successful experience on the international stage once again. 
	December	
	November	

TDCC and other International Activities

Meeting Agendas	Place / Time	Content
Accelerating Technology-led Transformation Seminar led by the Deutsche Bank	Online meeting	Development trend in the transformation of applied technology
	June	
"Preparing for a Post-pandemic World - The Way Forward for North Asia's Capital Markets" Seminar by DTCC	Online meeting	Capital market trends under the impact of the COVID-19 pandemic
	July	
Seminar by The Asia-Pacific Central Securities Depository Group (ACG)	Online meeting	Challenges and opportunities brought to the industry by the COVID-19 pandemic, and the response to pandemic by the depository institutions in the Asia Pacific region
	September	
Society for Worldwide Interbank Financial Telecommunication (SWIFT) SIBOS 2020	Online meeting	Global developmental trends of the securities industry
	October	
Gartner IT Symposium Xpo (U.S. venue/ Asia venue)	Online meeting	Discuss the latest international development trends of information technology to understand how to improve corporate information security, and create safe digital development
	October	
The IIA's 2020 International Conference	Online meeting	International development of audit operations
	November	
2020 Asian Corporate Governance Association (ACGA) Annual Forum	Online meeting	Trends and developments in global corporate governance
	November	

In 2020, TDCC achieved its cooperation with the National Settlement Depository NSD of Russia, signing the Memorandum of Understanding (MOU) on cooperation and exchange of information. TDCC will continue to cooperate with the NSD and publish information on TDCC's current business development, international cooperation, innovative business and strategies in Russian in NSD's journal Digit to increase TDCC's international exposure.

By the end of 2020, TDCC had signed memorandums of understanding (MOUs) with 23 foreign institutions including 15 members of ACG and 8 depository agencies to further establish international friendly relations and carry out the information exchange and cross-border cooperation.



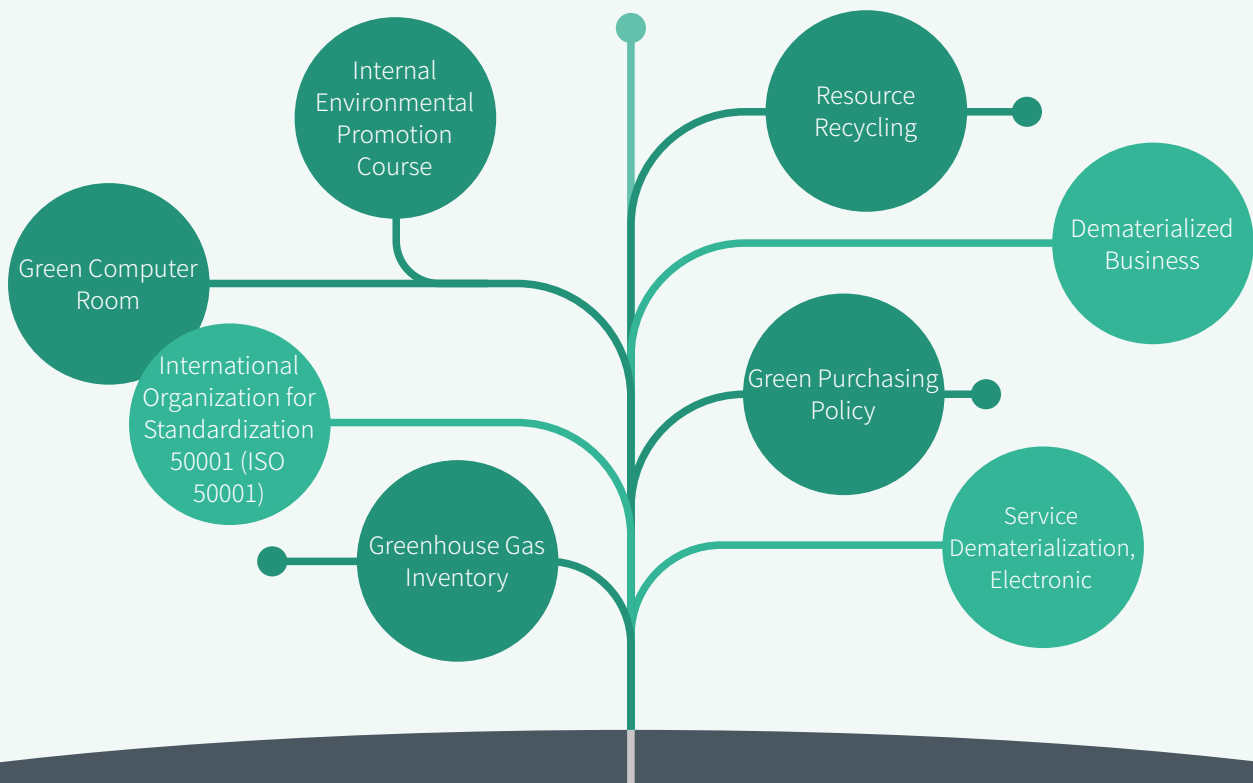
4.4 Environmental Protection and Green Operations

Energy conservation and carbon reduction have become universal values. TDCC understands that energy conservation and carbon reduction is not just a slogan; it should be an accumulated practice, where the employees can naturally implement it in daily operations and corporate culture. Therefore, the investigation of greenhouse gas emissions is the first step of self-management by TDCC. Only with a clear understanding of our own greenhouse gas emissions, we will be able to specifically propose clear measures for improvement. In addition, through many years of automation, dematerialization and digitalization, we not only improve work efficiency but also reduce resource consumption.

In 2020, TDCC obtained the ISO 50001 energy management system certification. In addition to the "Employee Business Travels", which is already included in the inventory of greenhouse gas emissions, we also added "capital finance" and "fuel and energy-related activities" in order to actively understand the greenhouse gas emissions that we generate outside of our operating bases, and be able to manage it properly in the future and to expand the company's environmental impact.

Establish a sustainable culture internally

As a financial unit, TDCC took the lead in conducting greenhouse gas inventory and energy management system, exerting the influence on the industry and expanding the sustainability awareness of the financial services market.



Establish a sustainable culture internally

TDCC aims to communicate a green culture across the company, starting with every employee and implement the spirit of environmental protection and energy saving. All actions can be connected to the idea of low carbon emission, and this establishes a benchmark for sustainable corporate image.

Greenhouse Gas Inventory

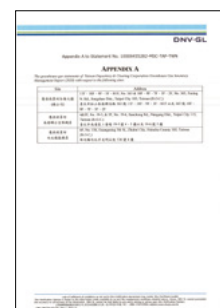
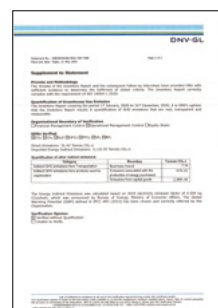
TDCC carried out the 2020 greenhouse gas inventory according to ISO 14064-1:2018 to have an understanding of our emission levels, which was verified by DNV GL Business Assurance Co., Ltd. as the basis for follow-up improvement. This certificate is not only the first greenhouse gas inventory report of securities and future units in Taiwan, but also a declaration of our determination in energy conservation and carbon reduction based on our corporate social responsibility.

The operational boundary of TDCC includes the office area in the Hungya Building, the Nangang computer facilities room and the Zhubei computer facilities room. In 2020, total emissions were 3,147.97 tons of CO₂e, 99% of which were from power use, and the remaining were fixed emission sources (diesel use of emergency generator), mobile emission sources (gasoline and diesel consumption of official cars) and effusion emission sources (including refrigerant, septic tank, etc.). In the future, we will strive to reduce our greenhouse gas emissions through computer room reconstruction and energy management systems.

In 2020, we started the investigation of GHG emissions in Scope 3 "employees' business trips". In 2021, we add Scope 4 of indirect GHG emissions resulting from "capital finance" and "fuel and energy-related activities" of purchases by TDCC in 2020. Through learning about the sources and emissions of GHG that are not under TDCC's direct control, we can understand the impact of global warming regarding the company's value chain, and manage our actions, exert our influence, and expand carbon reduction to work together to fight against climate change.

In 2020, in accordance with the conversion, the scope of the inventory will be expanded as follows:

- In 2020, in accordance with the conversion, the scope of the inventory will be expanded as follows:
- Indirect greenhouse gas emissions from the purchase of products for organizational use
- Indirect greenhouse gas emissions from customers' use of the organization's products
- Indirect greenhouse gas emissions from other sources



▲ GHG Inventory Statement

TDCC's Greenhouse Gas Emission in the Past Three Years

Unit: t-CO ₂ e/year	2018	2019	2020
Scope I	49.70	28.08	31.42
Scope II	2,338.23	2,977.37	3,116.55
Scope III	----	119.46	7.74
Scope IV	----	----	3,665.48

Note 1: Global Warming Potential (GWP) is based on the fifth IPCC evaluation report (2013).

Note 2: Greenhouse gas emission coefficient: Taiwan refers to the latest version of the data announced by the Environmental Protection Administration during the inventory operation as the basis for calculation. As for the electricity emission coefficients, since the Bureau of Energy had not yet announced the 2020 emission coefficients when the calculations were made, the 2019 coefficient of 0.509 kgCO₂e/kWh is used for the calculation of 2020, while the rest of the year is based on the data announced at that time.

TDCC Scope III and Scope IV Greenhouse Gas Emissions

Scope III: Employee Business Travel	Scope IV: Capital Goods	Scope IV: Energy- and Fuel- related Activities
7.74	2,989.46	676.02

Note 1: Based on the calculation method of Scope 6 "Business Travel" in "Technical Guidance for Calculating Scope 3 Emissions" published by WBCSD, and based on the conversion mileage on the travel documents and corresponding vehicle emissions. There was no foreign travel in 2020, resulting in a reduction in employee business travel emissions.

Note 2: Based on the calculation method of Scope 2 "Business Travel" in "Technical Guidance for Calculating Scope 3 Emissions" published by WBCSD, and calculated based on the data in the procurement system.

Note 3: Based on the calculation method of Scope 3 "Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2" in "Technical Guidance for Calculating Scope 3 Emissions" published by WBCSD, and calculated based on the energy consumption data of electricity.

Greenhouse Gas Emissions of TDCC (by Base)

Scope	Scope I				Scope II	Total Emissions (t-CO ₂ e/year)
2020 Emission Type	Fixed Combustion Emissions	Mobile Combustion Emissions	Process Emissions	Effusion Emissions	Indirect Energy Emissions	
Hungya Building	1.00	26.85	0.00	0.00	753.99	781.85
Nangang Office and Computer Facilities	3.30	0.00	0.00	0.00	1,989.91	1,993.21
Zhubei Backup Computer Facilities	0.00	0.00	0.00	0.27	372.65	372.92
Total Emissions in Different Categories	4.30	26.85	0.00	0.27	3,116.55	3,147.97
Proportion of Scope I and Scope II in total %	1.00%				99.00%	100.00%

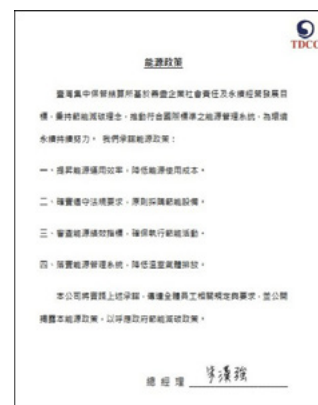
International Organization for Standardization 50001 (ISO 50001)

In 2020, TDCC acquired the ISO 50001 energy management system certification, and the President signed an energy policy establishing the energy management authority unit. In addition, TDCC started managing the equipment with high energy consumption; through a comprehensive energy review, a baseline was established, after which each unit plans future improvement possibilities.

TDCC is also the first to introduce an energy management system to financial peripheral units.

If the greenhouse gas inventory is a passive disclosure, the energy management system will be an active attack. Although TDCC is not an industry with huge emissions, through systematic inventory, review and continuous improvement, we will be able to create more opportunities for energy efficiency improvement and establish a green, environmental, and sustainable enterprise.

We conducted a questionnaire survey among the stakeholders (same as the stakeholders in Section 2.1) and found that stabilizing power supply, saving power in the computer room and saving power in air conditioning were the energy issues of concern to stakeholders; these results were consistent with the results of our energy audit. Through energy audits, we have found that the main source of energy use in the Hungya building is air conditioning, and the main source of energy use in the Nangang office/computer room and the Zhubei computer room is the information room equipment. The results of this review are not only consistent with the results of the stakeholder survey, but also with the usage patterns of each operating site. We will further plan various energy-saving action plans and review their implementation on an annual basis, so that we can continue to save energy and achieve the set energy-saving targets.



Energy Conservation Measures	Implementation time (unit: years)
Increase in air-conditioning temperature of the B2 electrical room in the Hungya Building	2020~2021
Replacement of lighting fixtures in the Nangang Computer Facilities Room	2021
Rebuilding of the Nangang Computer Facilities Room	2020~2022

Green Operation Management

In addition to applying international standard verification systems, we also adopted green and sustainable measures of diversity and creativity to reduce the impact of operating activities on the environment:

Reduce the Impact of Energy Resources Internally

- Optimize the internal operation management process through digitalization, including the official document system, financial system, personnel system and media inventory system.
- The meeting materials are sent out digitally. In this way, meeting materials can be found using an iPad or via the EIP website.
- Digitalization of business contact lists: 14,924 lists in 2020, resulting in a total saving of almost 30,000 sheets of paper based on 2 sheets per list.

- The CDD customer system saves about 12,000 sheets per year.
- Replacement of company vehicles with hybrid vehicles to increase the use of low-carbon energy and reduce air pollution.
- T5 lamps are used in all offices, with the power circuit readjusted, the lighting switch marked, and the power turned off in small areas to improve the efficiency of electricity use in the office.
- In order to activate the Company's idle and abandoned assets, the assets are open for bidding by our employees through the Company platform; the remaining assets are resold to qualified manufacturers or related manufacturers.

