

2019 CORPORATE SOCIAL RESPONSIBILITY REPORT

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About the Report

This report is the third Corporate Social Responsibility (CSR) report published by Taiwan Depository & Clearing Corporation (hereinafter referred to as TDCC). TDCC has been investing a great deal 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 of 2019 (from January 1, 2019 to December 31, 2019). 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 2017, or refer to the direction of action in 2020 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 2019 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 GL Business Assurance Co., Ltd. to verify this report in accordance with DNV GL VeriSustain Protocol and AA1000 Assurance Standard, and it is proven that this report follows "Core Option" of GRI Standards.

Reporting Cycle

This report is TDCC's third CSR report; CSR 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 second CSR report:

June 2019

Publication of this report:

June 2020

The publication date of the fourth CSR report:

June 2021

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TDCC CSR website

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A Message from the Chairman & CEO

2019 is the 30th anniversary of the establishment of the TDCC. During the first 10 years, we focused mainly on depository, the second 10 years was focused on book entries, and the third 10 years was focused on the diversification of the business. With the efforts of all of our employees, we launched a diversified product line including equity securities, funds, bonds, short-term bills and derivative commodities, providing a full range of back-end quality services. We achieved outstanding results in the business sector, but we are not quite satisfied with this. We also hope to become a model of the corporate citizen under the social aspect. In 2019, we published the second corporate social responsibility report. In addition to receiving the "Excellence in Corporate Social Responsibility" again, we received the Platinum Award for "TCSA Corporate Sustainability Report" and TCSA's "Best Performance of Specific Categories - Social Inclusion Award " for the first time. 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.

Facing the rapidly changing financial market, we use technology to transform and innovate, hoping to become a hub for building domestic financial services, researching and developing higher-quality customized products and comprehensive services, and taking digitization and intelligence as the main axis of innovation. We also hope to continuously improve and optimize the core business, actively promote business diversification, integrate digital platforms for services, create the greatest value of data through the integration of cross-border, cross-industry, and cross-environment and build a safer, more efficient, and low-cost financial market with a back-office service. In line with the financial inclusion goal set by the World Bank, besides from expanding the promotion of financial management and financial education, TDCC is gradually transforming into a service company. We adhere to the concept of friendly cooperation within the market, such as building user-friendly interfaces and diversified channels and combining robot intelligence services, big data marketing, cloud services and other information technologies to integrate financial management into everyday life while building a digital innovative ecosystem, and enhance digital services in Taiwan's financial market. By exerting the functions of digital FinTech, we strengthen the protection of investors' rights and safeguard financial security, apply visual tools and big data to provide competent authorities with timely market supervision and efficient analysis results, and implement supervision responsibilities for financial markets of our country.

In terms of corporate governance, as more and more institutional investors begin to incorporate "environmental, social and governance" (ESG) indicators into investment decisions, we have successively established cooperative relations with several international ESG research institutions and scoring systems. Our partners include the ESG scoring agency Sustainalytics, who became our first strategic partner in early 2019, and the international electronic voting agency ISS, known for its shareholder meeting and corporate governance research, who has also expanded its cooperation with us in the ESG sector. At the same time, in conjunction with the "New Corporate Governance Roadmap" (2018-2020) of the Financial Supervisory Commission, we formally launched the "Investor Relations Integration Platform", which significantly improved the quality and transparency of information exchange between investors and companies, and increased the willingness and stickiness of foreign investment in Taiwan. In 2019, the Asia-Pacific Group on Money Laundering (APG)'s evaluation of the country's overall prevention of money laundering determined that Taiwan would be promoted to the highest level of "regular follow-up", which shows that Taiwan's efforts to eliminate money laundering are being recognized internationally. In the past few years, we cooperated with governments to provide the "AML/CFT Screening Platform" to be used by units that are legally required to handle anti-money laundering operations in order to further assist them in investigating the actual beneficiary information of corporate clients. The "Company Transparency Platform" was set up according to government policies, which provides the corresponding units to inquire and thoroughly inventory the customers. We were also awarded the "Special Thank You Award" at the Money Laundering Prevention Evaluation and Commendation Conference of the Anti-Money Laundering Office of the Executive Yuan in October 2019. In the future, we will continue to assist relevant units with fulfilling their international obligations to prevent money laundering and counter financing of terrorism.

TDCC has been engaged in international exchange activities for many years. In 2019, we served as a member of the Board of Directors to the World Forum of CSDs. We promote the concept of global cooperation, reorganize working groups, strengthen member cooperation, explore new business opportunities, strengthen exchanges with other regional organizations and joint training of personnel, and promote Taiwan to move towards the global stage. In response to "The New Southbound Policy", TDCC held the first "International Investor Service Symposium" in 2019 with TSD and KSD, inviting industry experts and members of the Asia Pacific CSD Group (ACG) to share innovative and diversified shareholders' meeting services to create regional prosperity and development.

Showing care for the society, we use actions to promote the concept of corporate care, promote employees' regular exercise habits, and create a healthy and happy workplace. In 2019, we also obtained the "Corporate Sports Certification" from the Sports Administration of the Ministry of Education and the "Healthy Workplace Certification" from the National Health Administration of the Ministry of Health and Welfare in 2019. We have long promoted education in rural areas, cared for the disadvantaged groups, sponsored remedial programs, arts programs, and sports teams of primary schools, and organized various charity activities such as blood donations for the past 10 years, actively responding to and taking care of the society's needs. We organized the second "TDCC Archery Tournament" hoping that through the support of the enterprise, children in rural areas will have the opportunity to stand on the course and demonstrate their talent in the archery field, increasing their capability in participating in future international competitions. As it is the 30th anniversary of TDCC in 2019, the "The 30th TDCC Joint Concert" was held to present the learning results of long-term beneficiary rural school children from Hualien County.

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, 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. We also conducted inventory of greenhouse gases for 2019 and the scope of the inventory was further expanded to include business travel in scope 3, starting from gradually mastering our own carbon emissions. The ISO 50001 Energy Management System was also introduced for the first time in 2019. From the overall strategic planning to the actual implementation of energy saving and carbon reduction, we are moving towards the development of a green enterprise.

At this significant moment of the 30th anniversary, we have successively provided diversified services other than stocks, taken advantage of existing big data, conformed to the rapid development of international digital information, embraced technology and innovation, and introduced new information services based on the user's needs which are generally well received. As the "service provider" of the national capital market, in the next 10 years, we will take the promotion of the society well-being as an important mission, implement the concept of innovative development and sustainable management, and give full play to stable financial influence in order to become the strongest and most powerful back-up for Taiwan's financial market. Together with corporate partners, we will promote the development of Taiwan's capital market and move towards the global stage.

Taiwan Depository & Clearing Corporation Co., Ltd.

Chairman & CEO, Sherman Lin



CHAPTER 1

Sustainable Development and Strategies

- 1.1 Sustainability Strategies
- 1.2 Market and Service Value Chain
- 1.3 About Us

Sustainability Strategies

Core Strategy for Sustainability Vision

Embrace Innovative Technology and Develop Financial Markets

Acting as the government's franchisee of financial service, TDCC is the only back-end service provider institution in the domestic capital market. For the past 30 years, TDCC has been in line with government financial policies, improved the efficiency of the financial and trading markets, helped to promote financial market policies, and become a significant driver behind the Taiwanese capital market. While moving towards sustainable management and development of the enterprise, TDCC is not subjected to industry restrictions, and considers about how to contribute to society on the substantive ESG issues.

Promote Business Diversification as Well as Stable and Sustainable Growth

TDCC started its business as a securities depository institution, aiming to become a comprehensive financial service provider without imposing restrictions on itself. Through the dematerialization of various services, we further provide various value-added functions in attempt to create additional benefits for our customers. With innovative approaches, we are capable to strengthen the connections among online platform service providers, information and communication service providers as well as the FinTech service providers. Utilizing the FinTech with mobile technology, big data, cloud computing, social community and the Internet of Things (IOT), we aim to help customers create greater benefits and also assist the competent authority with supervising the market.

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 National Financial Regulation". At the operational level, "customer oriented", "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 Strategies

Sustainable Development Strategies

Fulfill the Role as a Domestic Financial Service Hub



Strategic Directions

- Strengthen business information system to achieve all-round service
- Develop FinTech and apply innovative services with the latest technology
- Continuously promote dematerialized business and services
- Consolidate digital service platform, integrate financial market operation



Sustainability and Market Value

- 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-end infrastructure.
- Dematerialize various services to reduce market costs, integrate with the world, and provide customers with more convenient services through various value-added functions.
- Become the extended medium between multiple platform 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

- 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
- O Cultivate financial talents



Sustainability and Market Value

- Strives to build financial infrastructure with lower costs, higher efficiency and increased service accessibility in line with the financial inclusion goal set by the World Bank and through the development and innovative approach of our business.
- Build up friendly operating interface for funds and diversified channel needs, which combined with robot intelligent services and big data marketing in order to integrate the investors' and the public's financial behavior into everyday life.

Assisting National Financial Regulation



Strategic Directions

- Strengthen market transparency
- Build supervision or prevention systems
- Foster auditing and coaching of participants' operations
- Use visual tools to provide regulators with monitoring reports and practice the use of big data.



Sustainability and Market Value

- Foster back-end operating functions of financial products, assist regulators with supervising the financial market to ensure compliance and internal control of participants, securities firms and stock affairs units, and maintain their operation quality and safequard investors' interests.
- Use digital financial technology to quickly organize and analyze large amounts of data and provide regulators with timely 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 and connect with the company's core capabilities to steadily pursue the 13 objectives of the SDGs. With the company's diversified business options, we provide technological products, platforms, and supervision services that moves the market towards sustainable financial services. While enhancing the competitiveness of the company, we also focus on the reduction of internal energy consumption, carbon footprint inventory, 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 the global sustainable development.



Digital Finance and Innovative Technology Development

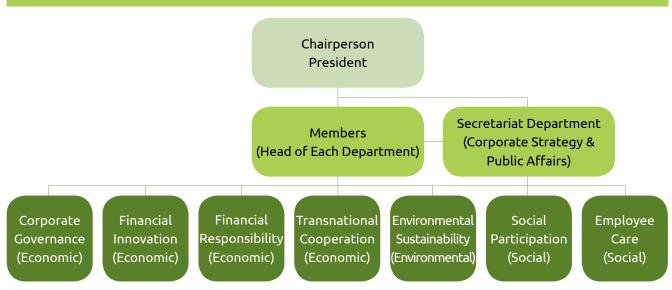


Sustainability Promotion Organization

CSR Committee

In 2017, TDCC established the CSR Committee to reinforce matters concerning the promotion of corporate social responsibility. 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 difference departments based on various issues and is concurrently led by head of each department at TDCC.

TDCC CSR Committee Organization



	Major Duties of the T	DCC CSR Committee	2
CSR Committee Secretariat	Corporate Governance	Financial Innovation	Financial Responsibility
Corporate Strategy & Public Affairs	Legal Compliance & Legal Affairs, Internal Auditing, Finance, Corporate Strategy and Public Affairs, Audit Department.	Equity Services, Fund & Global Services, Fixed Income Services, Issuer Services	Fund & Global Services, Equity System Development, Fixed Income System Development, IT Infrastructure, Auditing
 Establishes CSR promotion strategies Compiles and tracks each team's action plans Collects and compiles related information to prepare the CSR report 	control and auditing affairs Promote the AML/CFT Screening Platform and the Company Transparency Platform	 Promotes products and services related to financial innovation, e.g. TDCC ePassbook. Creates a digital FinTech environment, e.g. straight through processing (STP) fund transaction platform Promotes digitalization of domestic securities settlement, e.g. online book-entry transfer operations 	 Promotes the planning of mechanisms for cyber security management Enhances and increases effectiveness of business system Develops TDCC's digita FinTech system services Coaches clients on legal compliance and management of information and communication security

- Manages financial disclosures and information transparency
- Promotes corporate ethical management policies
- O Provides online registration service for dematerialization of commercial paper (CP2)
- governance affairs and O Company Transparency Platform
- O Provides services such as fund declaration and announcement, information transmission, payment settling, etc.

