

MESSAGE FROM THE CHAIRMAN AND CEO

A hand holding a globe with a butterfly perched on it. The butterfly is black with orange and white markings on its wings. The globe is held in a person's hand, and the background is a soft, out-of-focus green and white light.

Corporate Social Responsibility (CSR) is now an indispensable part of corporate development. TPEX adheres to the developmental trends featuring sustainable management, co-existence, and co-prosperity with the environment and aims to go along with world trends. In order to synchronize with environmental and social developments, corporate governance, and to grow toward sustainable management together with the listed companies, TPEX has established a cross-departmental CSR group. Over the years, related resources have been invested in proactively to gradually construct a sound operational mechanism and perfect our management quality in the domains of sustainable management, namely markets, the environment, society, and governance. In accordance with the GRI Standards, we continued to prepare CSR reports that follow strict composition, editing, and third-party assurance procedures and present the actual accomplishments of TPEX in promoting business, serving the market, disseminating financial knowledge, corporate governance, society involvement, sustaining the environment, and caring for our employees so that stakeholders have a better understanding of what TPEX has done in promoting sustainable management.

2019 was a year filled with uncertainty, yet TPEX managed to render a splendid performance. Throughout 2019, we launched the Exchange Traded Note (ETN) and TPEX 200 Index. Also, index futures, index warrants, ETNs and callable bull/bear contracts that link to TPEX 200 have been launched. A complete product line has been built up. In addition, we continue to promote green bonds and green securitized products. In 2019, we had 14 green bonds issued with a total issue amount of NT\$50.21 billion. In order to enhance the visibility and the internationalization of the green bond market, we hosted the 2019 Taipei Green Bond International Conference on November 6, 2019, inviting representatives

of organizations that develop green bond principles, including International Capital Market Association(ICMA), the Climate Bonds Initiative (CBI) as well as experts on green bond accreditation, issuance and underwriting to attend. The conference was a successful event. Meanwhile, TPEX has been designated by the U.S. Securities and Exchange Commission as a Designated Offshore Securities Market (DOSM), indicating that its governance mechanism and the safety and fairness of its trading system have been recognized internationally.

TPEX is committed to its mission to advance sound governance in listed enterprises. Throughout 2019, we continued to work with the competent authority in promoting the new corporate governance roadmap and imposed supervision over listed and emerging companies in order to maintain fairness on the market and to protect the rights of investors. Meanwhile, to lead listed and emerging enterprises by example, TPEX itself implemented integrity-based management regulations and continued to enforce our anti-corruption ethical norms and whistleblowing guidelines. No employees were found to be violating self-discipline regulations or anti-corruption laws throughout 2019. There were no internal employee complaints, either.

While TPEX is pursuing market growth and operational performance, it adheres to its corporate citizenship by caring for society, through promoting financial knowledge on campus, developing talent for the securities industry, and sponsoring students from disadvantaged families. We also help disadvantaged groups, sponsor sports and cultural events, support environmentally friendly agriculture, and donate medical care resources to remote areas. Internally, we are devoted to enabling sustainable management to take root in our daily operations by providing a quality workplace, shaping a harmonious, happy, and healthy environment, and improving welfare measures and talent development programs. By enhancing the awareness of corporate social responsibilities among our people, it helps hold employees together and build a positive LOHAS culture.

TPEX approves and supports the UN Sustainable Development Goals (SDGs). We will follow developmental strategies and action items of sustainable management while making efforts to promote a variety of services. The fulfillment of corporate social responsibilities,



however, is an ever-growing process. The CSR report prepared by TPEX each year will become a guide to review our sustainability status and continuous advancement. While preparing the report, we performed the materiality analysis, compared practices with international benchmark companies, defined the implementation strategy and mid-to-long-term goals, set the measurement criteria, and introduced improvement solutions. The 2019 Report comes in both Chinese and English versions. The hope is to advance communication and interaction with international stakeholders. Looking to the future, we also hope to be able to continue promoting the consolidation of integrity-based management and the fulfillment of corporate social responsibilities of companies on the Main board, while facilitating the development of prioritized industries in the country. We also encourage all enterprises on the Main board to emphasize on corporate governance and care for the society, environment and employees, which can converge the sense of sustainable development responsibility into the culture of the organization, boosting harmonious corporate and social developments.

2020 started off with the impact from the COVID-19 pandemic and everyone in the market is faced with challenges. TPEX activated emergency response measures to cope with the pandemic since January 30, 2020 by applying business continuity planning (BCP) in accordance with the Emergency and Abnormality Management Handbook. Disinfection and staff control have been reinforced. Manpower divergence and remote office and other measures were activated. Selective educational training sessions or large assemblies were postponed. Routine briefing sessions and TPEX corporate day events have taken place online. Meanwhile, we pay close attention to announcements made by the Central Epidemic Command Center and make necessary adjustments accordingly. Before the pandemic comes to an end, TPEX will continue with its disease prevention efforts to keep its operations going and will proactively educate and help respective brokerages and companies to have their disease prevention plans ready. Market participants are called upon to prioritize the health and safety of people and fulfill their responsibilities to protect the health of staff, ensure a safe community, and protect shareholders' interests. The hope is to keep business as usual at TPEX and to reduce the uncertainties and impacts on the market to a minimum.

Chairman of the Taipei Exchange



Managing Director & CEO