Demonstrate Sustainable Operating Benefits to the Public

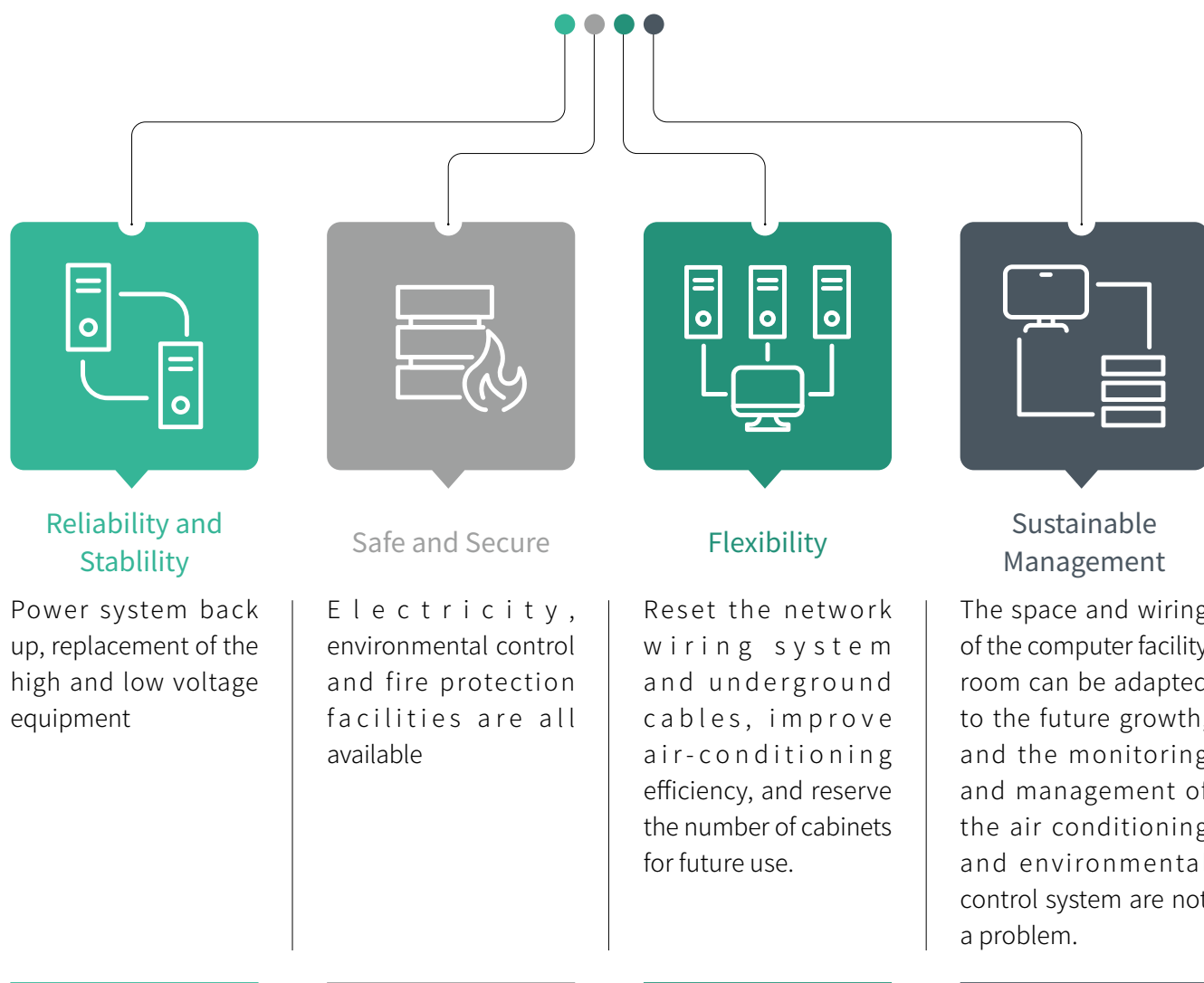
- The stock affairs unit starts to implement electronic personnel training certificates, saving about 500 sheets of paper per year.
- The stock affairs unit implements electronic sign-in for employee training sessions and briefings, saving about 200 sheets of paper per year.
- Through digitalization, the TDCC ePASSBOOK APP can reduce a number of paper passbooks issued each year, while also reducing the cost of purchasing paper passbooks and magnetic strips.

- The Company has a total of 5,128 digital transaction slips and 572 certificates of exemption/same industry issue balance.
- The Company has a total of 10,136 digital transaction slips for bonds and bond passbooks, 5,349 payout statements, and 4,768 digital bond passbooks.

Green Computer Facility Room

Almost all the main services of TDCC rely on a large number of information systems and server back offices. Therefore, the use of electricity by computer hosts and other equipment is our largest source of energy consumption. In view of this, our plan is to promote the renovation of green rooms since 2019, to start to replace old electrical equipment with new ones in 2020, and to build electrical systems that meet the Tier 3 standard of computer facilities, which will improve the energy efficiency of overall computer

facility equipment, reduce operating costs, and contribute to energy conservation and carbon reduction. Through the improvement of the power system circuit, the clear separation of hot and cold channels, the network wiring and air conditioning efficiency update and the integration of computer room space and equipment to increase utilization, the computer room reconstruction will have the following benefits:



Green Procurement

In order to implement the low-carbon action, we continue to promote the domestic procurement of environmentally-friendly products, such as air-conditioning, dehumidifiers, refrigerators, paper and other equipment and office supplies. The Company's energy policy also sets out the principles for purchasing energy-saving equipment and emphasizes the need to improve energy efficiency.

FundRich

Opening an account via FundRich E-bank and financial card online not only greatly reduces the time for opening an account, but also avoids manual procedures such as mailing of paper documents and manual processing.

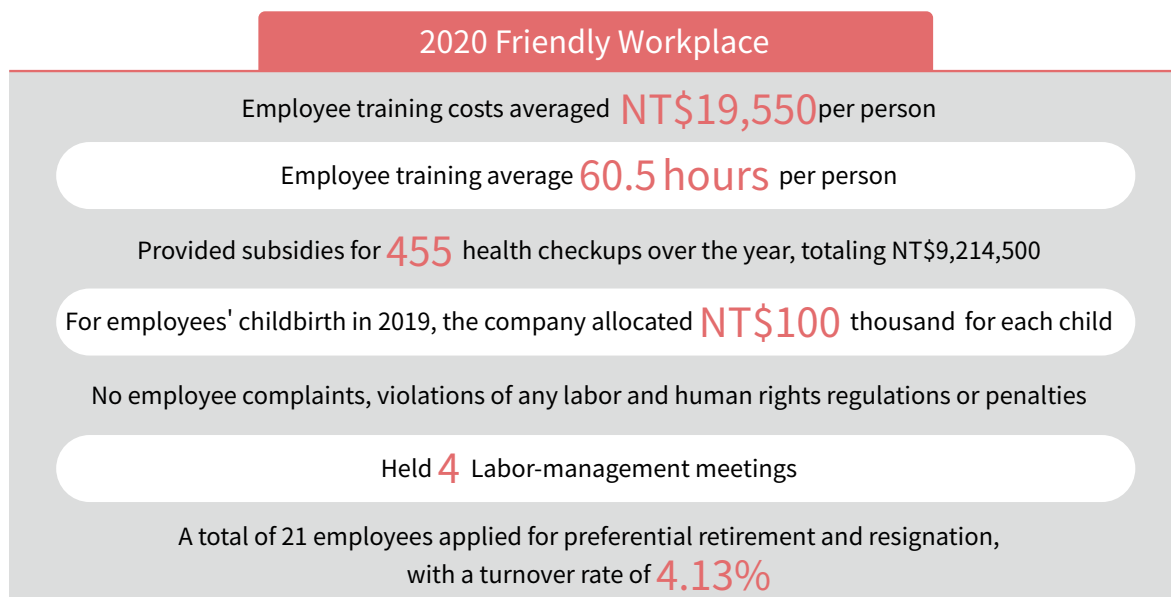


05

Friendly Workplace

- 5.1 Human Resources
- 5.2 Talent Development
- 5.3 Employee Compensation and Benefits
- 5.4 Employee Health and Safety

Employees are the foundation of the company, and TDCC regards human capital as the most important mission. While adapting to the sustainable vision, embracing innovative technology and promoting diversified business, we have established a comprehensive system for selecting, employing, nurturing and retaining talents, and we are committed to creating a happy workplace environment through the development of capabilities, the protection of rights and interests, and the care of work and life.



5.1 Human Resources

TDCC's Talent Composition and Structure

Disabled employees are offered a certain level of support, achieving the workplace spirit of diversity and care for the disadvantaged. We primarily recruit talents from Taiwan and we guarantee a job quota for the disabled based on legal requirements. TDCC had 521 regular employees and 15 part-time employees at the end of 2020, totaling 536 employees.

The Staff Composition of TDCC in 2020

Category	Regular Employees		Non-regular Employees	
	Male	Female	Male	Female
Local Employees	285	236	11	4
Foreign Employees	0	0	0	0
Total	536			

Note 1: There are 9 employees with disabilities in the regular employees of TDCC, with no indigenous employees.

Note 2: The Stock Museum of TDCC also employs part-time students as tour guides. Because the number of people and working hours are not fixed, it is not listed in the table.

The following table is the employee gender distribution at TDCC:

The Employee Gender and Age Structure of TDCC in 2020

Age	Male		Female	
	Number	Percentage	Number	Percentage
Under 30	12	2.30%	18	3.45%
31~50	129	24.76%	85	16.31%
Above 51	144	27.64%	133	25.53%

Note: Only regular employees.

ckgrounds. Our colleagues possess industry-related professional knowledge or skills and are given corresponding positions based on their experience, background and seniority. The employee educational background and job categories of TDCC are as follows:

The Employee's Education Level of TDCC in 2020

Category	Group	Male		Female	
		Number	Percentage	Number	Percentage
Educational Background	High School or below	12	2.30%	21	4.00%
	Bachelor's Degree	147	28.21%	134	25.70%
	Master's Degree	125	23.99%	81	15.60%
	Doctoral Degree	1	0.20%	0	0.00%

Note 1: Only regular employees

The Job Structure of TDCC in 2020

Category	Group	Male		Female	
		Number	Percentage	Number	Percentage
Title	Management	20	3.84%	16	3.07%
	Non-Managant	265	50.86%	220	42.23%

Note 1: Only regular employees.

Note2: "Management" refers to positions equal or above deputy manager (not including the business committee).

Recruitment and Turnover in 2020

TDCC offers excellent job opportunities and all personnel management must pass the approval of the competent authority, exhibiting a stable working environment and excellent employee welfare. There were 19 recruits in 2020, accounting for 3.73% of full-time employees. In the same year, 21 employees resigned from their positions, equaling a turnover rate of 4.13%, which is far below the industry average. This shows a significant decrease from the previous year, exhibiting TDCC's efforts in taking care of and retaining our employees.

TDCC's New Recruits in 2020

Age		Under 30	31-40	41-50	Above 51	Total
Category						
Number of New Recruits	Male	7	5	0	0	12
	Female	7	0	0	0	7

The Status of Employee Resignations in TDCC in 2020

Age		Under 30	31-40	41-50	Above 51	Total
Category						
Number of Turnover Staff	Male	0	0	1	6	7
	Female	1	1	3	9	14

The new employee recruitment rate by gender and the turnover rate in 2020 are as follows:

New Employee Recruitment Rate and Turnover Rate in TDCC in 2020

	Ratio of New Hires	Turnover Rate
Total Rate	3.73%	4.13%
Male	2.36%	1.38%
Female	1.38%	2.75%

- ◆ Recruitment rate = number of new recruitment of the year / Average number of employees of the year
- ◆ Turnover Rate = Number of resigning employees during the year / Average number of employees during the year
- ◆ The average number of employees this year was 509
- ◆ Does not include FundRich

The human resources situation of FundRich is as follows:

The Staff Composition of FundRich in 2020

Category	Regular Employees		Non-regular Employees	
	Male	Female	Male	Female
Local Employees	21	29	0	0
Foreign Employees	0	0	0	0
Total	50			

The Employee Gender and Age Structure of FundRich in 2020

Category	Age	Male		Female	
		Number	Percentage	Number	Percentage
Age	Under 30	6	12%	10	20%
	31~50	12	24%	14	28%
	Above 51	3	6%	5	10%

The Employee's Education Level of FundRich in 2020

Category	Age	Male		Female	
		Number	Percentage	Number	Percentage
Educational Background	High School and below	0	0%	0	0%
	Bachelor's Degree	13	26%	25	50%
	Master's Degree	8	16%	4	8%
	Doctoral Degree	0	0%	0	0%

The Staff Composition of FundRich in 2020

Category	Age	Male		Female	
		Number	Percentage	Number	Percentage
Employment Category	Full-time Employees	20	40%	27	54%
	Contractual Employees	1	2%	2	4%
	Dispatched Workers	0	0%	0	0%

The Job Structure of FundRich in 2020

Category	Age	Male		Female	
		Number	Percentage	Number	Percentage
Managerial Level	Management Position	3	6%	3	6%
	Entry-level	18	36%	26	52%

◆ Management position of department head or above

FundRich's New Recruits in 2020

Category	Age	Under 30	31-40	41-50	Above 51	Total
Number of New Recruits	Male	1	0	0	0	1
	Female	6	1	2	1	10

The Status of Employee Resignations in Fundrich in 2020

Category	Age	Under 30	31-40	41-50	Above 51	Total
Number of Turnover Staff	Male	1	2	1	0	4
	Female	3	3	1	0	7