Transnational Cooperation	Environmental Sustainability	Social Participation	Employee Care
Fund and Global Services	Fixed Income Services, Issuer Services, General Administration, Legal Compliance & Legal Affairs	Corporate Strategy and Public Affairs, Management Department	General Administration

- and exchanges with related international institutions
- O Strengthens crossborder custody services, including custody and settlement services
- Provides services such as overseas fund declaration and announcement, information transmission, payment settling, etc.

- O Promotes collaboration O Provides various online O Continue to conduct automated services for issuers
 - Implements shareholder activism and promotes the e-voting platform "StockVote"
 - Promotes dematerialized issuance of securities and short-term bills
 - Carries out corporate energy efficiency management
 - O Promotes electronic enquiry services to reduce resource consumption
 - Promotes environmental protection policies

- "Financial Literacy for Youth (FLY) Courses"
- Sponsors Sports Talent Increases salary and **Cultivation Program**
- Promote tutoring programs for children in rural areas
- Enhance financial knowledge education and conduct Financial Literacy Program

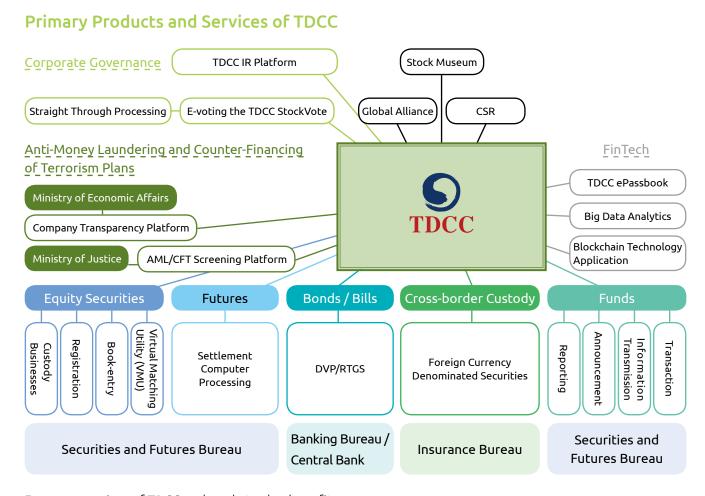
- Establishes effective development plans for career capabilities
- benefits, and creates a friendly workplace
- Actively establish proper employee communication channels

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, frontend institutions and relevant service providers. The service is targeted at our participants, and the major participating institutions include the government units, front-end institutions, securities firms, bill dealers, custodians, issuers, investment trust companies, etc. The initial business was centralized stock custody, and gradually promoted comprehensive dematerialization, improving the convenience and safety of the overall stock market. Since the merger with the Debt Instruments Depository and Clearing Co., Ltd., the security depository of TDCC covers a variety of securities and financial commodities, including stocks, Beneficiary Certificates, Depository Receipts, Convertible Bonds, Exchangeable Bonds, Bank Debentures, Separate Trading of Registered Interest and Principal of Securities, international bonds, negotiable certificates of deposit, etc. A comprehensive list of financial assets under depository such as negotiable depositories with a total market value of more than NT\$50 trillion, which makes the company to have an important position in the domestic capital market.

In recent years, we keep 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 improving 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 Company Transparency Platform and cross-border custody and so on to provide diverse services with financial digital technology in Taiwan's market. We also have the only stock museum in Taiwan, which records the developments and the footprint of the financial and stock markets in the past. It is being displayed with technology and in a lively 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. The digital neurons of our employees in each department have begun to germinate, 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.



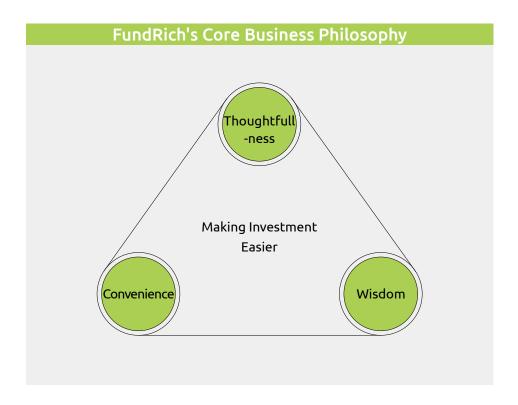
For more services of TDCC and market value benefits,

please see CH4 Green Management and Sustainable Financial Services

TDCC's Subsidiary FundRich

FundRich is committed to assisting investors in investing funds online with reasonable costs, sufficient information, and ability to invest with peace-of-mind, and creating a one-stop online fund marketing platform integrated with digital finance, intelligence and user friendliness features. FundRich is operated on the basis of an open online platform, in line with the service needs of FinTech innovation and diversified market channels, in tandem with smart services and big data marketing, including Robo-Advisor. The platform is also operated based on the most influential approach regarding financial innovation of the future, incorporating investment and wealth management into lives via shared community.

FundRich's missions also includes spreading correct wealth management knowledge, aiming to promote the wealth management concept of small amount investment among the youth to enable younger generation to start managing their wealth at early stage through lower commission charges. Furthermore, FundRich also pays significant attention to the retired generation to enable the retired groups to make reasonable retirement planning. Through cooperating with Securities Investment Trust & Consulting Association, TDCC established special retirement funds for retired groups to enjoy their lives after retirement through reasonable fund selection mechanisms.



Promote the Wealth Management Concept of Small-Amount Investment ReLife Project -Encourage the Retired Groups to Make Reasonable Retirement Planning

Expand the Scale of Fund Industry

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

FundRich 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's Products and Services

Taiwan's first policy-led fund sales and wealth management platform A comprehensive selection of products, customers enjoying one-stop shopping services; expand the breadth and depth of investment and trust operators' client bases

The investment and trust operators' channels have features, including low cost, high transparency, and low commission rates, reducing the overall investment costs for medium and long-term investors.

Fair information, assisting the operators provide investors with objective market information, satisfying customers' pursuit of self-saving wealth management goals

In order to promote citizens' self-saving awareness, citizens are encouraged to invest in long-term investment funds for prepare for retirement.

Provision of Comprehensive Selections of Domestic and Offshore Fund

Products

Provision of FinTech Tools to Assist Self-Saving Wealth Management

Disintermediation and Redefinition of Financial Service Value Chain

Provision of Trustworthy Services by the Robo-Advisor Promote Long-Term and Consistent Self-Directed Investment Through Simple, Constantin-Amount and Periodic Investment Approaches

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. Because of this, we plan to formulate the "Supplier Corporate Social Responsibility Policy" at the end of 2019 and promulgate it in April 2020 to promote the supplier's corresponding code of conduct, and require all suppliers who cooperate with TDCC to abide by and sign the "Supplier Corporate Social Responsibility Promotion Policy".

1.3
About us

TDCC

Date of Establishment: 1989

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

Revenues in 2019: NT\$ 5,345,120 thousand Note 1

Total Number of TDCC Employees at the end of 2019: 539 People Note 2

Note 1: The total number of employees includes only regular employees. For data of contracted employee, please refer to 5.1 Human Resources.

Note 2: The data source for revenues is the consolidated financial statements, including the re-invested FundRich Co., Ltd.

FundRich

Date of Establishment: 2015

Locations of Business: Hungya Building at Fuxing North Road, Taipei City

Total Number of FundRich Employees at the end of 2019: 50 People

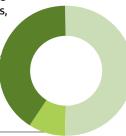
Shareholder Structure

As of the end of 2019, TDCC's shareholders structure is as follows:

Shareholding Percentage

Securities Firms, Finance Holding Companies, Financial Institutions, Bill Dealers and others 40.63%

Yuanta Securities Finance Co., Ltd. 8.78%



Taiwan Stock Exchange Corporation 50.59%

Major Events of TDCC







Bonds



Funds Services



Information / Value-Added Services



International Business

Set Off-Preparation for TDCC Establishment

1989 TDCC was established

1990 Offered settlement and custody for listed shares

Shareholder service and agency

operations

Joining the International Securities Services Association (ISSA)

1991 Central government bonds delivered for sale

Bonds bargained for settlement Transnational cooperation with CEDEL

Dragon Bond

1992 Exchange for large nominal amount Stock allotment

1994 OTC stock custody
Delivery of stock pledge

1995 Full Book-Entry SystemStock checkCounseling securities dealers' onTDCC businesses

1996 Quick delivery
TDCC Voice Search

1997 Call or put warrant transaction performance
Audit the shareholding unit's operation
Joined the Asia Pacific CSD Group (ACG)

1998 Established a Futures Clearing System

1999 Passed ISO 9002
Hosted the ACG's middle-class cadre training meetings

2000 Stock check



The development of Taiwan's capital market led to the establishment of TDCC



Offered settlement and custody for listed shares



Dragon Bond



Exchange for large nominal amount



Three major Stock check



ISO 9002 verification

Stock dematerialized registration 2001 Bonds dematerialized registration e-Report system

The first dematerialized stock 2002 Ouestions and Answers on Stock Affairs

2003 ETF Book-entry OTC bond book-entry Fund dematerialized registration

2004 Short-term settlement depository Passing BS7799 Held the 8th ACG General Meeting Become a shareholder of Euroclear

2005 Bonds demerger and restructuring Offshore funds Information Center



2006 Listed IPO and SPO Dematerialization Merged with Debt Instruments Depository and Clearing Co., Ltd., Corporate bonds undergo mandatory dematerialization ABCP dematerialized registration

Offshore Fund Transaction Platform Investor and external unit inquiry Passed ISO27001

International bond book-entry

Stock check 2007 Futures Fund Information Center Futures Trust Fund Dematerialized Registration Audit of the form of proxy for the shareholders' meeting Co-hosted the 9th CSD Conference with Japan and South Korea

2009 Delivery Vs. Payment Establish the Taiwan Bills Index Rate Offshore Structured Product Declaration and Announcement Platform E-voting Platform for Shareholders Meeting E-mail inquiry

and Hong Kong

ETF cross-border book-entry in Taiwan

Implements shareholder activism and promotes the e-voting for shareholders meeting



Promotes dematerialized issuance of securities



Deeply cultivate fund industry



Information Center-Information Declaration and Announcement Platform

Consolidated the Funds

Acted as a clearing

stock" and officially

entered the clearing

business

institution for "emerging



Integrate the market back-end - TDCC



Establish Taiwan Bills Index Rate



Stock dematerialized



2010 Old notes collection
Settlement and delivery of domestic
US dollar notes
Information transmission of domestic
funds

2011 Fully implemented dematerialized issuance of OTC stocks

NCD Dematerialized Registration Fully implemented dematerialized issuance of funds

e-Training Digital Learning Platform

2012 Offshore Fund Information
Transmission
Taiwan Stock Museum
Transnational cooperation with the
Hong Kong Monetary Authority on
International Bonds

2013 Corporate Action Network (C.A.Net)
Pass the TPIPAS Verification

2014 Information inquiry on non-guarantee
Commercial Paper
Merger of Taiwan Headquarters
Provided Cross-border Voting
Operation via Straight Through
Processing (STP) for shareholders
Transnational cooperation with
Clearstream and Euroclear on

Leap Forward- Digital Fintech

International Bonds

2015 Settlement on gold stock
Established delivery versus payment
(DVP) mechanism for foreign currency
denominated bonds and bills
Platform for selling funds (FundRich)
Shareholders Meeting E-Voting
Platform - Stockvote App
TDCC hosted the 19th Asia-Pacific
CSD Group (ACG) General Meeting
Cross-border custody of foreign
securities

2016 Domestic Fund Transaction Platform
AML/CFT Screening Platform
Elected as a member of ACG
Executive Committee



Implements shareholder activism and promotes the e-voting for shareholders meeting

AFSF Inauguration Ceremony, ACG19, Taipei



Held the 19th ACG Annual Meeting



Set up FundRich (Platform for selling funds)



Cross-border Custody



Assist the government anti-money laundering and counter-financing of terrorism



TDCC ePASSBOOK

Become a member of The International Council of Museums (ICOM)

Sustainability-Inclusive Society Promotion

2017 TDCC ePASSBOOK App

Provides online registration service for dematerialization of commercial paper (CP2)

Invest in sustainable actions

2018 TDCC ePASSBOOK 2.0 App

Electronic ticket issuance documents Consolidated the Funds Information Center-Information Declaration and

Announcement Platform

100% E-voting at the shareholders'

meeting

2019

Company Transparency Platform

Investor Central Depository Account Query System

The new Securities Depository System (TABS)

Established ACG "Investors' Service Group"

Taiwan Corporate Sustainability Awards, Gold Award

Published the first CSR report

Promote the "ReLife Project"

Company Transparency Platform

Elected as Vice Chairman of ACG Taiwan Corporate Sustainability

A seeds Blatte as A seed

Awards, Platinum Award

Taiwan Corporate Sustainability
Awards, the Social Inclusion Award

"Excellence in Corporate Social Responsibility" presented by the

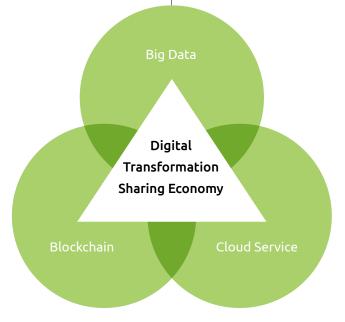
CommonWealth Magazine



Published the first CSR report



Chairman Sherman Lin ran for the vice Chairman of ACG



Outlook-Towards Digital Transformation

In the future, TDCC will strive to move towards digital transformation and the operational stage of Sharing Economy, keep pace with the FinTech developments, and actively promote digital financial services through advanced information technologies such as big data, block training, and cloud services.

Management Performance

With many years' efforts in strengthening diversified management, TDCC's business has gradually beared fruition successively, including: "pursuing the innovation and strengthening of digital financial environment," "continuously enhancing the safety and efficiency in the commercial paper primary market," "optimizing platform and strengthening mutual fund services," "promoting e-voting services for shareholder meetings to improve the country's corporate governance effectiveness," "creating an international class core business information system," "establishing public platforms to assist with government supervision for a sound market," "promoting international cooperation to increase the impact of Taiwan," and "fulfilling social responsibility to become a model for corporate citizen." In 2019, TDCC achieved in all these aspects with exceptional performance.

In 2019, the overall financial performance of TDCC (including its reinvested operations) recorded continuous growth with earnings after tax reaching NT\$2.51 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 times by innovating our business development and have achieved excellent business results through teamwork.

Unit: In Thousands of NT Dollars

Year	2019	2018	2017
Total assets	40,078,819	28,587,478	26,594,054
Operating revenues	5,345,120	5,337,137	4,484,691
Non-operation revenues and expenditures	334,452	336,402	275,280
Operating expenses	2,569,485	2,484,686	2,282,163
Employee benefit expenses	1,267,149	1,184,014	1,105,901
Tax	633,553	422,918	294,898
Pre-tax profit	3,110,087	3,188,853	2,477,808
Profit after income tax	2,509,005	2,567,410	2,051,958

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 proactively engage in domestic and international associations and organizations, aiming to co-drive the industry growth through the support from professional and experienced teams during the course of our participation. Associations that we engage in are as follows:

Domestic Associations					
R.O.C. Bills Finance Association	Taiwan Stock Affairs Association	Taiwan Financial Services Roundtable			
The Institute of Internal Auditors- Chinese Taiwan	Securities Analysts Association, Chinese Taipei	Computer Audit Association			
Chunghua Finance Association	Corporate Operation Association	Taiwan Corporate Governance Association			
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The Bankers Association of The Republic of China (BAROC)	Taiwan Finance Association			
Chinese Association of Museums (CAM)	Global Brands Management Association	Financial Planning Association of Taiwan (FPAT)			
Accounting Research and Development Foundation	The Business Council for Sustainable Development of Taiwan (BCSD-Taiwan)	Chinese Personnel Executive Association			
Global Research & Industry Alliance at National Chengchi University					

International Organizations						
The Asia-Pacific Central Securities Depository Group (ACG)	International Organization of Securities Commissions (IOSCO)					
International Securities Services Association (ISSA)	Society for Worldwide Interbank Financial Telecommunication (SWIFT)	The International Council of Museums (ICOM)				



CHAPTER 2

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 sustainable operations. This is then used as a foundation for setting sustainable management goals.

Identify Stakeholders

Collect Sustainability Issues

> Material Issues Analysis

When TDCC first published the first CSR report in 2017, we define stakeholders as "internal, external groups or individuals who have an impact on or are affected by the Company's operation". Upon confirmation by representatives from respective department of TDCC at the CSR meeting, we identify 6 stakeholders of TDCC: employees, customers/participants, competent authorities, shareholders/investors, suppliers/contractors, communities. As there is no major change in the scope of our company, this year we still mainly maintain communication with these six types of stakeholders.

To focus on sustainable issues related to TDCC operations, consideration of GRI Standards, uniqueness of depository and clearing business, as well as issues of concern for domestic and foreign peers, we condensed the 25 sustainability issues in 2018 into 20 sustainability issues that belong to the TDCC in 2019, in order 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.

In this year's sustainability questionnaire, in order to further expand the accuracy of the questionnaire, we distributed it through more channels, and a total of 302 questionnaires were collected, which increased by 106 compared to last year. The questionnaire collection rate has been higher than 90% for two consecutive years, and it can be seen that all the stakeholders value our communication results. After analysis of the questionnaire, it is adjusted according to the global and sustainability trends, the business characteristics of TDCC, etc., and 8 key material issues were determined in 2019.

Conclude Aspects an Communication Points in the upper right quadrant of the matrix are issues seen as material by those inside the company as well as stakeholders. Through systematic materiality analysis, stakeholders' sustainability issues are identified and used as a basis for information disclosure in reports. 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	Adjustment Description
Code of Conduct and Anti- corruption	Incorporated into "Corporate Governance and Integrity Management"
Information Security and Disclosure Transparency	Renamed to "Information Security"
Customer Privacy	Incorporated into "Customer Relationship Management" and renamed "Customer Relationship Management and Rights Protection"
Crime Prevention in Financial and Information Security	Incorporated into "Policies and Compliance"
"Indirect Economic Impact" and "Community Development Plan"	Combined to become "Community and Social Impact"
Human Rights and Gender Equality	Renamed to "Human Rights and Diversity"
Talent Retention and Attraction	Renamed "Talent Attraction and Retention"
Product Innovation Leading to Social and Environmental Benefits	Incorporated into "Financial Product Innovation" and the name is changed to "Sustainable Finance and Product Innovation"

Communications with Stakeholders

In addition to analyzing and sorting the major issues in the 2019 sustainability questionnaire, we also pay special attention to the concerns of the stakeholders. Through various communication channels, we have collected information about the stakeholders' opinions and have maintained close contacts in order to ensure the steady progress of sustainable operations.

Stakeholders



Relations with TDCC

Communication Channels and Frequency in 2019

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

- 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)



Customer/Participants

Customers and participants are major sources of income. We expect to offer participants with services in advance to create shared value

- Relevant Association 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 (bi-monthly/quarterly/annually)
- e-Training Digital Learning Platform (occasionally)



Shareholders/Investors

Stakeholders

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

Relations with TDCC

- Shareholders' Meeting (annually)
- Board Meeting (monthly)
- Face-to-face Communication, Meetings, Written Correspondence or Emails, Telephone (instant)
- TDCC Annual Report (annually)
- TDCC Website Information (occasionally)
- Messages from Official Website (occasionally)
- Publications (bi-monthly/quarterly/annually)

Communication Channels and Frequency in 2019



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 an oversight and an audit on relevant matters. Thus, the competent authority is important to TDCC's day-to-day operation

- Official Correspondence (occasionally)
- Telephone (occasionally)
- Email (occasionally)
- Meetings and Seminars (occasionally)

<u>Stakeholders</u>



Relations with TDCC

Communication Channels and Frequency in 2019

TDCC' 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

- External Communication Mailbox (instantly)
- Real-time Business Communication (occasionally)
- Face-to-Face Communication, Meeting, Documents in Writing, Telephone (instant)



TDCC emphasizes the impact of social engagement on the local development

- Business Correspondence (occasionally)
- Activities (occasionally)
- Results Announcement (occasionally)

Ranking of Sustainable Issues

Ranking	Category	Issue
1	Governance and Economy	Policies and Compliance
2	Governance and Economy	Corporate Governance and Business Integrity
3	Products and Services	Information Security

4	Governance and Economy	Risk management	
5	Governance and Economy	Internal control and Audit	
6	Employees and the Society	Employee Training and Development	
7	Employees and the Society	Labor-Management Communication	
8	Products and Services	Customer Relationship Management and Protection of Rights	
9	Governance and Economy	Management Performance	
10	Employees and the Society	Occupational Health and Safety	
11	Environment	Climate Change Adaptation and Energy Management	
12	Environment	Environmental Impact from Operations	
13	Governance and Economy	Sustainable supply chain management	
14	Employees and the Society	Employee Compensation and Benefits	
15	Employees and the Society	Human Rights and Diversity	
16	Employees and the Society	Financial Inclusion and Financial Education	
17	Products and Services	International Business Promotion	
18	Products and Services	Sustainable Finance and Product Innovation	
19	Employees and the Society	Talent recruitment and retention	
20	Employees and the Society	Communities and Social Influence	

Note: Due to the consolidation of sustainable issues, the categories for this year have also been adjusted.

Sustainability Issue Matrix

	1	
Level of Conce	 10. Occupational health and safety 11. Response to Climate Change and Energy Management 14. Employee Compensation and Benefits 	 Policies and Compliance Corporate Governance and Business Integrity Information security Risk management Internal control and Audit Employee Training and Development Labor-management Communication Customer relationship management and Protection of Rights
18. Sustainable Finance and Product Innovation	15. Human Rights and Diversity16. Financial Inclusion and Financial Education17. International Business Promotion	9. Business performance12. Environmental Impact from Operations13. Sustainable Supply Chain Management
	19. Talent Retention and Attraction 20. Community and Social Influence	
The D	egree of Impact on the Sustaina	ble Operation of TDCC

2.2

Management
Approach
Towards
Material
Issues

We disclose the material issues of the TDCC in 2019 based on GRI standards and also list 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

	Outside the Organization							
Materiality Issue	GRI Specific Topics	Inside the Organization	Customers/Participants	Shareholders/Investors	Competent Authorities	Suppliers/Contractors	Communities	Corresponding Chapters
Policies and Compliance	Social and Economic Compliance	V	V	V	V	V	V	3.1
Corporate Governance and Business Integrity	General Standard Disclosure	V		V	V	V		3.1
Information Security	Customer Privacy	V	V	V	V			3.2
Risk Management	General Standard Disclosure	V	V	V	V			3.2
Internal Control and Auditing	General Standard Disclosure	V			V			3.1
Employee Training and Development	Training and Education	V						5.2
Labor- Management Communication	Labor- Management Relationship	V						5.3
Customer Relationship Management and Protection of Rights	Marketing and Labeling Customer Privacy	V	V					4.1 4.2

Note: Inside the organization: all department heads and all employees of the TDCC

Material Issue Management Approach

Materiality Issue	Significance for TDCC
Policies and Compliance	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 towards the implementation of Taiwan's money laundering prevention policy and the improvement of company information transparency.
Corporate Governance and Business Integrity	 I. TDCC is the only back-end service provider 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. 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 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.
Information Security	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 needs of organizational development. This is the best protection for the TDCC's information security.
Risk Management	To maintain 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.

Policies and Commitments

2019 Methods of Action and Results

I. TDCC shall comply with regulations on securities and futures and futures management. It is committed to adjust operating methods and internal regulations as required by competent authorities in the event of regulatory changes. TDCC is committed to handle personal data in according with Personal Information Protection Act to ensure the security of personal data.