New Employee Recruitment Rate and Turnover Rate in Fundrich in 2020

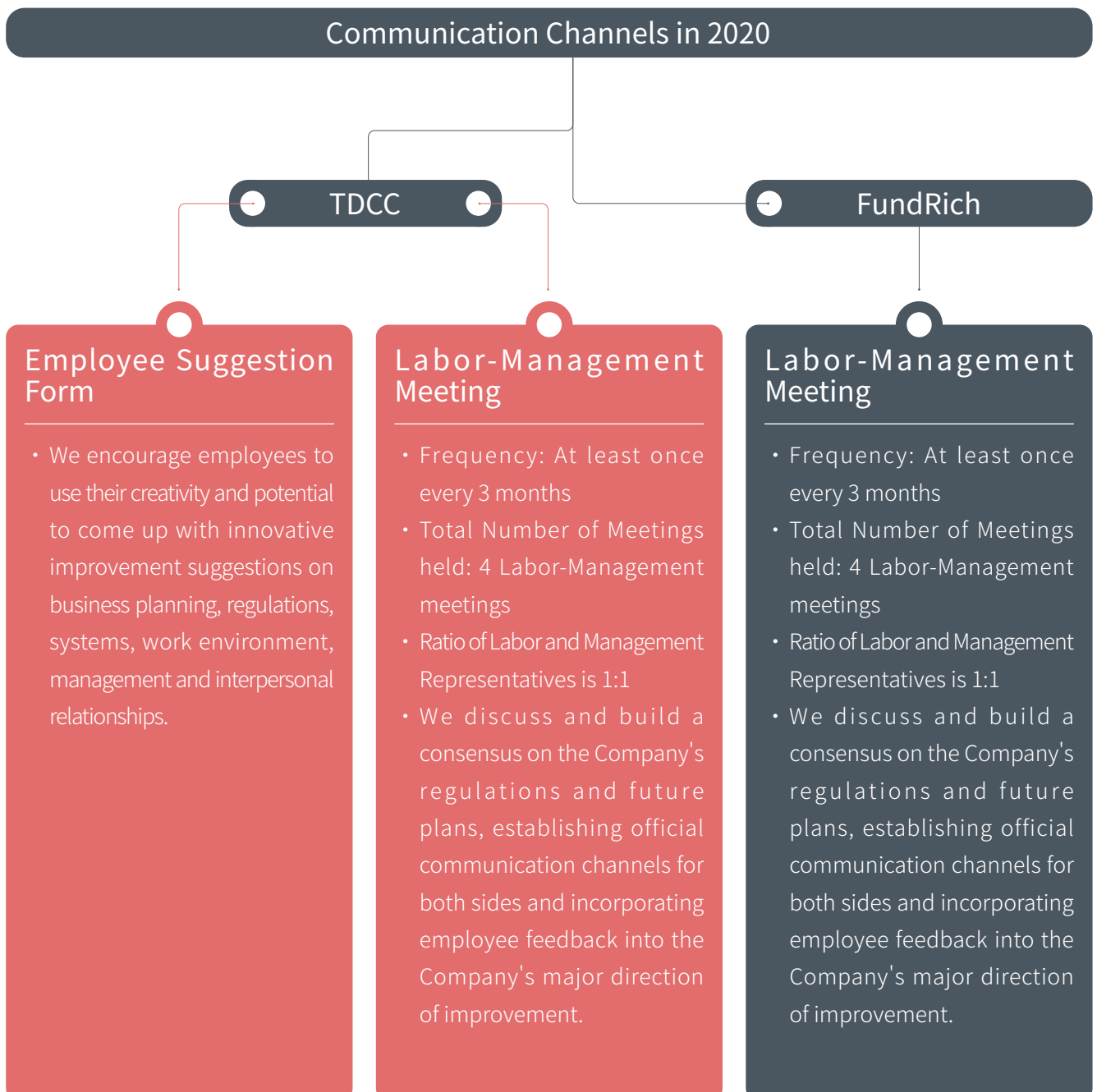
	Ratio of New Hires	Turnover Rate
Total Rate	20%	20%
Male	1.82%	7.27%
Female	18.18%	12.73%

- ◆ FundRich has no employees with disabilities nor indigenous employees
- ◆ Recruitment Rate = Number of new recruits during the year / Average number of employees during the year
- ◆ Turnover Rate = Total number of resigning employees during the year / Average number of employees during the year
- ◆ This year, the average number of employees was 55

Labor-Management Communication

TDCC

We treat employees as partners and family members, as well as one of our important stakeholders. Through regular labor management meetings and employee interviews, we listen to the employee's voices, establish communication channels between the two parties, keep track of their working conditions, and continue to provide more diversified communication channels to create a friendly working environment together. Between 2016 and 2020, there were no employee complaints.



5.2 Talent Development

TDCC and FundRich recruit and absorb top talents from every area, and strive for employee learning and improvement at the same time. By establishing ourselves in the current of digital finance, we provide brand new, creative and convenient services to the market and society. At the same time, we are also devoted to training and educating our employees so that their capabilities and knowledge can keep up the pace with new developments in order to stand firmly in the times of digital finance.

Employee Training

In order to provide more innovative and convenient services, TDCC caters to various needs of business development in each department by organizing our own courses and external training. In addition, with the development of digital finance, training related to information communication and network information protection has become even more important. Therefore, personal information certification, personal information protection, information security, or technical training in hacking and trend analysis all fall under the scope of professional courses. In providing this training, the goal is to strengthen the ability of all employees to recognize information attacks and prevent any possible cyber hazards as much as possible to protect the company and all investors. In addition, we also hold fire prevention seminars, ISO courses as well as money laundering prevention and other diversified courses.

Besides the onsite courses, we also offer the e-Training platform in order to provide a more diversified learning channel. The core curriculum on the platform is an important channel for on-the-job training and new employee training. After videotaping the course content, it can be provided through the platform for colleagues who did not take the class to learn, or be available to those who want to review the content. In order to promote the on-the-job training of colleagues, all units also planned mandatory courses where the employees have to finish before a certain deadline. The person in charge in the relevant units can also monitor the completion rate and completion time for evaluation and reference. The e-Training also provides courses on health and well-being, which are provided to retired colleagues for occasional viewing and tuning their bodies and minds.

The e-training platform is not just an educational and training platform for stakeholders or a business promotion platform for TDCC, internally also a platform to exhibit our digital capabilities as it improves operational efficiency while displaying learning efficiency and resource-saving.

The training hours for various types of training courses in 2020 are as follows:

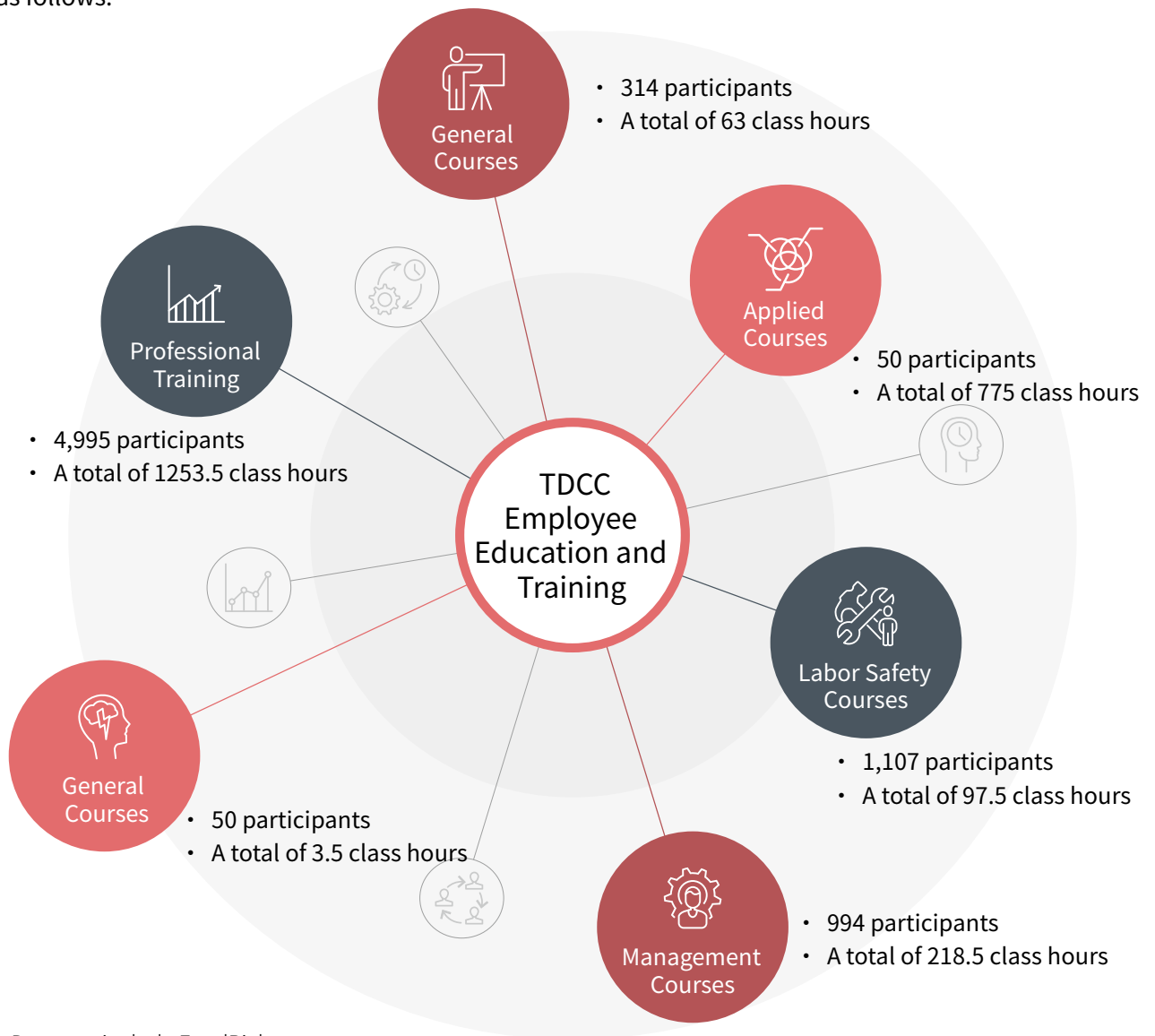
The List of Courses for TDCC's Employees in 2020

Employee Education Training	Number of Participants	Number of Courses	Total Hours of Participation
Onsite Courses	7,510	799	2,411
Online Courses	7,574	65	125
Total Class Hours	31,515.5		
Total Training Expenses	10,185,262		

Note 1: Only full-time employees are included, does not include FundRich.

Note 2: Includes occupational safety training.

In 2020, there were 521 regular employees in TDCC and the average training hours were 60.5 hours. We continue to improve our skills and knowledge related to daily business operations and development, and organize diverse courses to strengthen the employees' knowledge under topics such as laws and regulations, language and management. The number of hours and participants in relevant onsite courses are as follows:



Note: Does not include FundRich.

Note: Occupational safety training courses are counted independently of other courses; please refer to Section 5.4 Employee Health and Safety for details of the courses.

Team Building

In order to build "Organizational Agility", we continuously add "Experiential Education and Training Courses" in 2020 to develop digital talents. The course will be held once every six months, with a total of 60 employees in two rounds (the first round in 2019 had 30 employees). The course is divided up according to themes related to business innovation. Under the guidance of professional lecturers, a series of activities are carried out, allowing colleagues to share and reflect on team feedback which further strengthens the learning effect, and applying the learning experience into daily tasks.

FundRich

2020 FundRich Employee Education and Training

Course name/Training name	Training Sessions	Number of Participants	Average Hours per Person
Information Safety Awareness Training	2	50	3
AML/CFT Training	1	50	2
Financial Consumer Protection Law, Fair Treatment Principles, Consumer Dispute Handling and Financial Inclusion Service Training	1	50	3
Personal Data Protection Awareness Training	1	50	2
Training on Prevention, Complaints, and Disciplinary Measures Regarding Sexual Harassment in the Workplace	1	50	2
Examination System Training	1	50	2

5.3 Employee Remuneration and Benefits

Note: The content of this sub-section does not include FundRich.

TDCC has always provided an excellent remuneration system and employee benefits that are superior to regulations in order to retain colleagues. At the same time, it also increased the competitiveness of the organization and attracted external talents, creating unlimited future potential for TDCC. At TDCC, we see our employees as partners and family members, providing excellent salary conditions, extensive employee benefits, a friendly and excellent working environment, a sustainable and inclusive care system, etc., allowing our colleagues to enjoy every day at the Company. At the same time, we also hope to influence the society, spread our positive spirit, and improve workplace care and welfare for the overall enterprise.

Remuneration Policy

Talent is the foundation of the enterprise, and it is indeed the unbreakable truth. Therefore, TDCC has established a fair, reasonable, and competitive salary system, which is based on individual academic qualifications and is open and transparent in order to strengthen the competitive advantage of attracting high-quality talents. On the other hand, we also hope to set a good example and fulfill corporate care responsibilities. Employees from different levels are not treated differently due to their genders, and a female-to-male salary ratio of 1:1 is the realization of workplace gender equality.

The pension system, based on TDCC's personnel management regulations, contributes to voluntary, mandatory, and joint pensions in proportion to the employees' monthly salaries and is calculated based on years of service.

Temporary students and full-time drivers hired by us also receive higher compensation than the minimum wage in Taiwan. TDCC benefits are different for contract and regular employees. In addition to mandatory special leaves, labor insurance, health insurance and pension funds, the main benefits are:

1 Dispatch Drivers : Group insurance and bonuses for three major Chinese holidays.

2 Temporary Part-time Employees : Group insurance, Scholarships.

Workplace Equality

Besides fair compensation for both genders, we place even more emphasis on gender equality and mutual respect in the workplace. We have formulated the "Workplace Sexual Harassment Prevention, Complaints and Disciplinary Measures" and the sexual harassment complaint channels were established, such as a dedicated hotline, fax number, and a dedicated mailbox. The relevant information is published in noticeable locations in the workplace. In addition, a Committee on Workplace Sexual Harassment Cases is formed by representatives from both employers and employees to deal with these cases.