TDCC has developed policies, guidelines, and proposals for anti-money laundering and terrorism financing. It is committed to comply with the requirements of Money Laundering Control Act and Counter-Terrorism Financing Act.

See more

3.1 Corporate
Governance, 4.1
Comprehensive
Financial Market
Infrastructure
and Regulation

- I. Establish quality policies, protect investor interests, enhance market security, reduce social costs, and actively expand new operations, streamline procedures, and strengthen service quality.
- II. 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.
- III. We have established the "TDCC Rules of Employee Ethics and Integrity" and "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.

See more
3.1 Implement
Corporate

<u>Governance</u>

We shall fully utilize information and communication security technologies to construct an information security system with both effectiveness and integrity as to ensure confidentiality, completeness, and usability of information assets.

See more
3.2 Risk Control

TDCC has established a comprehensive risk management organization structure. In addition to the effective operation of 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.

See more
3.2 Risk Control

Materiality Issue Significance for TDCC 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, Internal Control and other goals. and Auditing 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. In line with the digital transformation and innovative service development goals of **Employee** TDCC, through the development of professional talents, we were able to establish the Training and digital thinking ability of employees. And through using digital technology and integrate Development cross-border resources, operational efficiency was improved in order to provide marketoriented digital services. Communication and cooperation between labor and management are promoted through Laborgood management mechanisms and communication channels in order to protect labor Management rights and employee benefits, which enhances employee coherence and creates a happy Communication enterprise. Customer Customer relationship management is a core concept in TDCC operations. TDCC provides Relationship centralized depository and book-entry services, secure financial market operation, Management and protection of investor interests. TDCC strives to improve service quality, as well as and Protection provide safe and convenient services. Using the market and customer needs as guidance of Rights to minimize operating costs and risks, it continues to diversify its services.

Policies and Commitments

2019 Methods of Action and Results

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 antimoney laundering and countering terrorism financing by financial institutions as designated by securities and futures businesses and the Financial Supervisory Commission.
- III. Details on Implementation of TDCC's internal control system and audit

See more

3.1 Implement
Corporate
Governance

- 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 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 asset", TDCC continue 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.

See more

5.2 Talent
Development

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, we will announce in advance in accordance with laws and regulations to protect employees' rights and interests.

See more

5.3 Employee Remuneration and Benefits

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 presents no false information in order to protect the rights and interests of consumers.

See more

4.1
Comprehensive
Financial Market
Infrastructure
and Regulation
4.2 Quality

<u>Customer</u> <u>Service</u>

Materiality Issue	Goals and Objectives
Policies and Compliance	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.
Corporate Governance and Business Integrity	 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. II. No corruption occurred.
Information Security	The Company has developed the "TDCC Information Security Policy," which are reviewed at least once a year during meetings held by management. It will provide the latest updates on information security management, operational standards, technologies, business needs, as well as regulations in order to ensure usability, security, and effectiveness of operations related to information security. Appropriate information security management will also be reinforced.
Risk Management	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.
Internal Control and Auditing	Promote the Company's sound management to reasonably ensure the fulfillment of the following goals: I. Effectiveness and efficiency of operations II. Reporting on reliability, timeliness, transparency and compliance with relevant regulations III. Compliance with relevant laws and regulations

Communication and Complaint Mechanism	Stakeholders in Focus
 I. "Directions Governing Handling of Reported Cases" II. "Procedures for Exercise of Rights, Complaints and Consultation" III. In 2019, 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. 	Employees, Customers / Participants, Competent Authorities, Suppliers / Contractors
I. Established the "TDCC Rules of Employee Ethics and Integrity." II. The "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.	Competent authorities, shareholders / investors, communities
Suggestion forms from official website, email, investor service hotline, or in writing.	Customers / Participants, Suppliers / Contractors
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 official website, and in writing to their respective units.	Employees, Customers / Participants, Competent Authorities, Suppliers / Contractors, Communities
Audit personnel shall conduct audit according 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 inspected unit and offer suggestions to ensure communication and understanding. This way, audit can be carried out in a smooth manner.	Employees, Customers / Participants, Competent Authorities, Suppliers / Contractors

Materiality Issue	Goals and Objectives
Employee Training and Development	 I. Talent Selection and Recruitment: in response to 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-round 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.
Labor- Management Communication	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.
Customer Relationship Management and Protection of Rights	 I. The ISO 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. 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 quality management system. III. Understand basic customer satisfaction items such as overall customer satisfaction on the corporate image. III. 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

Communication and Complaint Mechanism	Stakeholders in Focus
Employees can implement self-development 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.	Employees, shareholders / investors
 I. TDCC set up the "Directions Governing Handling of Reported Cases," and established the whistleblowing system. In addition, TDCC has set up an independent unit which is responsible for accepting and investigating whistleblower cases. 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. III. Bilateral communication seminars are be held in 2019, all of which can provide an opportunity to communicate relevant information with the company. 	Employees, shareholders / investors
 I. Customer service hotline, front desk, website suggestion form and email. 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. 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 opinion are organized and summarized as a basis of reference for future communication with users or when services are being provided. 	Shareholders/ Investors



3

CHAPTER 3

Corporate Governance

- 3.1 Implement Corporate Governance
- 3.2 Risk Control

Important Recognition

In 2019, TDCC won the "Excellence in Corporate Social Responsibility" given by the Commonwealth Magazine, the Corporate Sustainability Report Platinum Award and the Social Inclusion Award given by TCSA, and the "Excellent Vendor for Personal Information Data Protection" given by the Institute for Information Industry.

Management Performance

In 2019, the overall financial performance of TDCC recorded continuous growth with earnings after tax reaching NT\$2.51 billion, with the EPS being NT\$6.62.

TDCC takes 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

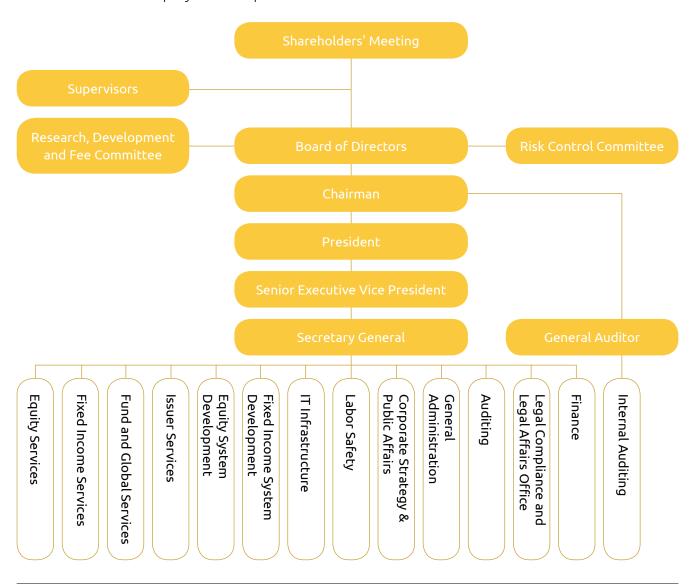
Board of Directors and Functional Committees

TDCC's highest decision-making authority is the shareholders' meeting, and the highest execution 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.

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 a diversly 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 2019 with 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.



Functional Committees

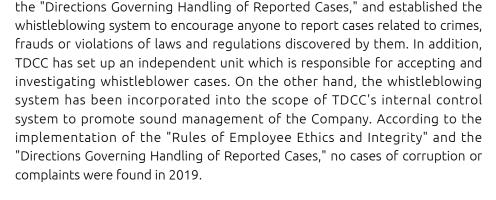
TDCC established the "risk control committee" and "R&D and rate review committee" under the board of directors to strengthen the board's management and supervision functions. The Company also formulated the "Fund Market R&D Counseling Committee" to foster the development of the fund market and promote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

Name of Committee	Main Responsibilities	Operations in 2019
Risk Control Committee	 Carry out review on the risk control controls and self-assessment reporting mechanism of participants Carry out risk control auditing on depository, clearing and settlement business procedures, computer system operational system and operational procedures between participants 	Convened 2 meetings with the average attendance rate of 91.7%
R&D and Fee Committee (equity products group and fixed-income group)	 Planning on business development and operational guidelines Carry out review on new business planning Carry out review on material changes in 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 98.1%
Fund market R&D counseling committee	 Counseling and suggestions on the fund market development, product development and backend 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 86.4%

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, drinking and dining treat, and 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

TDCC Implements
Five Major Directions
for Human Rights
Protection:





Implementing human rights in the workplace



Providing a safe workplace



Emphasizing labormanagement harmony



Respecting associations and communities



Protecting privacy and security

Human Rights and Diversified Equality

As human rights are highly valued internationally, the topic of human rights and diversity in Taiwan are one of the top ones in Asia, and TDCC values the diversity and equality within the company. At the end of 2019, 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 hope to establish appropriate management methods and procedures to prevent any violations of human rights, and we have formulated policies to promote human rights commitments. This commitment and policy plan were approved by the highest governance director in April 2020 to establish a secure workplace environment and a good work culture.

Regulatory Compliance

TDCC

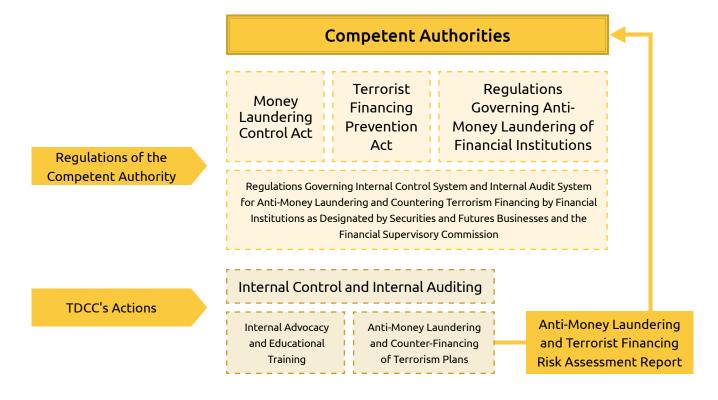
Strictly regulated by the competent authority, TDCC is also a financial institution that shall discharge its obligation to prevent money laundering in accordance with the requirements stipulated by Subparagraph 15, Paragraph 1, Article 5 of the Money Laundering Control Act, and shall abide by relevant regulations set out in the Money Laundering Control Act, Counter-Terrorism Financing 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 2019 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 are in compliance with the following aspects, and there are three action methods as follows:

- Keep up to date with the latest laws and regulations and communicate in real time: check whether the competent authority announces amendments in advance daily, 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 revise the internal regulations according to the adjustment of operations.
- Check whether the Company's new business is compliance with laws and regulations to ensure the innovative developments comply with government regulations.

TDCC is an important back-end institution in Taiwan's capital market, and we assist the government with 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, we regularly review 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 following year, the securities dealers cooperated with the stock exchanges and counter buying centers to conduct inspections. Through two-way communication, the concept of the law is reinforced with 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 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, we strengthen 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 5, Article 5 of the Money Laundering Control Act, FundRich must comply with the relevant regulations, including the Money Laundering Control Act, the Counter-Terrorism Financing Act, and the Regulations Governing Anti-Money Laundering of Financial Institutions, while carrying out anti-money laundering and counter-terrorism financing operations 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 2019.

3.2
Risk Control

Key Actions Taken by TDCC

TDCC has established a complete risk management organizational structure. In addition to the effective operations 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 meeting 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 carries out review on the risk control 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, the Company'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 are enhanced in handling abnormal conditions.

ISO 9001 Quality Management System

Aiming to maintain the quality of products and services provided, ensure the consistency of the quality, pursue excellence and keep enhancing customer service quality and internal operation efficiency, TDCC passed the ISO 9002:1994 international quality assurance system verification earliest in February 1999. In order to maintain the operation of the ISO 9001:2000 international quality assurance system, TDCC passed ISO 9001:2000 verification in August 2002; passed ISO 9001:2008 verification in September 2010 and obtained certificates from four countries, including UKAS in England, ANAB in the United States, SAS in the Switzerland and JAS-ANZ in New Zealand and Australia. We passed the latest verification ISO 90001 in May 2017 due to the latest announcement in 2015 in order to maintain the effectiveness of the quality system verification. In 2019, we continued to pass ISO information security management system verification, as well as risk identification during ISO 9001 quality management system verification, as well as risk identification security management system verification, as well as risk identification during ISO 9001 quality management system verification, as well as risk identification during ISO 9001 quality management system verification.

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.

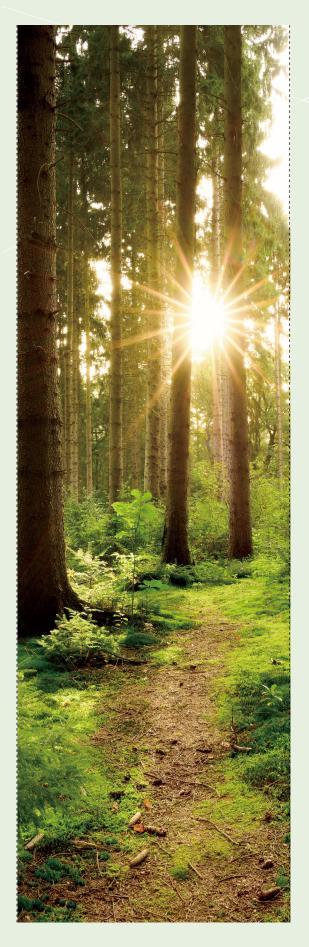
TDCC established the internal auditing office under the board of directors. The Company conducted an audit on the business operated by each department and office, assisted the board of directors and managers in investigating and assessing the internal control system and providing suggestions in due course so as to ensure the continuous and effective implementation of the internal control system. In 2019, the Company has completed 346 audit operations, and the audit results complied with regulations related to the Company's internal control system, in which no incompliance was found.

In the era of digital transformation, internal audit needs to use new methods and new ways of thinking to handle the transformation in order to respond to the challenges brought forth by the large amount of data and information-based businesses. Therefore, we invited the Computer Audit Association to conduct a special study on the topic of "Audit Transformation in the Digital Age" in 2019 to explore how to make good use of information technology for massive data analysis to identify potential risks, and transform innovation into digital and risk-oriented internal audit to enhance its role, function and efficiency. TDCC will refer to the audit blueprint and specific practices recommended in the research report in the future, and gradually introduce and promote it from 2020.

Key Actions Taken by FundRich

FundRich submits documents related to annual audit plan and its implementation to TDCC, whereas TDCC carries out inspection on FundRich at least once every year in accordance with the relevant laws and regulations. FundRich regularly performs internal inspection. 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 November 2019, the "Training on Anti-money Laundering and Combating the Financing of Terrorism" was conducted. All colleagues and 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.



CHAPTER 4

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 the financial market 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.

Looking into the future, 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 better market experience.

2019 Sustainability Results of TDCC's Financial Services

TDCC ePassbook 2.0 App Service



- 70% of investors have opened their security accounts through TDCC ePassbook
- The annual growth rate of DAU (Daily Active Users) is 134%, Annual growth rate of MAU (Monthly Active Users) is 94%.

All usage data hit a record high

TDCC StockVote



- An estimated of 1,757 public listed entities used the "TDCC StockVote" platform
- The total number of electronic votes in the shareholders' meeting was 7,375,194 votes, and the total number of shares was 313.328 billion shares.
- ✓ E-voting by using the platform accounted for 52.54% of the average number of shares present

Platform for Integrating Investor Relations (IR Platform)



- At present, the platform provides basic information about investors and their contact windows of more than 1,700 companies in Taiwan.
- In October, a rare Webinar was held, which acted as a bridge to connect with international research institutions.

- In May, TDCC successfully cooperated with ISS, the world's 2nd largest voting organization.
- TDCC won the digital transformation award presented by domestic and foreign governments, allowing Taiwan's digital achievements to shine internationally. We were also able to communicate and interact with participating governments, teams, and IT corporations to share Taiwan's advanced experiences and receive praise from the participating countries.
- Foreign shareholders from 6 major custodian banks also used our platform. 94,336 votes were made by foreign shareholders on our platform.
- ► TDCC participated in the "2018 DTA Award Digital Service Innovation Award" organized by the Digital Transformation Association and won the special award in the "Open Digital Government" category, which was presented in 2019. At the same time, TDCC was invited to participate in the 2019 eASIA Awards (Asia Pacific Electronic Achievement Award) finals held in Bangkok, and won the Gold Award for "Digital Transformation(Public Sector Category)".

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



- 1,546 visits to issuers in 2019
- The number of issuers using electronic means to register for issuance increased by 1.3 times, from 162 at the beginning of 2019 to 378 at the end of the year.
- As of the end of 2019, the issuance balance of electronic logged-in commercial promissory note accounted for about 70% of the issuance balance of the entire market, an increase of more than 60% compared with last year.

Dematerialization and Electronic Issuing and Entry of Commercial Papers (CP2)



- The fund monitoring station got nearly 1,250,000 hits this year. Among them, the statistics on the visual fund announcement accounted for 10% of the total number of hits.
- Fund information transmission service averages 24,000 transactions per month
- The fund trading platform completed a total of approximately 5.38 million purchases, redemption and conversions throughout the year, with a purchase amount of approximately NT\$ 60.6 billion.

Fund Transaction Platform



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.

Cross-border Custody



Accept Investor's Enquiries about the Central Depository Subjects



- A total of 8,879 investors or heirs inquiring about the central depository subject.
- A total of 9,388,876 inquiries were received in cooperation with public authorities, of which 9,372,365 were inquired electronically, and the ratio is as high as 99.8%.

Digital Transaction of Bonds Using Blockchain Technology



- Reducing the burden of manual work by operators and improving the settlement efficiency.
- Significantly enhance the security of the digital transactions of bonds

2019 TDCC Market Supervision Results

Digital Supervision Technology (SupTech)



Provided for use by the Central Banking Bureau and the Banking Bureau of the Financial Supervisory Commission, and the two units sent in letters to express their gratitude for the useful reference.

Company Transparency Platform (CTP)



- ✓ 629,978 companies completed the declaration, accounting for 91.45% of the companies that should be declared.
- A total of 2,982 financial and non-financial businesses or personnel have completed the registration.
- Accumulated to 134,185 inquiries
- ✓ 82 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).

- Added the automatic message reminder function to remind each business and their contact windows to check for the user data settings abnormalities.
- AML/CFT Screening
- Simultaneously update the data on the CTP platform to improve the convenience for the users.



✓ Excellent recognition from the APG

 \checkmark 6,151 cases of review and risk rating were finished

Customer Due
Diligence (CDD)
Operation
Management System



The top two circulations, UBS Taipei Branch and Societe Generale completed 3,107 commodity registrations via SFTP, and more than 400,000 commodity dividend reference price and sales information declarations were completed.

Information
Monitoring Station
for Offshore
Structural
Merchandise



Coordinate with Taiwan Stock Exchange and Taipei Exchange to conduct regular and specific audits on securities firms' central depository operations, coordinate with a competent authority to conduct audits on 1 security dealer, with a total of 56 firms. Internal Control and Asset Safety Review Coaching for Securities Dealers



In accordance with the routine inspections conducted by the competent authority, 136 stock affair units were audited, 7 cases of investor report cases were audited, and 64 inspections were conducted during the period of soliciting proxies, which amounts to a total of 207 audits.

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



Cooperate with
the Competent
Authority's Policy
on Multilateral
Communication and
Briefing



- Participated in the audit committee of the Taiwan Securities Association together with securities and futures units, and 4 meetings were held in 2019.
- Seminars were held with 10 securities dealers in order to assist the firms to implement the internal control system, and collect relevant opinions for business departments to improve their operations.
- Assisted the Taiwan Stock Exchange to handle a total of 13 briefing sessions on "Standards for Internal Control Systems for Securities Dealers" and "Standards for Internal Control Systems for the Operation of Securities Introducing Broker Business".
- ✓ 8 sessions of Standards and Regulations Amendment and Rules for Internal Control System of Stock Units and Rules and Rules and Practices of the Power of Attorney Briefing was held, and a total of 706 employees attended the meeting.

TDCC's Financial Patents

TDCC provides a complete and automated custodian institution the entrusted customers to check their balance, information transmission after completion of trading, and comparison and advance funding after the completion of trading. The two financial technologies are independently planned and developed by TDCC with original and unique features. To actively protect and give recognition to the efforts of our R&D team, TDCC developed a method and system for inquiring the balance of marketable securities kept by a custodian bank, and a system to audit the settlement of marketable securities in February 2018. We have applied for a patent to the Intellectual Property Bureau of the Ministry of Economic Affairs, which was approved in April and June 2019. In addition, the "Cross-border Voting Operation via Straight Through Processing (STP)" has been patented in Taiwan and applied for a patent to many ASEAN countries. The "Cross-Border Custody Service" also was patented in Taiwan and applied for patents in the European Union, the United States and China in order to protect TDCC's unique technology and demonstrating our advanced digital capabilities in financial technology. Regarding fund servicing, the fund trading platform established by TDCC provides sales institutions to transmit transactions, collect payment for investors in their own names, and provides a complete and automated fund transaction system for the institution. In February 2018, "A Method and system for trading marketable securities" applied for patent to the Intellectual Property Bureau of the Ministry of Economic Affairs, and obtained the patent approval in April 2019.

4.1

Comprehensive Financial Market Infrastructure and Regulation

TDCC's Features and Value of Financial Market Services

I. TDCC ePassbook 2.0 App Service

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.
- Asset integration is visualized, and users are able to manage their assets and financial rights more efficiently.
- The integrated functions can improve the efficiency of market operation and investor participation, which helps to activate the financial market

- The industry's first integrated asset management service
 - The industry's first asset management integration service where users can directly manage of the securities they own and get a hold of the market value of domestic fund assets. Investors can use the application's interface to look for information on domestic funds of different investment companies, which provides an integrated, one-stop information service.
- Compile market information on securities and domestic funds
 - Provide market information on securities and domestic funds, such as graphs on shareholding dispersion levels and future trends. The users can set their own search criteria. The "Find Fund" function covers more than 900 domestic fund trends, holdings, dividends and other related announcements, with functions such as investment trial calculations, which can be easily viewed and operated within the application.
- Customized message broadcasts

Proactive and customized information notifications, allowing investors to immediately get a hold of their qualifications and key information on investment positions. 38 types of information on securities and domestic funds in 5 categories can be automatically broadcasted.

Scan to download TDCC ePassbook



For details, please refer to the website on "TDCC ePassbook"

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

Market Value

The TDCC StockVote helps 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.

TDCC StockVote

The use of electronic voting in the regular shareholders's meetings helps to increase the shareholders' attendance and increase the shareholders' participation rate.

For details, please refer to the "TDCC StockVote" website

III. Investor Relations Platform (IR Platform)

Market Value

- This can attract international investors to put stocks of Taiwan into their portfolio and inject vigor into our stock market.
- The Investor Relations Platform coordinates with the government's Corporate Governance Blueprint. In addition to providing investors with the necessary information and interacting with the listed companies, it can also strengthen the promotion of corporate governance in Taiwan.



Investor Relations 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.

 Increased participation of foreign investors in the shareholders' meeting

Foreign institutional investors can vote directly by connecting international and Taiwan's voting platforms, which effectively increased the attendance of shareholders meetings of the publicly listed entities and thus benefits the business undertakings of companies.

- Cooperation and exchanges across nations
 - Foreign shareholders have voted for Broadridge and Institutional Shareholder Services (ISS), which are the top two international voting organizations, to complete cross-border voting and optimize the time management of voting for foreign investors.
- Cross-border Voting Operation via Straight Through Processing (STP)
 Patent Acquisition
 - Patent has been approved by the Ministry of Economic Affairs, and has applied for patents with several ASEAN countries, in hopes to extend this service, increase market efficiency, and spread the financial technological capabilities of Taiwan to the rest of the world.