Employee Benefits

In addition to providing mandatory group insurance, special leave, and retirement and termination payment, TDCC places great importance on the quality of work and life for our employees. Therefore, our Welfare Committee provides different types of bonuses, medical insurance and incentive benefits:

TDCC Recreation and Family

- Marriage subsidy: NT\$12,000 per person -> No subsidized employees in 2020
- Maternity subsidy: For employees' childbirth this year, the Company allocated NT\$100,000 for each child, 10 payments in 2020
- Childbirth subsidy: NT\$6,000 for the first child, NT\$12,000 for the second child, NT\$24,000 for the third child, 11 payments in 2020
- Pre-school subsidy: NT\$5,000 per month for each child under 5 years old, 124 payments in 2020
- Childcare Subsidy: NT\$10,000 every six months for children under 12 years of age, 305 payments in 2020
- Child education subsidy: 545 payments in 2020
- Office buildings are equipped with nursing (lactation) rooms to encourage breastfeeding to promote the health of infants and young children
- Funeral subsidy: For parents, spouses and children, 23 payments in 2020
- Hospitalization medical assistance for employees and dependents: Up to NT\$100,000 -> 2 employees and 32 dependents in 2020
- Employees medical/hospitalization visits and presented gift fruit baskets, 17 payments in 2020
- Termination payment: Up to three months, 20 payments in 2020
- Year-end bonuses, Employee compensation, bonuses for three major Chinese holidays and Chinese New Year gifts
- Birthday bonuses, employee travel, medical examinations
- Special discounts: Including restaurants, hotels, stores, post childbirth centers, and other types of vendors

Unpaid Parental Leave

We also have set up a system for unpaid parental leave according to legal requirements. In 2020, a total of 3 employees applied for parental leave and their reinstatement status is as follows:

Items	Male	Female	Total
Number of employees that took parental leave in 2020	1	2	3
Expected number of reinstated employees in 2020	1	2	3
Actual number of reinstated employees in 2020	1	2	3
Actual number of reinstated employees in 2019	0	1	1
Number of employees who have worked for more than one year after reinstatement in 2019	0	1	1
Return to work rate	100%	100%	-
Retention rate	-	100%	-

Note 1: Actual number of reinstated employees includes early reinstatements.

Note2: Return rate is the actual number of reinstated employees/expected number of reinstated employees, while retention rate is the number of reinstated employees working for more than one year/actual number of reinstated employees.

Employee Welfare Committee

The TDCC Welfare Committee is responsible for employee benefits operation and supervision. It ensures that our colleagues can enjoy the Company's care and feedback, and strengthens unity within the Company. Besides their full dedication to work, our colleagues are able to enjoy life and care for their families in a peaceful and positive manner. The committee hosts one meeting per season to discuss employee vacations, club activities, mutual aid funds, and charity clubs. After the meeting, the plans are considered and approved, and the plans are implemented in a way that takes care of all employees as much as possible. The Company contributes a certain percentage of its monthly revenue to fund the committee in hope of providing a better working environment for our colleagues with a long-term stable footing.



Company-subsidized Vacations for Employees

The TDCC Welfare Committee subsidizes employees' domestic and overseas vacation costs and insurance to encourage our colleagues to enjoy traveling outside their busy days and enhance friendships as well as taking the opportunity to relax. In previous years, travel destinations included domestic counties and cities and outlying islands, while overseas destinations included Hong Kong, Macau, Japan, Korea, Thailand and other Asian countries, as well as European regions such as Portugal, Switzerland and Italy.

In 2020, employee travel was affected by the COVID-19 pandemic, and the travel format was adjusted to encourage our employees to travel to various scenic spots within Taiwan, so that they can thoroughly enjoy the beauty of their vacation, relax and express their mood. Vacation destinations and the number of participants are as follows:

	Number of Groups	Number of Employees	Number of Family Members	Number of Independent Travelers
Domestic	2	26	39	862
Overseas	1	16	11	0
Total	3	42	50	862



Hokkaido travel group

Note 1: "Family members" refers to members' spouses, parents, children, and spouses' parents.

2: The "Overseas" group traveled before the Taiwanese government implemented restrictions on traveling abroad in response to the COVID-19 pandemic.

3: "Number of solo travelers" refers to employees traveling within Taiwan after the Taiwanese government implemented restrictions on traveling abroad in response to the COVID-19 pandemic.

Working with Employees to Improve Society

The 2020 pandemic has caused a global shutdown of many industries, and social welfare groups are facing difficulties. To thank our members for their hard work and dedication to our business, as well as in response to the charity sales held by the Company, and in order to help those in need while also helping charitable organizations to give back to society, the TDCC Welfare Committee give each member coupons to purchase goods for the charity sales, and also encourage our members to actively participate in the charity activities. According to our statistics, NT\$248,450 was spent with Love Coupons and NT\$87,680 was spent in cash, totaling NT\$336,130.

In addition, local agriculture has also been impacted by the pandemic. The Welfare Commission bought fruit boxes from the Farmers' Association as New Year's gifts for employees, supporting local agriculture and providing fresh fruits to employees to strengthen their immunity.

Club Activities



TDCC organized the 13th securities and futures related institutions slow pitch softball tournament, and won the first place



The TDCC team participated in the 66th Taiwan Financial Cup table tennis tournament, and achieved good results in both the team competition and the doubles tournament

A total of 15 clubs have been reviewed, approved and established by the Welfare Committee. They are the charity club, badminton club, yoga club, dancing club, softball club, Tai Chi club, table tennis club, basketball club, DIY club, Buddhist club, cycling club, calligraphy club, photography club, Go club, and golf club. Each club has been actively participating in or hosting competitions in peripheral units and having stellar performances.

2020 Results



- First place in the 13th Securities Cup slow pitch softball tournament



- Third place in men's group C, fourth place in women's group B, third place in women's singles/ doubles in the 66th Taiwan Financial Cup table tennis tournament



- Second place in the 10th Basketball Friendly Tournament for securities and futures-related institutions



- Group distinction for the 52nd Taiwan Financial Cup badminton tournament, first place in men's group B



- First place in men's group B, third place in women's group C and men's 50+ doubles, and third place in the women's 45+ group in the 34th Securities Cup table tennis tournament



- Group second place in the 19th badminton friendly for securities and futures peripheral institutions

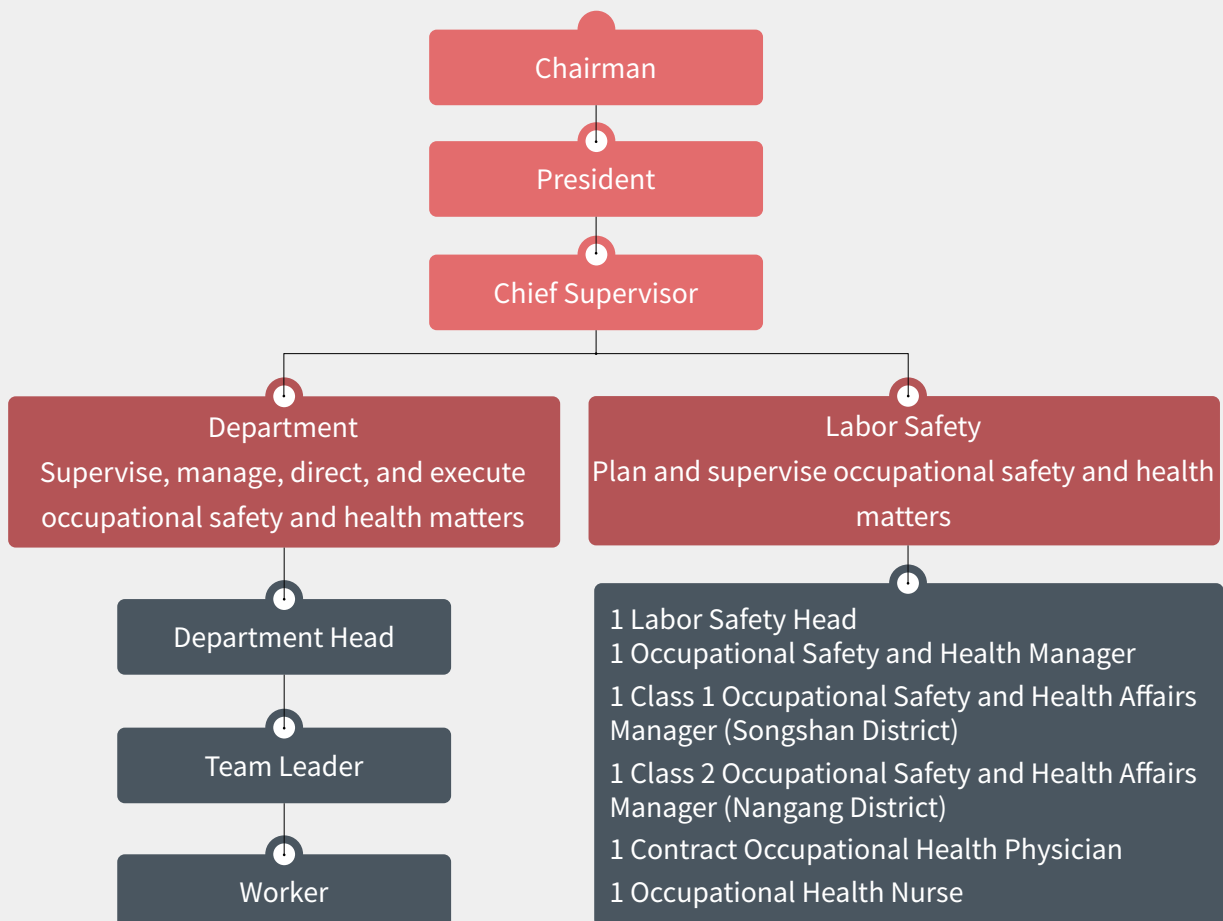
Besides the fruitful activities, we place strong emphasis on the operation frequency and activity content of every club. We even conduct club evaluations every March, where the Welfare Committee

and the Company management review club content, activity results, and plan implementation, etc. Employees also get to vote, with clubs finishing in the top four receiving gift vouchers and certificates. Club evaluation not only reviews the results of each club but also ensures participation from members and actual operations. It is a positive force for utilizing and developing employee leisure time and interests, and assistance is given when facing difficulties. Club activities not only provide a channel for employees to practice their interests and hobbies, but also allows the employees to enjoy their leisure time and enrich their everyday lives. TDCC's dedication to the development of clubs is rare in businesses.

5.4 Employee Health and Safety

In addition to complying with relevant laws and regulations on occupational safety and health, TDCC also promotes various workplace activities in order to ensure a friendly, safe, diverse and equal working environment. Relevant education training, promotion activities, and appropriate incentives are set up so that our colleagues can enjoy a more comprehensive and sustainable workplace environment free of physical and mental distress. There were no work-related injuries in either TDCC or FundRich in 2020.

TDCC Organization of Occupational Safety and Health Chart



Note: The content of this paragraph does not include FundRich.

Labor Health, Occupational Safety and Health Management

In compliance with regulations on safety and health management, in 2018, TDCC changed its "Rules and Regulations on Labor Safety and Health Management" to the "Regulations on Occupational Safety and Health Management." Additions and amendments were made to internal management procedures, guidelines, highlights, and regulations related to occupational safety and health executed by management, direction, and supervision at each level. In addition, TDCC also established occupational safety and health organizations. In 2020, we continued to focus on the prevention of occupational hazards and promoted the safety and health of our employees as our highest principle. No violations of relevant laws and regulations were observed in 2020. A code of conduct for occupational safety and health has also been established, along with several management plans added in recent years:

Management Plan	Description
Management Structure of the Occupational Safety and Health Committee	In accordance with Article 12-1 of the Occupational Safety and Health Management Regulations, the former "Rules and Regulations on Labor Safety and Health Management" have been renamed as the "Regulations on Occupational Safety and Health Management". Additions and amendments were made to internal management procedures, guidelines, highlights, and regulations related to occupational safety and health executed by management, direction, and supervision at each level. TDCC occupational safety and health organizations were also established to effectively prevent occupational hazards, and promote workers' safety and health.
Safety and Health Work Rules	In accordance with the revised Occupational Safety and Health Act, the former "Occupational Safety and Health Work Rules" was renamed "Safety and Health Work Rules", and the contents of the work rules were revised to express the determination of TDCC to implement occupational safety and health work rules, and to promote and implement occupational safety and health at work through the establishment of the system, so that TDCC employees can have standards to follow for safety and health at work.
Occupational Safety and Health Management Plan	With the P-D-C-A management method, "standardize, document, and systematize" each safety and health item and fulfill safety and health management goals through a cycle of planning, executing, checking and improving. Through continuous auditing, issues are discovered and immediate corrective measures, as well as preventive measures, can be implemented in a timely fashion. Occupational safety and health management are thereby improved, covering employees and preventing occupational hazards.
Automatic Safety and Health Inspection Plan	The Inspection Plan aims to find adverse safety and health factors in advance through regular and proactive inspection, to attempt to eliminate or control them to prevent hazards, and to protect employee safety and health.
Human Factors Hazard Prevention Plan	Preventive measures are adopted for employees engaged in repetitive operations, who might suffer from muscle and bone ailments due to excessive force exertion and high operation frequency.
Sudden Disease from Abnormal Work Load Prevention Plan	Preventive measures are adopted for employees who work in rotation, night shifts, and long hours, who might suffer from diseases related to abnormal workload and pattern.
Prevention Plan on Illegal Harm during Execution of Duties	Preventive measures are adopted for on-duty employees against unlawful physical and psychological abuse from actions of others.
Maternity Labor Health Protection Program	The Program aims to protect the physical and mental health of female employees after pregnancy, childbirth, and breastfeeding. The Company has adopted risk assessment, control, and level management to safeguard the health of mother and child.