- It has laid the foundation for two-way interaction between Taiwanese companies and international investors, and has become the biggest back up for Taiwanese companies to respond to ESG trends.
- Provide more time for foreign shareholders to vote; extend time and opportunities for issuers and foreign shareholders to discuss and approve proposals
- Establish standards, one-track procedures for voting, which reduces costs and operating risks
- Strengthen foreign investors' trust in the Taiwan market and increase the international visibility of listed companies in Taiwan.

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

Short-term Bills Central Depository Clearing and Delivery

TDCC implemented central depository, clearing and settlement system for short-term bills in 2004. Through this, short term bills are delivered through the book-entry operation instead of physical bills or issuing bond passbooks. TDCC became Taiwan's first institution that links with the CBC Interbank Funds Transfer System and adopts real-time

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

gross settlements system (RTGS). The system has been providing the delivery versus payment (DVP) information service for short-term bills transactions in domestic primary and secondary markets and redemption service to increase the application of funds in the money market. We adopted a new software to provide information about the supervision and management of short-term bill settlement transactions in a visual and interactive way, which helps the regulators to strengthen the market supervision mechanism.

Commercial Paper (CP2)

TDCC promoted the CP2 dematerialized registered issuance, which can help avoid forgery of CP2 and save time and efforts to deal with loss. Bill dealers are no longer restricted by the par values of physical bills and the number of pieces of CP2. They may gain more clients and increase trading volumes. To improve the efficiency of the primary bill market, TDCC launched 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.

V. Futures Clearing System

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 monitor risks in real time, conduct diversified investments and hedging.

TDCC established the Futures Clearing Systems for computers in response to business needs of Taiwan Futures Exchange, more than 300 items in eight categories have been introduced. Our futures trading platform includes both the in-hour and the after-hour trading platform. The futures clearing system processes after-hour closed positions and gives risk alarms immediately, so that investors are able to make instant investments and hedging in response to important information in Europe and the U.S. after trading hours.

VI. Fund Transaction Platform

Fund Declaration and Announcement Platform

Applying financial technology and intelligent software tools to present market statistical information in the form of visual graphs or trend lines, provide the investors with easy-to-understand and integrated charts in order to satisfy the need of the general investors and various professional institutions to see the statistical numbers of the domestic fund market.

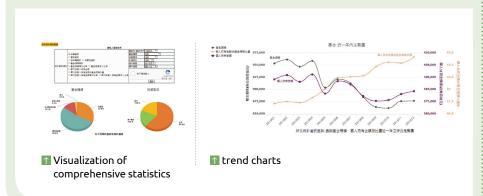
Click to go to the <u>fund monitoring station</u>

Fund trading services

It usually takes 7 to 10 days for the investors to complete the written verification, and the distributors, the debit bank and the company all need to use manpower and time to process and send relevant documents back and forth. In order to simplify the application process and meet the public's usage habits, investors were allowed to use the chip bank cards to apply for fund purchase authorization in 2016. in March 2019, investors can also log in their E-bank accounts and authorize the bank to conduct chargebacks. As of the end of January 2020, the rate of authorization through online banking has reached 59%, and will be more popularized and expanded in the future to provide investors with more convenient services.

Fund Information Transmission Platform

Provide Taiwan's master agents to place fund redemption order on the fund trading platform, and send to overseas fund institutions through serial transmission services with cooperating international information transmission service institutions, and automatically receive transaction confirmation from offshore fund companies.



Market Value

- Simplify the complex operational relationships between agencies
- Provide investors with more convenient and digitalized fund authorization and application services to improve market efficiency
- 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.

VII. Securities Depository System (TABS)

TDCC has implemented many operations and adjusted system functions based on the needs of the securities market and investors, including the securities inventory system, the "SMART" system, the report generating system, and the database system. The system is an open host machine with fast and efficient data processing time, and has the flexibility to expand. TDCC also ensures the stable system operation and provides continuous performance improvement.

Market Value

- Automate operations helps to reduce the data gap over time
- The system has good expansion flexibility, which is in line with current and future information technology development and business application trends

VIII. Cross-Border Custody



We started the custody service for foreign securities. Using SWIFT as our framework, we offer direct information transmission service and cross-border custody system for accounting and management. We also offer custom-made statement and reports, securities settlement, 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, Hong Kong and Japan.

Market Value

Provide the CBC periodic reports that cover the purchase, sale, and interest repayment of foreign currency denominated bonds, 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.

- 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 crossborder 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 crossborder custody participants

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

- Integration of TDCC's Inquiry System
 - Investors may search through the investor central depository account query system for information about opening their accounts, transactions and balance of their accounts, which saves investors from walk-in queries.
- 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 have introduced electronic query system, significantly improving the work efficiency.
- Integration of financial inheritance information query system.
 - TDCC developed a plan with the IRS being the contact window for when the heir goes to the National Taxation Bureau of Taipei, Ministry of Finance to apply for the inventory of the heir's property, he/she can inquire financial inheritance information from the six major units at once. This operation was launched in December 2019.

Market Value

- Improve the efficiency and convenience for people to inquire their own or inherited financial related information
- Improving the efficiency of government agencies and helping the government to promote national financial and tax supervision

X. Digital Transaction of Bonds Using Blockchain Technology

Increased efficiency of bond transaction

TDCC's bond dealers can send transaction notes and bond passbooks to customers through the system, and priority is given to those where both transaction parties are participants of TDCC.

Blockchain Application

To improve information security control, we entrusted certified Taiwanese Internet companies to study the feasibility of introducing blockchain technology, and confirmed that the transaction documents and bond passbooks can undergo identity authentication, electronic signature, data encryption and saved in the blockchain Storage. The system is expected to be officially launched in 2020.

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

Big data analysis technology builds a visual "Bills Market Supervision" platform

Designing the visually interactive "Bills Market Supervision" with big data analysis technology, based on six major themes including market information, supervision of bill companies, supervision of exempted CP2, market interest rate, analysis of individual issuers and monthly bills market report.

Using Big data analysis technology to build a visual "International Bond Market Supervision" platform.

Designing the visually interactive "International Bond Market Supervision Information" with big data analysis technology, based on topics such as country, currency, interest rate, issuance period, credit rating, custody balance, exchange rate, market price, early redemption conditions, proportion of available funds, and the holder concentration analysis. Use Tableau, a visual data processing tool, to develop an interactive analysis page where by clicking on the screen, the regulators can obtain multi-faceted and relevant information in real time. They are then able to conduct cross-analysis and cross-period comparison as well as pressure trial calculations for bond evaluation, exchange spreads, early redemption, etc., so that the regulators can effectively grasp the information of international bonds held by the insurance industry, and strengthen its supervision of the country risk, market risk, credit risk, exchange rate risk, concentration risk and other risks involved in foreign investment in the insurance industry.

Using big data analysis technology to builds a visual "Fund Supervision" platform

Using big data analysis technology to conduct cross-analysis and cross-period comparison on domestic and foreign funds, and basing on multiple indicators such as the master agents, fund company, investment area, sales category, as well as analyzing the concentration of general agents, funds and beneficiaries, and the distribution of the total balance of foreign fund institutions, along with the information on the domestic and foreign fund investment countries and the exposure of Taiwan's nationals, relevant supervision reports are produced in an interactive way for the management and the regulators for interpretation and application.

Value and benefit

- \Rightarrow 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

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 690,000 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 in order for the regulator to supervise and audit.

Value and Benefit

- Improve the transparency of corporate information, strengthen our action against money laundering
- $\stackrel{\star}{\simeq}$ Electronic declarations improves efficiency, save energy and reduce carbon emissions.
- Demonstrating the government 's determination to enforce the law, the platform accelerated the pace of construction after the announcement of Article 22-1 of The Company Act on August 1, 2018, and began accepting company declarations on November 1, 2018. In only three months, the declaration ratio reached more than 80%, and we started responding to financial institutions and non-financial business or personnel inquiries from February 24, 2019, fulfilling our obligations towards the customers. This helped with our evaluations at the third round of evaluation with the APG and received the rating of "Regular Follow-Up". In addition, during the 22nd annual meeting held by APG in Canberra, Australia from August 18 to 23, 2019, Taiwan was highly praised by various other countries and was invited for evaluation and share our experiences. The Executive Yuan expressed their gratitude towards TDCC for this recognition
- Provide timely, accurate, and reports with completeness to strengthen the effectiveness of the inspection and supervision by the regulators

III. AML/CFT Screening Platform

System background

TDCC has established "AML/CFT Screening Platform" for users to inquire customers' background information to comply with requirements stipulated in the Money Laundering Control Act and the Counter Terrorism Financing Act. Other than the participants of TDCC, other financial institutions and designated non-financial business 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 help them confirm the customer's identity and perform a continuous review.

Units that uses the system

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.

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





IV. Customer Due Diligence (CDD) Management System

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Digital Review Process

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.

Values and Benefits

- Compliant to regulations of anti-money laundering and helps 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 of 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.

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 saves manual work and time, simplifies the daily declaration process, and improve the safety as well as the efficiency of information declaration



- 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
- TDCC makes use of all supporting services and training programs for securities dealers on internal control and asset security protection, and gives descriptions and suggestion for violators. By doing these, TDCC fully assists regulators in supervising the market.
- When assisting securities firms to handle TDCC businesses, they can use safety control to give guidance and verify.
- Working with related units in securities and futures to edit the "Standards for Internal Control Systems for Securities Dealers" and "Standards for Internal Control Systems for the Operation of Securities Introducing Broker Business", and cooperate with the stock exchange to hold briefings.
- By checking the stock operations of the stock affairs unit, we propose improvement and suggestions regarding the deficiencies in order to improve the efficiency and safety of the stock service operations, and assist the regulators to supervise the market.
- Formulate and amend the "Standards and Regulations for Internal Control System of Stock Affairs Unit", and hold briefing sessions for the stock affair 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

- 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 customers, and the Asset Under Management (AUM) of funds continues to grow every year, reaching NT\$33.75 billion, which is an increase of 89% from the previous year.

In the past two years, the cumulative growth in the number of customers has been increasing. In 2019, the ReLife Project was launched to bring about the people's awareness on retirement and increase investors' willingness to open accounts. As of the end of December, the number of account holders reached 120,245 people, which is an increase of 115% compared with the end of last year.

The cumulative purchase volume in 2019 was approximately NT\$ 25 billion, which was nearly 50% higher from NT\$ 16.6 billion in 2018.

The ReLife project brought along the purchase of **regular quota investments**, and the cumulative
purchase volume in 2019 was approximately

NT\$ 6 billion, which was nearly 39% higher from NT\$ 43 billion in 2018.

The First Online Fund Account Opening System in Taiwan

In order to streamline procedures for opening an account, FundRich actively communicated with TDCC, regulators and unions and got permissions 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 their E-bank accounts and authorize the bank to

conduct chargebacks. Until December 2019, 35% of accounts of FundRich have been opened through E-bank and bank card. Online account opening greatly reduces operation time from 7 to 10 working days in the past to 1 to 2 work days now. Besides, mail delivery of paper files and manual work are no longer needed now. Cost for opening an account has been cut from NT\$ 350 to NT\$ 180.

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 fit their risk ratings among 3,000 funds. With the core value being "intimate, convenient, and smart +" and the new motto being "Making investment easier", the platform is simple and easy-to-use for investors 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 classify 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. In 2019, more series of funds will be added, including the Neuberger Berman, the HSBC Global Asset Management, and PIMCO.

Colorful Fund Map

FundRich marks the world map with different colors so that investors can spot the most popular area of investment and find their investment direction from top to bottom

FR100

According to funds' profit, risk and cost, FundRich selects the best fund in a certain industry or market for starters

Fund Bubble

Through an interactive interface, the bubbles can show the CP value of funds quickly and help investors spot their fund from the top to the bottom

Fund Selecting Strategy

We offer 4 strategies and let investors set their own parameters so that they can choose the fund fit their needs









ReLife Project

"ReLife Project - Experimental Project for Self Pension Saving Investment" was officially launched in July, 2019, encouraging people to establish investment awareness 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. This convenient way has been widely recognized by the public and successfully brought out the awareness of the Taiwanese people to start retirement preparations early. Coupled with promotion and education about the project, more than 40,000 people participated in the deduction.



Click me to go to FundRich

Retirement preparation is a concept that needs to be promoted continuously. With the market enthusiasm brought about by the ReLife project in 2019, we hope that this will carry on into 2020. In addition to investment, retirement insurance is also very important. Under the concept of ReLife 1+1, we hope to promote the importance of investment and insurance to retirement preparation, so that the people's retirement preparations can be more complete.

Key Results for FundRich in 2019

FundRich is highly trusted by customers, the annual fund purchase volume continues to grow every year, with a growth of 89% in 2019 compared to 2018. Additionally, the ReLife Project brings about the people's willingness to open accounts for retirement investments, the number of accounts opened in 2019 increased by 115% compared to 2018, illustrating the importance of FundRich in the digitalization era of the fund market.



4.2

Quality Customer Service

TDCC values customer service as the first priority or business development, and takes asset safety protection measures to safeguard customers' equities and privacy and ensure the safety of our service foundation. Through information security system, hardware backup mechanism, internal training mechanism, etc., the efficiency and security of back-end services are improved. 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. TDCC always puts 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 and Information Security Protection

As a post-trade facility in both the capital market and the money market, TDCC always endeavors to build infrastructure in financial markets, and because TDCC keeps the central depository data from 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 2019.

TDCC's Three Items of Information Security Protection

- I. Collect various safety incidents each day and transfer the safety incident information to the monitoring software of the SOC system
- II. After immediately monitoring various incidents and correlation analysis, make analytical statement and give an alarm and make notification
- III. Process incident supervising, tracking and monitoring each day

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. In 2003,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. In 2019, there were no complaints about infringement of customer privacy or the loss of customer data.

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.

Implementation of Information Safety Protection

O Formulated the "Business Continuity Plan (BCP)"

All employees will carry out comprehensive onsite and offsite drills, and develop preventive and contingency measures in response to natural disasters, accidents or other unexpected conditions that lead to the interruption of operations.

- Routine Safety Inspections
- The 6 items of the routine safety inspection conducted and completed in 2019 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.
- Unannounced Information Security Drill
 - In 2019, TDCC invited professional security vendors to handle the red team exercise, which was carried out without warning. The purpose is to establish the security protection awareness of all colleagues at TDCC and to confirm the security protection level of each information system in order to protect the safety of our overall operation.
- ISO 27001 Information and Communication Security Management System Verification

With a view to ensuring the confidentiality, comprehensiveness and availability of the information system, and providing 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.

We evaluated the maturity of the information security governance. Through training, self-evaluation, review on the results of self-evaluation, enhancement in proposals and review on reported items, we hope to refine the maturity review mechanism regarding the information security governance and establish the information security protection capability index. There are a total of 41 examination items concerning the review procedures of the information security governance maturity. TDCC's overall information security activities are completed through such review procedures. We undergo information security management system verification conducted by external audit agency, British Standards Institute (BSI) twice every year and maintain continuous validity of ISO27001 information security certification. Our audit results in 2019 complied with the requirements of BSI standards.

Employee Information Safety Training

- Security education and training are performed at all levels, strengthening employee security technology and obtaining relevant certificates.
- 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.
- 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 set by the Securities and Futures Bureau of Financial Supervision Committee.

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.

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. Two external unit audit verifications were carried out every year, and there is no missing or improvement suggestions in 2019.

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.

O BCP

Executed every six months.

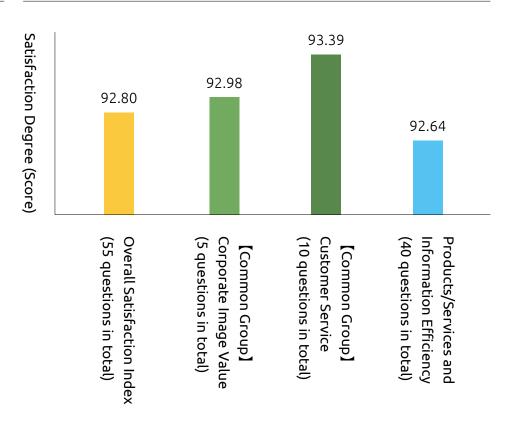
Employee Information Safety Training

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.

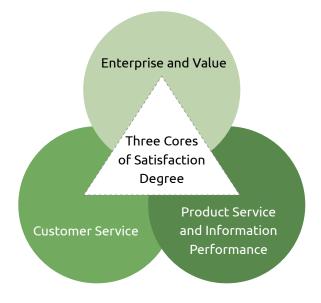
Customer Satisfaction Survey

In order to understand and care about the user's opinions as well as to provide better service quality, we annually provide satisfaction surveys for the five categories of users such as securities dealers, bond dealers, bill dealers, domestic and foreign fund related institutions, and stock affairs units. Through this mechanism, we can regularly track the user's evaluation of the company and interpret the significance of data in a subjective and scientific way. Professional advice will be provided based on the result as a basis for setting the focus of services and improving customer satisfaction in the future.

The average satisfaction degree of the indicators of TDCC is 92.80



In 2019, questionnaire URL links were sent to 235 users and 232 valid samples were recovered. The overall response rate was 98.7%. The average satisfaction degree of the indicators of TDCC is 92.80 points. Within the 3 major categories questions, users gave the highest assessment to the "Customer Service" of TDCC, reaching 93.39 points, while the overall average score of the Corporate Image Value was 92.98 points. In the "Merchandise Service and Information Performance" part, the overall average score is 92.64 points, and the average scores of all three have a high rating of over 92 points.



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's 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:

Customer service line, counter customer service, e-mail and written materials such as letters





Hold business exchange, business propaganda description meetings, forums and customer satisfaction surveys at irregular intervals, as well as written materials for new business propaganda description meetings and media statements

Participate in meetings of relevant labor unions/associations





Visit participants in person and communicate face to face when checking or counselling

Establish a digital learning platform to provide customers with the latest information and quality services through digital audio and video learning courses and data downloads





Organize telephone courtesy course training and digital audio and video learning courses to enhance customer service quality

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", and "Handling Consumer dispute and financial friendly service training", and "Persona information Protection 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 the 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 businesses goes online, assist the employees of domestic securities dealer, 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, continuously introduces diversified products and services coordinated with domestic and foreign laws and regulations, and in combination with the big data and cloud technology, and holds a number of business promotion description sessions, training, information promotions and various visiting and exchange activities so that the investors and the employed personnel can understand various new operations and businesses. 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 to expand our service range and collect market information to facilitate the continuous optimization of products and services.

TDCC Organize 22 business promotion and reward activities nationwide. Participated in the "FinTech Taipei 2019" co-organized by the Taiwan Financial Services Roundtable and the Taiwan Academy of Banking and Finance. TDCC e-Passbook Cooperate with the Taiwan Financial Services Roundtable to host the "Financial Service Charity Carnival" in Tainan and Hsinchu and promoted the "TDCC ePassbook". We also held a number of briefing sessions on a number of e-platforms and nonmaterialized issuing operations, including the electronic voting platform of the shareholders' meeting, the digitalization of dematerialization delivery operations, and the financing commercial paper issuing platform, encouraging investors and insurance practitioners to participate. In 2019, we counseled 442 securities firms to promote mobile phone passbooks throughout the year, held 22 business briefing sessions, and 7 training for the **Business Briefings** stock service units staff. In 2019, two briefing sessions were held for bond dealers and custodian banks, with a total of 152 participants. One briefing session was held for life insurance companies, with a total of 85 participants, and one briefing session was held for specialist and part-time brokers, with a total of 49 participants. The number of issuers using electronic register for issuance has increased from 162 at the beginning of 2019 to 378 at the end of the year. Held the "Seminar on the Use of Electronic Voting Platform for Shareholders' Briefing on the Meetings" for the Taiwan Stock Affairs Association and the self-appointed stock System Platform affairs units. Starting in 2019, several new entrepreneurs will be invited to discuss the feasibility of creating new business models with TDCC to expand financial services **Expand Innovative** through the social influence of TDCC. Cooperation Models Join the Global Research & Industry Alliance from National Chengchi University to develop innovative business models related to Open API.

Digital Financial Talents

Continue to provide courses corresponding to the TDCC's Funtech development, such as: Lecture on Digital marketing and GA, The GDPR extra-territorial effectiveness regulations and application under digital economy, The work of artificial intelligence transformation-Robotic Process Automation (RPA), etc. In addition, we also sent staff to participate in courses organized by external units, such as: "Taiwan Digital Financial Services - the New Blue Ocean" seminar, "San Francisco AI Summit Sharing" seminar, etc.

FundRich

Business Promotion Channels

- 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.
- Through lectures and activities, more people are attracted from different fields and age groups, which will strengthen the financial inclusion goal of FundRich.

FundRich adopts a precise segmentation strategy, which includes collecting user behaviors all users, and filtering user behaviors by labeling and classification.

Internet Marketing Analysis

With LINE's high usage and transmission rate which can increase the point of contact with investors, 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. FB is defined as a tool for content management, which can be used as a brand facade and customer service channel.

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 the 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, holds a number of international forums and seminars in Taiwan, shares business experience with attendees from different countries through the international meetings with different natures and themes, holds bilateral talks with important foreign institutions and actively shares Taiwan's successful experience.

Hold a Key Position in an International Agency

TDCC successfully applied for the establishment of 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. To play a more active and important role in ACG, Chairman Sherman Lin ran for the Vice Chairman of ACG and was elected in 2019. He will lead the development of ACG and represent ACG as a member of the Board of Directors of WFC to participate in the decision-making process, and enhance the importance of TDCC in international depository groups. Deepening cooperation with international organizations will help Taiwan's capital market to integrate with other countries and develop with innovation.

In addition, TDCC hopes to "create a communication platform" as a goal for working with the Investor Service Working group and promoting The New Southbound Policy. The "International Corporate and Investor Services Seminar" was held in Bangkok, Thailand on November 14th, 2019, which was held in collaboration with Thailand Securities Depository, TSD and Korea Securities Depository, KSD. This seminar provided an opportunity for the ACG members to communicate with each other, and allowed Taiwan's capital market to emerge in the international scene once again.

 For more information on international exchanges, please see below "Participation in International Events in 2019"



Sherman Lin, Chairman of TDCC, and Byunghae Lee, Former Chairman of ACG, was elected as Vice Chairman of ACG and served as a member of the board of WFC

Participation in International Events in 2019

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 Place / Time

Content

member organizations are invited to share relevant experiences in the

The 21st Asia-Pacific CSD Group (ACG)

Middle-class Cadre Training

Share new business items such as "TDCC ePassbook", "Issuing the commercial paper in electronic means", "Visual Inquiry Service of the Fund Information Platform" and "Improve Taiwan's Corporate Governance to Attract Foreign Investment".

March

Based on the theme of "Strengthening Investor's Insurance Services",

business.