In response to workplace emergencies, the following disaster prevention and first aid courses are held to establish the basic concept of the first-time disposal for all employees in order to assist others and themselves:

Course Type	Course Title	Number of Participants	Number of Courses	Total Hours
Occupational Safety Training	General Safety Training for New Recruits and Current Employees	190	3	9
	Health Seminar and Occupational Health Protection Measures	308	6	14
	Occupational Safety and Health Management Personnel Training	1	1	12
	Occupational Safety and Health Care Personnel Training	1	1	12
	On-the-job Training for Emergency Personnel	12	12	36
Disaster Prevention, Disaster Relief and First Aid Training	Fire Safety Courses	128	2	2.5
	AED&CPR Courses for All Employees	467	12	12

In order to create a healthy and safe working environment for its employees, TDCC has designed an environmental checklist, the "Occupational Safety and Health Facilities Daily Inspection Form", in accordance with the Occupational Safety and Health Act, and arranges for daily safety inspections of the working environment before work and quarterly health consultation services for employees by resident physicians. We also conduct annual physical and mental questionnaires on overwork, personal factors and maternity protection, and conduct a questionnaire on violence in the workplace every three years. The results of these physical and psychological surveys were evaluated by doctors, and there were no cases of occupational sickness or work hazards in TDCC. The results of the questionnaire on overwork showed that 14.2% of overworked employees belonged to the medium to the high-risk group, most of whom had cardiovascular diseases, diabetes, high blood cholesterol, etc. One-on-one health consultations were arranged with a physician, who, after assessment, recommended medical consultation, diet adjustments, medication control, and were encouraged to exercise. In addition, they were also encouraged to use our staff assistance program. A total of three people were evaluated for personal factors and were given advice on posture adjustment, muscle relaxation and physiotherapy by a physician.

National Disaster Preparedness Day: Regular Drills for Earthquake Evacuation

On September 21, 2020, at 9:21 a.m., TDCC participated in the Ministry of the Interior's "2020 National Disaster Prevention Day Earthquake Evacuation Drill" earthquake swift-response drill of this year. The drill, officially named "Drop, Cover, Hold on: Earthquake Disaster Drill", was conducted with 456 employees, excluding those who were on business trips and vacations. In accordance with the encouragement by the Ministry of the Interior, separated drills were conducted; 50% of the staff members of each department in TDCC were assigned to evacuate to the sidewalk in front of Zhongshan Junior High School in Taipei City, including 212 employees from the Hungya Building, and 35 employees from the Nangang district were assigned to evacuate to the sidewalk in front of Nangang Elementary School.



Earthquake evacuation drills for all employees

Health Promotion and Health Care

As a benchmark company today, we not only need to meet the regulatory requirements but also need to reduce employee workplace hazards or occupational diseases. We must move towards a sustainable enterprise and should pay more attention to modern-day civilization diseases and non-occupational diseases, such as health risks caused by a sedentary lifestyle, the unhealthy body caused by irregular diets, or the physical and mental problems caused by the environment. Therefore TDCC attaches great importance to health promotion and cares for the employees. In addition to obtaining the government's health workplace certification, we have 7 AEDs, 2 medical-grade blood pressure monitors and record cards, a health center, and a full-time nurse or the workplace in accordance with regulations.



In response to the promotion of the Healthy Workplace Certification promoted by the Health Promotion Administration of the Ministry of Health and Welfare, TDCC obtained the "Health Promotion Label" in 2016, which is valid for three years and has been extended in 2019. In accordance with the regulations, the Company must continue to conduct relevant activities during the three-year validity period of the label, so that the competent authorities can conduct supervision and verification, and conduct health promotion activities in accordance with Article 10 of the Regulations of the Labor Health Protection, Article 6 of the Occupational Safety and Health Act, and Article 8 of the Gender Equality Act.

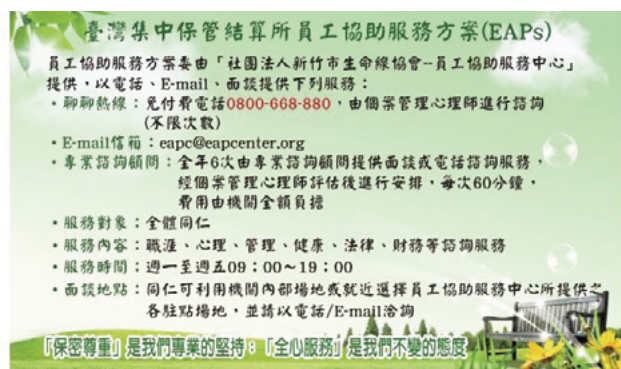
To our employees, the on-site nurses are the guardian angels of TDCC, and they work with the relevant departments to ensure the health and safety of our employees in accordance with the "Health Promotion Label". Considering that our company's work style is mostly sedentary and most of our employees lack exercise habits, in order to take care of employees' health, we provide annual employee health checkup programs that are stricter than the legal requirements, conduct physical and mental questionnaire surveys, environmental autonomous safety inspections, and health seminar satisfaction surveys in accordance with the four major programs of the Occupational Safety and Health Act. We then understand that the proportion of employee health checkups is still dominated by high blood pressure, high blood sugar and high blood fat. Therefore, the nurses at TDCC promote health awareness for our colleagues through monthly health seminars, non-scheduled information, bulletins, emails, and other measures with relevant departments. In order to further promote employees' health, we organize many activities and encourage participation and incentives from our colleagues, such as anti-smoking campaigns, seminars on musculoskeletal health and personal health management plans, etc. We have also introduced employee assistance programs and health promotion activities.

The series of 2020 health activities are listed as below:

Health Series	Month	Health Seminar Topic	Number
Occupational Safety and Health Law Series - Preventing Workplace Malpractice	September	Free Workplace Learning: Seminar on Respect and Affirmative Action and the Employee Assistance Program - Yi-Min Chen	84
Occupational Safety Law Series - Preventing Overwork	September	Positive Thinking for Stress Relief: Effective Resting for the Brain - Psychologist Yi-Xian Su	64
Occupational Safety and Health Law Series - Seminar on Personal Factors and Planning	October	Core Exercises for Office Health: OUT with Lower Neck and Shoulder Soreness - Physiotherapist Kai-Qin Lin	56
Occupational Safety and Health Law Series - Gender Equality Act	November	Free Workplace Learning: Protecting You and Me - Psychologist Jeng-Tzeng Lin	49
Occupational Safety and Health Law Series - Maternity Protection	December	Sapir Parent-Child Communication: The submerged Iceberg of Emotions - Psychologist Dong-Yong Yang	55

In September 2019, we established the Employee Assistance Program (EAP), where employees can call a toll-free hotline for counseling related to their career, mental state, physical health, family or any other needs.

During the first phase in 2020, the program received 120 visits, including initial interviews, service consultations, emotional support, follow-up care, resource referrals, management consultations, case discussions and administrative services. The service is targeted at general employees and supervisors, etc. In the second phase, the one-on-one interview service was used by 13 people for a total of 30 hours, mostly for issues related to family, parenting and emotions as well as for legal counseling. The satisfaction rate of our colleagues was 93.8%. If an employee's dependents are causing stress to his or her family, they can receive psychological counseling together with the employees after the nurse practitioner's or psychologist's evaluation.



Employee Assistance Program Card

In September 2019, we established the Employee Assistance Program (EAP), where employees can call a toll-free hotline for counseling related to their career, mental state, physical health, family or any other needs.

During the first phase in 2020, the program received 120 visits, including initial interviews, service consultations, emotional support, follow-up care, resource referrals, management consultations, case discussions and administrative services. The service is targeted at general employees and supervisors, etc. In the second phase, the one-on-one interview service was used by 13 people for a total of 30 hours, mostly for issues related to family, parenting and emotions as well as for legal counseling. The satisfaction rate of our colleagues was 93.8%. If an employee's dependents are causing stress to his or her family, they can receive psychological counseling together with the employees after the nurse practitioner's or psychologist's evaluation.

2020 TDCC Employee Promotion Activities

01

One-on-one Health Counseling with Dietitians

In order to enhance the dietary knowledge of the staff and to implement healthy behaviors, 3 sessions of one-on-one health counseling service by dietitians were held for a total of 20 people.

Health & Physical Exercise Courses

In conjunction with the Taipei City Government Department of Sports's 10-week physical fitness program, two classes were held from September to November, with professional physical trainers teaching aerobic exercise and muscular endurance training for approximately 60 people.

02

03

Set up Sports Equipment for All and Provide Sports Videos with QR Codes

In order to encourage employees to develop regular exercise habits, TDCC has purchased "exercise aids" and placed them in all office areas. In order to avoid sports injuries, we also provide QR code link to sports videos with human-shaped signs so that employees can better understand how to use the sports equipment. Employees can move the sports equipment to use in the meeting rooms of each unit without affecting their own duties.

Health Seminars Held by Professional Specialists

To implement the concept of self-management of personal health, and in line with the Occupational Safety and Health Act and the physical and mental health needs of TDCC employees, professional specialists were invited to teach employees about being healthy, and a total of 308 participants attended 5 sessions.

04

05

Onsite Doctors

We screened employees of high-risk groups and arranged quarterly health consultations with hospitalist to facilitate follow-up of health checkups for a total of 31 people in 2020.

Four Major Projects Survey

In accordance with the regulations, TDCC conducts annual physical and mental questionnaire surveys on overwork and personal factors, and the results of the overwork assessment survey show that 14.2% of the overwork results are people of the high-risk group. Most of them have cardiovascular disease, diabetes, high blood pressure and other similar diseases. In addition to the quarterly resident service by doctors, seven additional consultation sessions with doctors have been added, and the high-risk colleagues in the survey results are assigned to doctors for a one-on-one health consultation. After evaluation, the doctors recommend medical treatment, diet adjustment, medication control or exercise, and encourage employees to use the TDCC Employee Assistance Program. Through the questionnaires, the employees can respond to our health consultation services such as physical fitness courses, health checkup programs, and staff assistance programs. Based on the personal factors assessments, only three people were scheduled to meet with a physician for advice on posture adjustment, muscle relaxation and the possibility of consulting physical therapy.

06

07

CPR+AED Education and Training for All

In 2019, TDCC was certified as an AED facility. In accordance with the regulations, we continued to conduct related activities within the 3-year validity period of the label, and held 12 CPR+AED sessions for all employees in 2020.

Influenza Vaccines Services

In accordance with the influenza vaccination policy, 3 vaccinations sessions were set up, during which 133 people got vaccinated, both self-funded and publicly funded.

08

Response to COVID-19

In response to the COVID-19 pandemic, to ensure the company's continued operation and to protect the health of employees, TDCC has set up a contingency team to fight COVID-19 and to formulate management measures for sporadic community infections, widespread community transmission, and city lockdowns, etc. With special drills held from time to time, following the policies of the Central Epidemic Command Center, we adopt roll planning adjustments to continuously assess operational risks and formulate contingency measures while reporting to the competent authorities. The specific actions and performance are as follows:

Conferences on COVID-19 Held From Time to Time

From January 30, 2020 to the end of the year, President Han-Chiang Chu chaired 26 COVID-prevention meetings to conduct roll planning policy adjustments related to the continued operation of TDCC in accordance with the policies of the Central Epidemic Command Center, and to inform all employees to follow the resolutions of the meetings.

Pandemic Prevention Measures

Establishment of a response mechanism and an emergency contact network: A contingency team established by the general manager for the prevention of COVID-19 coordinates and executes pandemic prevention operations, keeping abreast of the latest information from the Central Epidemic Command Center. In addition, through an established Call tree as well as a business contact list on the social media app Line, TDCC promotes the importance of personal hygiene and self-protection regularly in accordance with official policies, and conducts surveys regarding traveling of both employees and their dependents. The supervisors of each team check the health status of their team before work every day, and help to promote that employees should strengthen their own health management. If they have symptoms related to COVID-19, they should immediately seek medical attention and notify their supervisors and the nursing staff.



Crowd control measures

Control visitor access and implement health survey operations, reduce staff interactions in the office area, and build a cloud-based video conference room.



Monitoring of employee health

Implement preventive measures such as body temperature measurement once in the morning and once in the afternoon, absence tracking and control, and weekly disinfection of office premises.



Border control

Suspend overseas educational training or visits, and advise staff not to arrange private trips abroad. If staff need to go abroad, they should proactively notify their unit supervisors, nursing staff and the competent authorities. In addition, they should receive advice regarding the relevant epidemic prevention measures, and have their health monitored by unit supervisors and nursing staff upon return.



Notification and tracking mechanism

Survey all colleagues and their family members or roommates each week. If there are "those who need home quarantine after returning home" or "those who need home isolation due to confirmed cases of exposure", they should immediately notify the unit supervisor and the nurse practitioner, and the nurse practitioner will track their health status.



Preparation of resources to fight the pandemic

Order supplies, such as masks, thermometers for forehead/ear, alcohol, dry hand sanitizer, medical-grade gloves, alcohol wipes, etc., during the early phase of the pandemic and keep them sufficiently in stock at all times.

The background of the page is decorated with a network of thin purple lines connecting various points. Some points are solid purple circles, while others are small purple triangles. The overall effect is a complex, abstract geometric pattern that frames the central text.

06

Social Engagement

- 6.1 Cultivate Future Talents in the Financial Sector
- 6.2 Promote Rural Education and Sports Activities
- 6.3 Enhance Social Charity
- 6.4 Love from All Members: Charity Club

Social Engagement

- ✓ The total amount of public welfare donations reached **NT\$60.34 million** in 2020
- ✓ A total of **151,749** people visited the Taiwan Stock Museum
- ✓ A total of **154 thousand** people visited the Taiwan Securities and Futures Virtual Museum
- ✓ Blood donation activities have been held for the past **11** years, with an accumulated donation of over **110 thousand** blood bags to the Taipei Blood Donation Center, which amounts to a total of **2,100** donations that worth **NT\$9.2 million**, and the amount of donated blood reached **542,250** cc.
- ✓ During the Train to Happiness activities, **NT\$550** thousand was donated to the New Taipei City Family Support Center
- ✓ The charity fundraiser raised nearly **\$640 thousand**, all of which was donated to **six** charitable organizations

TDCC continues to uphold the principle of "Whatever taken from the society, give them back to the society", pay attention to the practice of corporate social responsibility, actively give back to the society, and accomplish our social mission and value. Through cultivating future talents in the financial sector, promoting education in rural areas and providing underprivileged groups with love and care, and committing sponsorship of arts and cultural activities, TDCC responds to the needs of the society proactively, hoping to take the lead in bringing kindness into the financial sector and the society.

The Social Participation of TDCC

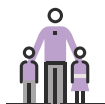
Financial Talents
Cultivation



Providing
Underprivileged
Groups with Love
and Care



Promotion of Rural
Area Education



Sponsorship
of Arts and
Culture Activities



TDCC Charity Event
Announcement

6.1 Cultivate Talents in the Financial Sector

TDCC is committed to investing in cultivating comprehensive financial talents in response to the international trend and market changes of digital finance. We aim to achieve universalization of financial education, enrich the knowledge of financial management, and narrow the gap between the rich and poor through wealth management education for sound development of the market in the future.

Financial Literacy for Youth (FLY) Courses

Investment and financial management are the key factors for improving economic conditions and effectively increasing savings, therefore students need to start learning about financial management concepts and accumulating investment experience while they are still in school. However, some young people who are not financially well-off need to work during their school years to assist their families. Therefore, TDCC invited peripheral units of the financial, securities and futures sector to jointly arrange the "Financial Literacy for Youth (FLY) Courses" in 2015. The program supports students from families in straitened circumstances, provides them with a series of financial professional course training and assists them in securing professional certificates to enhance their employment competitiveness. Upon accomplishing the relevant training, the program helps the students with job matching allowing them to quickly integrate with the industry.

On September 19, 2020, the "Sixth Financial Literacy for Youth (FLY) Courses" was held simultaneously at 9 universities in Taiwan, and 630 fresh graduates from 41 universities across the country enrolled in the program. Course content ranges from professional knowledge to practical operation, including securities, futures, trust, investment advisory, banking and courses on financial practice, which accumulates to a total of 170 hours. In addition, students were provided with lunch, book handouts, living allowance and registration fee for certificate examination, enabling them to concentrate on participating in the course.

In the past six sessions of the "Financial Literacy for Youth (FLY) Courses", feedback from graduated students also mentioned that the financial knowledge acquired from the course is very helpful for them to connect to the workplace. We hope that through this course, the financial industry can effectively invest in social welfare, overturning social classes with knowledge, and help aspiring students to obtain their ideal careers.

Admission Rate of All Students after Graduation from the "Financial Literacy for Youth (FLY) Courses

	2017-2018 (academic year 2017) 3rd session	2018-2019 (academic year 2018) 4th session	2019-2020 (academic year 2019) 5th session
Number of admissions	129	149	193
Rate of admission	64.82%	84.18%	67.48%



The 6th Financial Literacy for Youth (FLY) Courses Opening Ceremony

Note: Rate of admission = Number of admission/Number of job matching participants.

Affirmation and Glory

「In 2020, the "Financial Literacy for Youth (FLY) Courses" attended the 10th Asia Responsible Entrepreneurship Award (AREA), organized by Enterprise Asia, for the first time, and won the "Social Welfare Development Award", demonstrating TDCC's long-term commitment to social welfare activities, promotion of financial knowledge education and environmental protection, and implementation of corporate social responsibility.



Awarded Enterprise Asia "2020 Asia Responsible Enterprise Award" and "Social Welfare Development Award"



Taiwan Stock Museum

Purpose of Establishment

"Taiwan Stock Museum" is the first stock museum in Taiwan, established in the warehouse where the stocks were originally kept and was officially opened on December 24, 2012. The museum is free for the public to visit. In the exhibition hall, besides introducing the evolution of stocks, the long-term development history of the Taiwan stock market, the overall economic context is also presented through literature and collections. A multimedia interactive area is set up so that the public can understand each of the milestones of Taiwan stocks.

There are five exhibition sections in Taiwan Stock Museum, including Introduction, Inception, Continuation, Transformation and Incorporation, introducing the history and precious collections such as the origin of stocks, how to buy and sell stocks, the first stock in the world, the rise and fall of Taiwan's

stock trading, the workflow of inventory management at TDCC, and how the stocks became electronic.

In order to expand the promotion of financial knowledge, the Company strengthens the promotion of digital financial education and devotes itself to the promotion of e-Museum, and enriches the content of the official website of the Taiwan Stock Museum, such as adding tabs for "Online Museum", "Online Financial Education" and "Online Interaction". The official website of the Taiwan Stock Museum is linked to external websites, such as the Securities Dealers Association, the Securities Foundation, the Taiwan Academy of Banking and Finance, FINLEY, and the Chinese Association of Museums. The Museum operates a Facebook page, and posts daily to promote the Museum's message, financial knowledge education, and raffle activities to keep the Facebook fan page active and expand the digital audience. By the end of 2020, there were 596 exhibitions visited by 7,450 people, with a total of 11,641 exhibitions and 151,749 visitors.

Category of visitors to the Taiwan Stock Museum in 2020

Category	Percentage
Teachers and students from schools	78%
Securities-related business personnel	3%
Corporate and common public	4%
Other	15%



Renewed the display walls of Taiwan Cement and 3 other companies in the Continuation hall as well as both tangible and intangible stock milestones on the Incorporation display wall. The themed exhibit area was renewed to "Financial Inclusion - Understanding Funds".

Industry-Academia Internship Program - Stock Museum Guides

In response to the pandemic, in 2020 the Stock Museum began recruiting tour guides in May. 23 students from 12 schools participated in the selection process, and the accepted students started out in late May. The course will be taught by our senior staff. The course includes an introduction to the museum, descriptions of exhibits and equipment operation, expected characteristics and attitudes of tour guides, explanations of the exhibits in the collection, an introduction to the process of visiting and guiding and separate education training. In August, we invited Vice President Chuan-Hsin Li of the Chinese Youth Goodwill Association to give a lecture on beauty attitude and etiquette and instructed each guide on reception protocols and international etiquette.

The Thoughts of the Guided Students in 2020

● I-Chen Hung, National Taipei University

from July 2019 to February 2021, it has been a year and a half since I became a tour guide at the Stock Museum, and I have gone from being a junior student to being a senior, from being nervous to enjoying myself. As a tour guide, the same words will be interpreted differently by different audiences.

I always like to observe the reactions of my audiences and find that there is a chemistry between me and them: I am happy to share my knowledge and get a sense of accomplishment from speaking to visitors in my own unique way. I revel in the two-way communication as the audience absorbs new knowledge or is excited and satisfied to see old history.

Every little thing in the museum is a valuable lesson for me. I have gained a sense of accomplishment and energy from the audience, a sense of belonging from my colleagues, valuable knowledge from our supervisor, and a better understanding of myself due to my own continuous improvement.

● Jen-Luen Hung, National Taipei University

Somehow, it has already been 8 months since I started being a tour guide. During this time, I have gone from only knowing about stocks from the news to now even knowing the history and evolution of stocks. In addition to increasing my knowledge of stocks, I also learned more from meeting other excellent tour guides and students. With their guidance, I was able to understand how to express myself verbally and physically so that people and students visiting the museum could better understand finance, and take that knowledge home with them.

In addition, by training with fellow tour guides, we can encourage each other's progress in memorizing speeches, give each other advice and cheer each other on. After spending time in small and large groups, I learned the importance of teamwork and initiative, and we fostered a good understanding and bonding among the tour guides.

Finally, my experience as a tour guide helped me to be less timid in speaking to people, so I did well in the interview for graduate school, and was subsequently accepted for admission. I am very grateful for the opportunities to receive training and give tours provided by the Stock Museum, and I have gained a lot of benefits and made a good group of friends.

● I-Chun Chao, Soochow University

As a newcomer, being a tour guide at the Stock Museum has added a lot of excitement to my senior year.

Even though I am in the business department, my knowledge of stocks and funds was still not sufficient. During my time as a tour guide, my seniors not only guided the newcomers patiently, but our supervisor also shared financial knowledge with us, and I learned a lot. It may not be long since I came to the museum, but I have learned a lot from everyone around me. For instance, I have watched colleagues give excellent tours in English, and saw visiting elementary school students with their own insights on stocks. Sometimes I felt inferior to them, but oftentimes they inspired me to continue to improve. Thank you to everyone I have met at the Stock Museum over the past six months.

Seed Teacher Training

More than 80% of the visitors to the Taiwan Stock Museum are students, which is in line with the purpose of "promoting the popularization of financial knowledge education" when the museum was built. To expand this benefit, we held the "Accreditation Education Course for Teachers from Senior/Junior High School And Kindergarten" during every summer vacation since 2014. By introducing the "Development and Prospect of Taiwan Stock Market" concept and visiting Taiwan Stock Museum, the participating teachers can get a preliminary understanding of the stock market operation and the Taiwan Stock Museum. This group of seed teachers will transfer the financial knowledge to their respective teaching fields, so that students below the high school level will be exposed to information in related fields. By 2020 there have been 8 batches consisting of a total of 345 teachers participating in the program.

Online Experience of Taiwan Securities and Futures Virtual Museum

In order to comply with the trend of financial technology, the official website of the Taiwan Securities and Futures Virtual Museum has been set up, using AR technology to embed brief descriptions of animated characters, AR photo-taking activities, and 360-degree surroundings photography, allowing users to browse the Taiwan Stock Museum online at any time regardless of the environment and time restrictions. It also added information such as "Tips on Funding your Funds, TDCC Stockvote, TDCC ePASSBOOK", and through AR interactive games and animated videos, it increases the interactivity and immediacy of the website, combining the physical collection and the digital presentation to create a brand-new technology experience.



The 360-degree online stock museum uses Augmented Reality (AR) technology to allow people to visit digital museums at any time.

Digitalization of Financial Education

The official website of the "Taiwan Securities and Futures Virtual Museum" continues to provide digital publications that can be downloaded and read through mobile devices for the convenience of the investing public at any time.

International Exchange

The Stock Museum is a member of the International Council of Museums (ICOM), and participates in ICOM's International Committee for Museum Management, International Committee for Money and Banking Museums, and International Committee for Marketing and Public Relations. In order to enhance the exchange opportunities and depth with international museum experts, and to continue to learn about the operation of various museums and expand international perspectives, the Taiwan Stock Museum sent its staff to participate in the "Art Tour: The Storytelling Method of British Blue Badge Tour" event held by the Chinese Association of Museums on March 11, 2020 at the Land Bank Exhibition Hall of the National Taiwan Museum, to learn the rules and share in the experience of blue badge guides.



Group photo of "Art Tour: The Storytelling Method of British Blue Badge Tour"



Industry-Academia Internship Program

Young students are important targets for promoting financial talents. In order to enrich students' knowledge and industry experience, TDCC responded to the policies rolled out by the competent authority and invited the Taiwan Stock Exchange, Taipei Exchange, and Taiwan Futures Exchange to cooperate with the Ministry of Education to establish the Industry-Academia Internship Program under the guidance of the competent authority. The program encourages listed and emerging stock companies, financial institutions, and professional institutions to provide students with internship and job opportunities upon their graduation, promote industry-academia integration, and assisting schools in cultivating talents. The significant increase in the number of interns in 2020 and the increase in successful hires demonstrate the

tangible benefits of the program for students.

Year/Session	2018 3rd Session	2019 4th Session	2020 5th Session
Internship opportunities	402	289	987
Successful job matched	343	201	801
Success rate	85.32%	70%	81%

● Financial Services Public Fund for Education

In order to encourage financial sectors to fulfill their social responsibilities, the competent authority has entrusted the Taiwan Financial Services Roundtable (TFSR) to arrange the establishment of the "Financial Services Public Fund for Education" and invited financial sector associations, peripheral units of the financial sector and financial institutions to donate and participate. Students studying in various public and private colleges and universities can apply, helping young students from disadvantaged families to successfully complete their studies and provide financial education courses to implement the effect of industry-academia cooperation.

The Financial Services Public Fund for Education generally requires at least NT\$120 million per year, among which NT\$100 million will be used as educational scholarships and NT\$20 million for financial education courses. As the competent authority encourages the financial sector to perform its social responsibilities, TDCC has contributed NT\$10 million to the fund every year since 2015.

● Ministry of Education - School Education Savings Common Welfare Donation

Taiwan Stock Exchange Corporation (TWSE) combined with 8 securities financial peripheral units including TDCC to plan and promote the campus charity donation project "Finance Care for the Disadvantaged Students". Through the Education Savings Account set up by the Ministry of Education, we support the basic needs of high school, junior high school, elementary school and other economically disadvantaged students on meals, after-school tutoring, transportation, accommodation, tuition, etc. A total of 3,912 schools have been registered with savings accounts of the Ministry of Education and over 2,000 schools have applied over the past 10 years.

Every year, TDCC donates NT\$3 million to respond to the combined efforts of the academic and industry funds, non-governmental organizations, the common public, and the local government to jointly provide the needs of the economically disadvantaged students so that they can complete their education and realize the social care for the weak groups.

6.2 Promote Rural Education and Sports Activities

The urban-rural gap is one of the main factors behind the economic and social issues of a country. Among them, the lack of educational resources in the rural areas is the main reason that cannot be ignored as it indirectly affects the student's family, career development and creates long-term economic and social problems. TDCC sponsored the educational development of rural schools for a long time, and besides using the resources from the industry to promote the "Financial Quotient Education Promotion Program", we also established the "After-School Care Program" and the "Talent Development Program" to comprehensively improve the learning environment in the rural areas and encourage personal development. In addition, the "Cultural and Creative Talents Program" and "Sports Talent Cultivation Program" will give children with special expertise and sports talents the opportunity to develop their potential and skills, cultivate their skills, enhance the children's self-confidence, and increase the future possibilities in their years to come.

In 2020, due to the pandemic, we have not been able to hold the TDCC Archery Tournament, and we have not been able to visit the sponsored schools throughout the country as we did in previous years. However, this only makes us more eager to help out next year.

The annual total amount invested is NT\$ 9.72 million.

✓ Caring Activities for Rural Education:

- 1 Caring activities: at New Taipei City Pingxi Elementary School and He Ping Elementary School
- 2 Talent Development Program: Xikou Elementary School, Bei Chang Elementary School and Tai Chang Elementary School in Hualien County and Chung Hua Elementary School in Hualien City
- 3 Cultural and Creative Talents Program: New Taipei City Shiding Elementary School
- 4 Vocal Arts: Pingtung City Shin Yi Elementary School

✓ Caring Activities for Sports Activities:

- 1 Archery: Hualien County Ji An Elementary School and Jian Ching Elementary School, Taoyuan City Jen Ho Junior High School, Kaohsiung City Fongsi Junior High School, Taichung City Szu-Chen Junior High School, Hsinchu City Fuli Junior High School, Hsiang Shan Elementary School
- 2 Badminton: Hualien County Yichang Junior High School, Taitung County Green Island Elementary School, Da-Wang Elementary School, Yilan County Yuen Shan Junior High School and Dahu Elementary School
- 3 Soccer: at the Junior High Division of Pingtung DongGang Senior High School
- 4 Roller skating: Dawan Elementary School in Tainan
- 5 Taekwondo: Taichung He Ping Junior High School

Financial Quotient Education Promotion Program

In order to spread the concept of financial education throughout Taiwan and further promote public welfare to help the disadvantaged, in 2020 TDCC continued to sponsor NT\$2.5 million to the Financial Quotient Education Promotion Program. This project includes the promotion of financial wisdom for college youth and elementary school students, as well as a comprehensive promotion of financial wisdom for Taiwanese people, covering assistance to students and citizens throughout Taiwan to establish basic financial skills and financial knowledge education and promotion, and to implement TDCC's concept of promoting financial knowledge for charity.



Little Bean's Financial Adventure



NUTC Financial Intelligence Promotion

After-School Care Program

Ping Elementary School in New Taipei City, where the schools use after-school time to help disadvantaged children complete their daily homework. In addition, the school provides sports activities, arts and culture courses (handicraft book making, recorder playing, etc.), self-care training, character and life education, etc., so that each child can complete their homework on time. We offer a variety of club activities to develop children's diverse interests and cultivate children's character through the character and life education courses.



After School Care Program at He Ping Elementary School

Talent Development Program

Quality education is an important key for children in rural areas to turn around their family economic conditions. TDCC is committed to collaborating with the schools to provide children with academic, talent, equipment and life support, and by strengthening the input of teachers and manpower, improving teaching quality and hardware resources, it will allow the children from rural areas to break out of the restricted environment and enjoy the same opportunities as children everywhere and learn together.

Cultural and Creative Talents Program

The Cultural and Creative Talents Program is an after-school support program for disadvantaged students which has been active at Shiding Elementary School in New Taipei City since 2011. In 2020, we continued to donate to Shiding Elementary School to improve the basic learning ability and learning effectiveness of students in the school district by participating in activities to increase parent-teacher communication opportunities and effectively enhance and improve parents' positive attitudes and methods of raising their children. The ultimate goal is to let children grow up in a safe, loving and caring environment and to promote their sound development.

Sports Talent Cultivation Program

TDCC has created a sports-friendly workplace internally, and externally it has developed a passion for sports, supported the development of sports in rural schools, and nurtured domestic sports talents. The program covers 2 major aspects:

● Connect Schools to Equalize Urban and Rural Areas

Since 2014, the "Sports Highlights Project" has been sponsoring sports training and learning programs in archery, badminton and soccer in rural schools. By supporting the development of sports in these schools, students from disadvantaged families can have better equipment and more opportunities to participate in sports competitions, as well as funding to compete overseas.

● Promote Sports and Let the World See Taiwan

For a long time, we have been training young athletes from rural schools and sponsoring funds for overseas competitions, so that the athletes can work together to bring glory to Taiwan without having financial worries. At the same time, we support subsidized schools and organizations to organize various sports activities or competitions in order to promote the culture of sports for all, encourage regular exercise and physical fitness for all, and cultivate the culture of public participation in sports activities. In addition, we sponsor a variety of sports activities to make sports available for all while making the life of the nation healthier and more exciting, and call for more people to support sports in Taiwan with the power of enterprises.

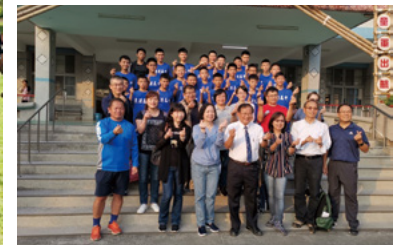
★ Soccer Dream Project for Rural Youth

Since 2014, TDCC, Taiwan Stock Exchange, Taiwan Futures Exchange, and Pou Chen Corporation have donated to four junior high school soccer teams in Pingtung County: Donggang High School, Laiyi High School, Majia High School and Changzhi Junior High School. We hope that through the donation of resources, children in remote areas will have the opportunity to receive training, develop self-confidence and discipline through soccer, learn to cooperate with partners, and strive for higher glory for their teams and themselves.

The 6th Taiwan Youth Soccer Tournament was held at Changzhi Junior High School in Pingtung County from November 19 to 21, 2020. Whether on the field with their teammates or off the field with other schools, the children developed confidence and discipline through playing soccer, learned to cooperate with each other, and earned higher glory for their team and themselves.



A photo was taken with the employees of TDCC and the soccer team from Donggang Senior and Junior High school during The "Sixth Youth Soccer Tournament"



Senior Executive Vice President Gloria Ching led a team to visit Donggang Senior High School

★ Donation to the Taekwondo School Team

In order to provide a better learning environment for the children, we sponsor taekwondo electronic protective gear and other related equipment and funds to apply for competitions in hopes of completing the school team's training equipment so that the children can have a safe and stable practice environment and increase opportunities for competition and interaction with others.

Ministry of Education Sports Promotion Award

We are committed to fulfilling our corporate social responsibility by promoting sports on a long-term basis. We were awarded the Bronze Award in the Sponsorship category of the Sports Promotion Award, adding new motivation to improve our efforts in actively working towards the development of sports in Taiwan.



TDCC was awarded the 12th Sports Promotion Award by the Ministry of Education in 2020; represented by Senior Executive Vice President Gloria Ching

6.3 Enhance Social Charity

Besides paying great attention to the progress and growth of the industry, TDCC also devoted itself to social welfare continuously, and we attached great importance to helping and giving back to the community. In recent years, in addition to elderly care, food banks and charity sales, we have extended our concern to the field of art and literature, supported local traditional art with practical actions, and encouraged contemporary art creation.

Care for the Elderly

Since 2015, TDCC has been continuously sponsoring the Eden Social Welfare Foundation. In 2020, we continue to support the "Yilan Toucheng Day Care Service Project" with NT\$500 thousand, which includes "day care", "recreational and leisure activities", "nutritional meal service", "relief for family caregivers" and "social welfare consultation", etc., so that the disadvantaged elderly can enjoy "local aging" and a quality of life with proper care.

Food Bank for Charity Plan

According to the statistics of the Ministry of Health and Welfare of the Executive Yuan, among the 23 million people in the country, there are about 630 thousand low-income households and many disadvantaged families waiting to receive assistance. Therefore, we continue to collaborate with financial institutions to participate in the "Food Bank for Charity Plan"; in 2020, we donated NT\$3 million to assist these disadvantaged groups to receive better resources and pass on the love. In the future, TDCC will combine more resources and fulfill corporate social responsibility, implement social care with practical actions, pass on the warmth to more vulnerable families, and spread TDCC's value of common prosperity.



Kick Off for the 2020 "Food Bank for Charity Plan" Joint Donation Campaign

"Happy Train" Charitable Donation

Since 2011, we have been organizing "Happy Train" parent-child care activities with numerous family support centers every year. In 2020, we sent our love to New Taipei City, donating NT\$550 thousand to the New Taipei City Family Support Center to hold the "2020 New Taipei City Family Support Year-end Celebration Party: Love and Happiness at Home" event, and provided quilts and other supplies needed to help people have a warm and happy New Year.

Happy Train - 2020 "Love You Dearly Christmas x Santa Claus Where Are You"

On the eve of Christmas 2020, Gloria Ching, Senior Executive Vice President and 30 TDCC volunteers dressed as Santa Claus and invited 30 elementary school children from the New Taipei City Family Support Center to find their personal Santa, make a gingerbread house to symbolize joy, and receive their own Christmas gifts.



Happy Train - 1212 New Taipei City Family Support Center Event

Book Donation - Enriching Knowledge and Reading Style

According to statistics from the pLibSTAT System, the national average annual book purchase cost (final) per person in 2019 was only NT\$26.29, and the number of books borrowed from the library was 3.49 per person per year. In addition, a survey on the international outlook of local high school and college students showed that the majority considered their own and the nation's international outlook to be barely passable.

In order to fulfill our responsibility as a corporation to give back to society, encourage reading and cultivate an international perspective, we will participate in the "Charity Book Donation" of CNA Magazine starting from 2019, sponsoring 200 copies of CNA Magazine to schools and rural libraries in Yilan, Hualien, Taitung, Yunlin and Chiayi every month, benefiting about 4,000 people.

Sponsorship of Arts and Culture Activities

The 2nd TDCC Contemporary Arts Award

After half a century of industrialization and technological development, Taiwan's society has gradually matured and deepened, building a high level of sophistication with both depth and breadth, and nurtured Taiwan's strong soft power with a diverse and tolerant attitude. "TDCC Contemporary Arts Award" is a nationwide exhibition to showcase Taiwan's vitality and soft power. Through our call for artworks, we encourage young students to create artworks and develop beauty for all our lives, and continue to pay attention to the development of art and cultural creation in Taiwan, encouraging the new generation of artists nationwide to stimulate their creativity with diverse techniques and express their care for society through art creation.

The theme of the second edition of the Contemporary Art Exhibition is "Present and Infinity". It symbolizes the richness of artistic expression and discovery in the age of freedom and the infinite expansion of imagination in art creation. A total of 198 artworks were submitted by 185 participants. On October 29th, the Taipei Artist Village held the award ceremony for the "2020 2nd TDCC Contemporary Arts Award". Through the promotion of art exhibitions, we hope to nurture young artists in Taiwan, discover new artists with potential, develop art and culture to the public, and expand the people's understanding of art.



The 2nd TDCC Contemporary Arts Award Presentation Ceremony (2020)

2020 Dance Dandelion Project

In response to the need for arts-based education in special, extremely remote elementary schools, to express the support of TDCC for concrete actions to assist Taiwan's remote schools and promote arts and culture to students, and to assist the government in continuing and promoting arts activities in remote areas, we contacted the Cloud Gate Foundation to learn about its "Dance Dandelion" project based on the theme "Go where it's not easy to go and plant seeds!". Starting with the counties and cities with the largest number of special remote and extremely remote schools, the "Dance Dandelion" project target Hualien's remote schools in the first half of 2020.



2020 Hualien Cloud Gate Dance Dandelion Project: Chairman Lin gave an engaging explanation and had fun with the children

Special Performance to Promote Art Education

In the second half of 2020, the Cloud Gate Foundation held three special performances for middle and high school students in remote areas, inviting students who cannot normally view arts to come to the theater and experience the theater and dance in person for the first time.

Our long-standing corporate philosophy of promoting education in rural areas, caring for the underprivileged, and sponsoring arts and cultural activities is the same as the Cloud Gate Foundation's emphasis on promoting education. Therefore, we have been working with the Cloud Gate Foundation to promote art and culture education in rural schools in 2020.

Vocal Arts

1 A-Gou Kids A Cappella Vocal Band Sponsorship Project

The magic of music is not just its sound; it is a force that changes one's inner self. The A-Gou Kids A Cappella Vocal Band of Hsinyi Elementary School in Pingtung City has given the children in the rural areas a chance to find their own energy and unprecedented freedom and liberty. In order to help out children in remote areas, in 2020, we sponsored the filming of a documentary film on the "A-Gou Kids A Cappella Vocal Band Sponsorship Project" at Hsinyi Elementary School to provide recreational activities for students and to promote the art of a capella singing, and to increase public participation in artistic and cultural activities.



Senior Executive Vice President Gloria Chung led a team to Visit Hsinyi Elementary School

2 Vox Nativ School - Indigenous People Education Service Program

Vox Nativ was established to give indigenous children more opportunities to preserve and promote indigenous arts through singing. The school, established by the association in Xinyi Township, Nantou County, enrolls indigenous students from various tribes in September each year, and uses music to teach moral education to pass on the culture of their community. In addition, the association helps the children build confidence and good attitudes, building their academic strengths until they graduate university, with the expectation that they will have the ability and power to make their own choices in their future lives.

We donated to the Vox Nativ School - Indigenous People Education Service Program in 2020 (2020 academic year), hoping to contribute to allowing more indigenous students to join the Vox Nativ and receive a complete education.

Art Localization

TDCC supports cultural charity events and works with the General Association of Chinese Culture to revitalize Taiwan's culture and deepen local and international understanding and knowledge of Taiwan's new cultural energy.

1 2020 South Taipei Fun Carnival

We donated funds for the "2020 South Taipei Fun Carnival" event, which integrates the southern parts of Taipei City through art and culture, linking them into a cultural community and promoting urban tourism development.

2 The Soul of the Craftsmen

We sponsored the production of the "The Soul of the Craftsmen" film series, which connects various traditional skills and innovative fields of work, leaving a record of the cultural heritage of Taiwan and forming the foundation of the spirit of Taiwan.

6.4 Love from All Members: Charity Club

The TDCC colleagues know that there are groups out there in our society waiting for care. In 2011, we launched the Charity Club to encourage our colleagues to participate in philanthropic activities. In the club, we practice the concept of "giving is more blessed than receiving," and bring into play the spirit of "Service begets happiness." We devote ourselves to social welfare services, care for social issues and vulnerable groups, and integrate employees' care for society, the disadvantaged groups, donations, and relevant resources. TDCC strategically selects disadvantaged groups to sponsor to enable the groups to utilize the funds more systematically and efficiently; on the other hand, we also pay close attention to the society's needs to contribute on a more flexible basis. In the end, all the employees will increase their focus on social issues, inspire each other to give back to society, and achieve self-actualization.

Christmas Charity Day

Faced with the impact of the pandemic, many charity organizations are facing financial and operational difficulties in their operations and fundraising, which indirectly affects the stability of Taiwan's social safety net. This year, we are still trying our best to help out charity organizations; we held a charity event in our office building, calling on our colleagues and inviting all of our partners to participate. A total of 60 volunteers participated in this event for a total of 720 hours.

For the 11th year, TDCC has held a blood donation campaign with over 200 bags of blood donated in a single day. So far, more than 2,100 people have participated in the blood donation campaign, and the cumulative amount of blood donated has reached 542,250cc, with the cumulative amount of blood bags donated reaching NT\$9.2 million. Every year, the Blood Donation Center presents a Special Contribution Unit award to TDCC.

On the same day, we invited organizations such as the Down Syndrome Foundation, the Kanner Foundation of Taiwan, the Syin-Lu Social Welfare Foundation, the Garden of Hope Foundation, the Taipei Autism Children Social Welfare Foundation, the Victory Social Welfare Foundation, the Eden Social Welfare Foundation and the Yu-Cheng Social Welfare Foundation to set up booths and donate all proceeds to social welfare organizations.

In addition to the charity sale, the charity fundraiser raised nearly \$640 thousand, all of which was donated to the Autism Kanner Parents Association of Changhua County, the Autism Society of Taiwan, the Andrew Charity Association, the Genesis Social Welfare Foundation, the Eden Social Welfare Foundation, and the Huashan Social Welfare Foundation.

Donating Second-hand Shoes

In 2020, the TDCC Charity Club participated in the "Donating Second-hand Shoes Step 30" of the International Christian Care Association, collecting 10 boxes of used shoes, clothes and bags from our colleagues, and after cleaning and organizing them, sending them with our blessings to remote areas of Africa to help the people living in poverty and to sow seeds of love for children in Africa.



President Han-Chiang Chu of TDCC donated 10 thousand blood bags on behalf of the company



In 2020, the TDCC Charity Club participated in the Donating Second-hand Shoes campaign, donating used shoes to help children in remote areas of Africa.



Appendix

Association Members and Roles
Appendix 1. GRI Standards Index
Appendix 2. Independent
Assurance Statement

Association Members and Roles

Domestic Associations	
Name of External Organization	Role
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Member
The Institute of Internal Auditors-Chinese Taiwan	Member
Taiwan Stock Affairs Association	Member, Director
Taiwan Computer Audit Association	Member
Securities Analysts Association, Chinese Taipei	Director
The Business Council for Sustainable Development of Taiwan (BCSD-Taiwan)	Member
Global Brands Management Association	Member
Financial Planning Association of Taiwan	Member, Director
Taiwan Accounting Research and Development Foundation/ Accounting Research Center	Member
Chinese Personnel Executive Association	Member
Corporate Operation Association	Director
Taiwan Financial Services Roundtable	Meeting Consultant
R.O.C. Bills Finance Association	Advisor
Chinese Association of Museums (CAM)	Member
The Bankers Association of The Republic of China (BAROC)	Advisor
Chunghua Finance Association	Member
Taiwan Corporate Governance Association	Member
Global Research & Industry Alliance at National Chengchi University	Member
Taiwan Finance Association	Member
Pension Fund Association, R.O.C.	Member
International Organizations	
Name of External Organization	Role
Name of External Organization	Role
The Asia-Pacific Central Securities Depository Group (ACG)	Member
World Forum of CSD (WFC)	Member of the Board of Directors
International Securities Services Association (ISSA)	Member
International Organization of Securities Commissions (IOSCO)	Observer
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	Member
The International Council of Museums (ICOM)	Member

Appendix I. GRI Standards Index

General Standards Disclosure

Categories/ Aspects	No.	GRI Indicators	Corresponding Sections and Chapters	Page
Core	102-1	Name of the Organization	About This Report	03
Core	102-2	Activities, Brands, Products, and Services	1.2 Market and Service Value Chain	12
Core	102-3	Location of the organization's headquarter	About This Report	03
Core	102-4	Operational Location	About This Report	03
Core	102-5	Ownership and Legal Form	1.3 About Us	17
Core	102-6	Markets Served	1.2 Market and Service Value Chain	12
Core	102-7	Scale of the Organization	1.3 About Us	17
Core	102-8	Information on employees and other workers	5.1 Human Resources	80
Core	102-9	Supply Chain	1.2 Market and Service Value Chain	12
Core	102-10	Significant changes to the organization and its supply chain	There was no significant change during the reporting period	-
Core	102-11	Precautionary principle or approach	Message from the Chairman & CEO	04
Core	102-12	External initiatives	3.1 Implement Corporate Governance	35
Core	102-13	Membership of associations	1.3 About Us	17
Core	102-14	Statement from senior decision- maker	Message from the Chairman & CEO	04
Core	102-16	Values, principles, standards and norms of behavior	3.1 Implement Corporate Governance	35

Core	102-18	Governance structure	1.1 Sustainability Strategies	08
			Note: The board of directors has not yet divided the topics on economy, environment and society; there is a separate Sustainable Development Committee established by TDCC.	
Core	102-40	Stakeholder groups	2.1 Identification of Material Issues and Communication with Stakeholders	21
Core	102-41	Collective bargaining agreements	Explanation: TDCC has not established a labor union and has no group agreement, but holds labor meetings regularly.	-
Core	102-42	Identifying and selecting stakeholders	2.1 Identification of Material Issues and Communication with Stakeholders	21
Core	102-43	Approach to stakeholder engagement	2.1 Identification of Material Issues and Communication with Stakeholders	21
Core	102-44	Key topics and concerns raised	2.2 Management Approach Towards Material Issues	25
Core	102-45	Entities included in the consolidated financial statements	1.3 About Us	17
Core	102-46	Defining report content and topic boundaries	About This Report	03
Core	102-47	List of major topics	2.2 Management Approach Towards Material Issues	25
Core	102-48	Restatements of information	No reorganization of information this year	-
Core	102-49	Changes in reporting	About This Report	03
Core	102-50	Reporting period	About This Report	03

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Core	102-51	Date of most recent report	About This Report	03
Core	102-52	Reporting cycle	About This Report	03
Core	102-53	Contact point for questions regarding the report and its contents	About This Report	03
Core	102-54	Declaration in Accordance with the GRI guidelines	About This Report	03
Core	102-55	GRI Content Index	Appendix 1. GRI Standards Index	124
Core	102-56	External assurance	Appendix 2. Independent Assurance Statement	129

GRI Topic-Specific Standards Disclosures

Note 1: * and parentheses indicate the material issues in this report.

Note 2: This report adopts the core options. The indicators in the following table except * material issues are for reference to GRI.

GRI-Specific Topic	No.	GRI Indicators	Corresponding Sections and Chapters	Page
Environmental aspect				
Emissions	305-1	Direct (Scope 1) GHG Emissions	4.4 Environmental Protection and Green Operations	73
	305-2	Energy Indirect (Scope 2) GHG Emissions	4.4 Environmental Protection and Green Operations	73
	305-3	Other indirect (Scope 3) GHG emissions	4.4 Environmental Protection and Green Operations	73

GRI-Specific Topic	No.	GRI Indicators	Corresponding Sections and Chapters	Page
Social aspect				
Employment and Labor Relations	401-1	New employee hires and employee turnover	5.1 Human Resources	80
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employees Remuneration and Benefits	88
	401-3	Parental leave	5.3 Employees Remuneration and Benefits	88
	Note: GRI 401 indicators do not include FundRich.			
*Labor/ Management Relationship (Labor-Management Communication)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	25
	402-1	Minimum notice periods regarding operational changes	Dealt with in accordance with Paragraph 1, Article 16 of the Labor Standards Act	-
*Training and Education (Employee Training and Development)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	25
	404-1	Average hours of training per year per employee	5.2 Talent Development	86
	Note: Average hours of training per employee can not be distinguished by gender.			
*Marketing and Labeling (Customer Relationship Management and Rights Protection)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	25
	417-2	Failure to comply with product and service information and labeling regulations	3.1 Corporate Governance Implementation No violation of any such regulations or voluntary regulations in 2020	35
	417-3	Incidents of non-compliance concerning marketing communications	3.1 Corporate Governance Implementation No violation of any such regulations or voluntary regulations in 2020	35

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GRI-Specific Topic	No.	GRI Indicators	Corresponding Sections and Chapters	Page
Customer Privacy (Customer Relationship and Rights Protection)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	25
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2 Quality Customer Services	64
*Socioeconomic Compliance (Policy and Regulatory Compliance)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	25
	419-1	Non-compliance with laws and regulations in the social and economic area	3.1 Implement Corporate Governance	35
Material issues not attributable to the GRI specific topic				
*Corporate Governance and Business Integrity	GRI 103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control	25 41
*Information Security	GRI103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control	25 41
*Risk Management and Communication	GRI 103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control	25 41
Internal Control and Internal Auditing	GRI 103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control	25 41
*Healthy Workplace	GRI 103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control 5.4 Employees Health and Safety	25 41 93

Appendix 2. Independent Assurance Statement



Independent assurance statement

Scope and approach

Taiwan Depository & Clearing Corporation (TDCC or the "Company") commissioned **DNV GL Business Assurance Co., Ltd.** ("DNV") to undertake independent assurance of the 2020 ESG Report (the "Report") for the year ended 31 December 2020.

We performed our work using DNV's assurance methodology VeriSustain™¹, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

We understand that the reported financial data and information are based on data from the company's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

The Report has been prepared in accordance with the GRI Standards 'Core' option. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing the evaluation of reporting principles and selected performance information with a Type I and 'Moderate level' of assurance, according to AA 1000:2008.

Responsibilities of the Directors of Taiwan Depository & Clearing Corporation and of the assurance providers

The Directors of Taiwan Depository & Clearing Corporation have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of TDCC; however, our statement represents our independent opinion and is intended to inform all of TDCC stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV provides a range of other services to TDCC, none of which constitute a conflict of interest with this assurance work. This is the 4th year that we have provided assurance.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at headquarters and site level. We undertook the following activities:

- Review of the current corporate responsibility issues that could affect TDCC and are of interest to stakeholders;
- Review of TDCC approach to stakeholder engagement and recent outputs;
- Review of information provided to us by TDCC on its reporting and management processes relating to the Principles;
- Interviews with selected Directors and senior managers responsible for management of corporate responsibility issues and review of selected evidence to support issues discussed;
- Site visits to the major site at Taipei HQ to review process and systems for preparing site level corporate responsibility data and implementation of corporate responsibility strategy;

¹ The VeriSustain protocol is available on dnv.com



- Review of supporting evidence for key claims and 2020 data in the report. Other years' data reported in the report are not within the scope of our work. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at a consolidated corporate level;
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. Where financial data had been checked by another third party, and, where data of scope 1, 2 and 3 of Green House Gases Emission has been verified by DNV, we tested transposition from these sources to the report.
- An independent assessment of TDCC's reporting against the Global Reporting Initiative (GRI) Sustainability Reporting Standards.
- The verification was conducted based only on the Chinese version Report.

Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe TDCC adherence to the Principles. In terms of reliability of the performance data, in accordance with 'moderate level' of assurance, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

Observations

Without affecting our assurance opinions we also provide the following observations.

- Enhancing the comparability of the report to establish long-term and short-term specific objectives/ targets for continuous performance improvement.
- Reporting what are done instead what guidelines we have and stating at least 3 years data to demonstrate the performance change.
- The topic boundary can be clearer identified. The boundaries are considered that the subject impact son them. It may be the all organizations, part of the companies, a special company, supply chain or end of user. The content of the report can consider focusing on the boundary.

Responsiveness

The Company has adequately responded to stakeholder concerns through its policies and management systems, and this is reflected in the Report.

Stakeholder Inclusiveness

The Company has identified the expectations of stakeholders through internal mechanisms in dialogue with different groups of stakeholders. The stakeholder concerns are well identified and documented. The significant CSR issues identified through this process are reflected in the Report.

Sustainability Context

Corporate Social Responsibility Report provides an accurate and fair representation of the level of implementation of related Corporate Social Responsibility (CSR) policies, and meets the content requirements of the GRI Standards.

Materiality

The process developed internally has not missed out any significant, known material issues, and these issues are fairly covered in the Report. A methodology has been developed to evaluate the priority of these issues.

Completeness

The Report covers performance data against the GRI Standards core indicators that are material within the Company's reporting boundary. The information in the Report includes the company's most significant initiatives or events that occurred in the reporting period.



Accuracy and Reliability

The Company has developed the data flow for capturing and reporting its CSR performance. In accordance with Moderate level assurance requirements, we conclude that no systematic errors were detected which causes us to believe that the specified CSR data and information presented in the Report is not reliable.

For and on behalf of DNV Taiwan

Date: 19 May, 2021

A handwritten signature in blue ink, appearing to read "Johnny Wu".

Johnny Wu
Lead Verifier
Business Assurance
DNV Taiwan

A handwritten signature in blue ink, appearing to read "David Hsieh".

David Hsieh
District Manager,
Business Assurance
DNV Taiwan

Statement Number: 10000451003-Assessment Services-DNV-TWN



AA1000
Licensed Assurance Provider
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ESG

ENVIRONMENT · SOCIAL · GOVERNANCE



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