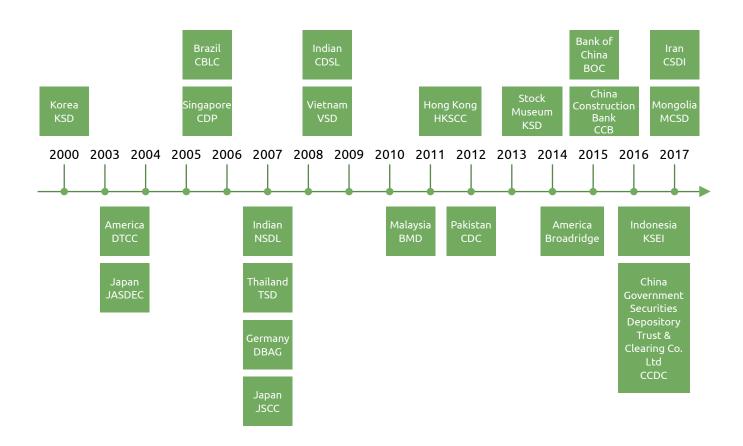
International Forum of Accounting	Buenos Aires, Argentina	0	Under the title of "Inline XBRL and Blockchain-Discussion on Financia Technology Development and Accounting Principles of Depository				
Standard Setters (IFASS)	March		Corporations", we elaborated on the effectiveness of the innovative technological development of TDCC.				
The 2019 WFC General Meeting	Marrakech, Morocco	0	Participated in the "FinTech Technologies and How to Embrace Them" forum as the speaker and exchanged with global depository				
g	April		institutions.				
The 23rd ACG General Meeting	Kathmandu, Nepal	© ©					
(ACG23)	September		Sherman LIn, the Chairman of TDCC, led the discussions of the "Investor Service Working Group" meeting				
Asia Fund Standardization Forum,	Bangkok, Thailand	0	Briefing on the visual inquiry service of the Fund Information				
AFSF	November		Announcement Platform (FundClear) and the latest development of the fund trading services.				
Investor Services Task Force	Bangkok, Thailand	0	Invite industry experts to deliver a special speech under the title of "E-Services for Shareholders' Meetings" and host the "The Information Exchange on AGM e-Services Symposium".				
Workshop	November	0	Announced the results of the questionnaire survey on the "e-Service of Shareholders' Meeting" in the Asian market and shared Taiwan's experience in promoting electronic voting.				
eASIA Award (Asia-Pacific Electronic	Bangkok, Thailand	0	Received the Gold Award under "Digital Transformation (Public				
Achievement Award) Finals	November		Sector)" for "Innovation in e-Voting & Cross-border Voting Solution STP Project", and interacted with the other participating units.				
Joint Business Seminar hosted by	Seoul, South Korea	0	Share the latest business progress of TDCC, electronic voting services,				
Korea Securities Depository (KSD)	November		and national retirement investment projects.				

TDCC and other International Activities

Meeting Agendas	Place / Time	Content
The 44th Annual Meeting of IOSCO	Sydney, Australia May	The latest supervision trends and developments in the global securities market
Regional CIO Summit Greater China	Shanghai, China May	Technology development trends in the industry

Cisco Live	San Diego, United States June	Innovative digital technology concepts, applications and development trends
The IIA's 2019 International	Anaheim, United States	International Development of Audit Operations
Conference	July	
	Tokyo, Japan	
Regional CIO Summit Greater China	August	Practical experience in information security and risk management
Gartner Catalyst Conference	San Diego, United States	Development Trend of Information Technology
	August	
TI 22 LADGA LILLI'	Canberra, Australia	International Trends in Preventing Money Laundering and Combating
The 22nd APG Annual Meeting	August	Terrorism Financing
ICOM	Kyoto, Japan	
ICOM	September	Exchanges on the operation of museums in various countries
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	London, United Kingdom	Global developmental trends of the securities industry
SIBOS 2019	September	
On-site inspection of ICSDs	Luxembourg, Belgium	ICSD asset storage, security control and other operating modes
	September	
Gartner IT Symposium Xpo	Gold Coast, Australia	Get a hold of the latest development trends of information technology, understand how to improve corporate information security, and create safe
	October	digital development
SWIFT Operations Forum Asia Pacific	Singapore	Issues such as cross-border payment business management and control,
Operations 2019	October	innovative cloud services, network security, ISO20022 introduction, and parallel testing of new versions of message specifications
Reg Tech Convention Forum, visit	Frankfurt, Germany	The development trend of international supervision technology and the
BearingPoint Inc.	November	application of big data analysis platform
Visit Visaba Considing V	Seoul, South Korea	Communicated with Yuanta Securities Korea to understand the system and
Visit Yuanta Securities Korea	December	latest developments of the Korean securities and fund markets

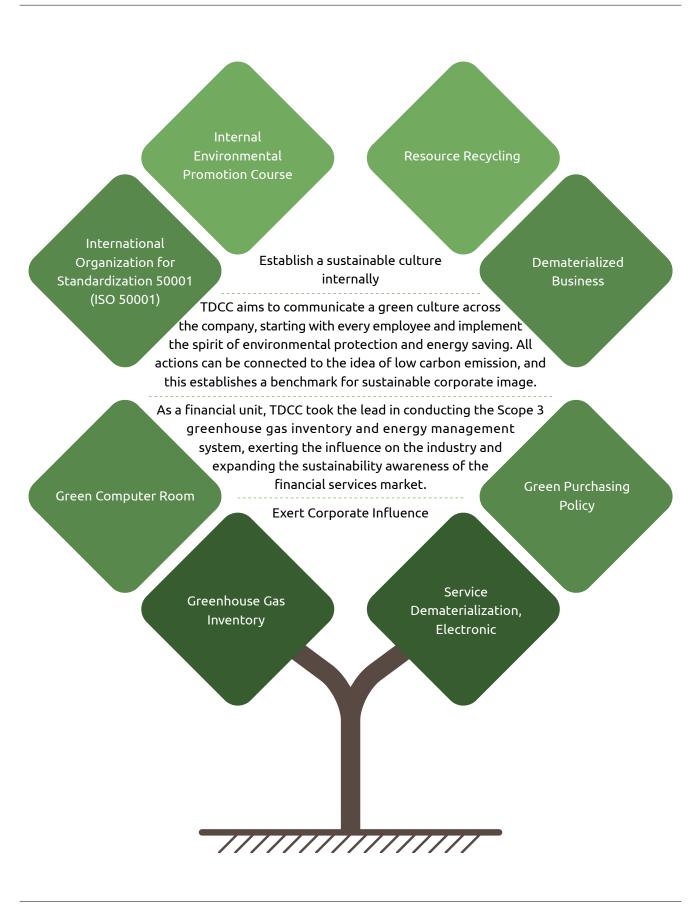
By the end of 2019, TDCC had signed memorandums of understanding (MOUs) with 22 foreign institutions including 15 members of ACG and 7 depository agencies to further establish international friendly relations and carry out the information exchange and cross-border cooperation.



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, but it is an accumulated practice, where the employees can naturally implement it in life 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 electronization, we not only improved work efficiency, but also reduced resource consumption and contributed to the global environment.

In 2019, TDCC plans to further introduce and obtain the verification of the ISO 50001 energy management system. We also added "Other Indirect Emissions: Employee Business Travels" in the inventory of greenhouse gas emissions 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.



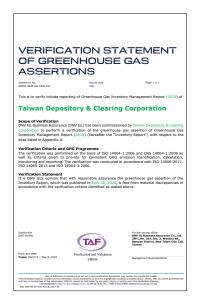
Greenhouse Gas Inventory

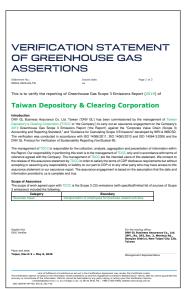
We carried out 2019 greenhouse gas inventory according to ISO 14064-1 to have an understanding of our emission levels, which was verified by DNV GL Business Assurance Co., Ltd. as the basis for follow-up improvement. This certificate is not only the first greenhouse gas inventory report of securities and future units in Taiwan, but also a declaration of our determination in energy conservation and carbon reduction based on our corporate social responsibility.

Expanding the
Investigation of Scope
3 Emissions in 2019Employee Travel

The operational boundary of TDCC includes the office area in Hungya Building, Nangang computer facilities room and Zhubei computer facilities room. In 2019, total emissions were 3,005.45 tons of CO2e, 99% of which were from power use, and the remaining 2.08% 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.

Not only that, we also completed a survey of the indirect greenhouse gas emissions of employees' business trips in 2019, which is the Scope 3 of the greenhouse gas emissions defined in the greenhouse gas emission guidelines. Through learning about the impact of global warming regarding the upstream and downstream of the company 's value chain, we can then manage our actions, exert our influence, and expand carbon reduction to work together to improve climate change.





■ Verification Statement of GHG Assertions(Scope1, 2), (Scope3)

Greenhouse Gas Emissions of TDCC (by Base)

	Scope		Scope 1				
	Emission Type	Fixed Combustion Emissions	Mobile Combustion Emissions	Process Emissions	Effusion Emissions	Indirect Energy Emissions	Total Emissions (t-CO2e/year)
	Hungya Building	1.00	25.39	0.00	0.00	465.82	492.21
2019	Nangang Office and Computer Facilities	1.42	0.00	0.00	0.00	2,094.62	2,096.04
	Zhubei Backup Computer Facilities	0.00	0.00	0.00	0.27	416.93	417.20
	Total Emissions in Different Categories	2.42	25.39	0.00	0.27	2,977.37	3,005.45
	Proportion of Scope 1 and Scope 2 in total %		0.9	93%		99.07%	100%

Note 1: The emission coefficients of effusion emission sources such as gasoline, diesel and refrigerant are calculated according to the Greenhouse Gas Emission Coefficient Management Table 6.0.4 published by the Environmental Protection Administration of the Executive Yuan. The GWP value source refers to the 5th Assessment Report of IPCC (2013)

Note 2: The power emission coefficient is subject to power coefficient of 2018, 0.533 kg CO2e/kilowatt-hour, issued by Bureau of Energy of Ministry of Economic Affairs

Note 3: The emissions in this table are the operational boundaries of TDCC

TDCC Scope 3 Greenhouse Gas Emissions

Category: Employee Business Travel
119.46 (t-CO2e / year)

Note: Based on the calculation method of category 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

TDCC's Greenhouse Gas Emission in the Past Two Years

Unit: tCO2e/year	2018	2019
Scope 1	49.70	28.08
Scope 2	2,338.23	2,997.37
Scope 3		119.46

Note: In order to expand the inspection and disclose the complete situation, TDCC included the public airconditioning power consumption of the Nangang computer facilities room into the scope of the inventory in 2019, therefore the overall emissions have increased

International Organization for Standardization 50001 (ISO 50001)

In 2019, TDCC introduced the ISO 50001 energy management system, established the management unit of the company 's energy management, and started managing the equipment with high energy consumption. Through a comprehensive energy review, a baseline was established, in turn each unit plans for future improvement opportunities.

TDCC is also the first to introduce energy management system to financial peripheral units. If the greenhouse gas inventory is a passive disclosure, the energy management system is an active attack. Although TDCC is not an industry with huge emissions, however 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. On December 16, 2019, we also held a 3-hour energy management system training. By participating in these courses, various departments will be able to apply these knowledge in their daily tasks and this training will continue in 2020.

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 Operating Benefits to the Public

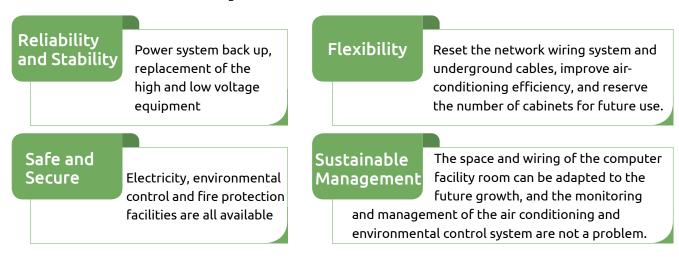
Demonstrate Sustainable

- The meeting materials are sent in an electronic manner. In \bigcirc this way, the conferee can inquire about meeting materials by their iPad via EIP website.
- Electronic business contact list: We have adopted the electronic business contact list authorized by the head of the unit since 2012. There were 12,266 items in 2019, each item can save about 2 sheets of papers, and a total of more than 24,000 sheets of paper can be saved.
- The CDD customer system is online, saving about 44,000 sheets per year.
- 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.

- Replacement of official vehicles with hybrid vehicles to increase the use of low-carbon energy and reduce air pollution
- In order to activate the Company's idle and abandoned assets, we make an inventory of assets of each department every year, auction our needless but usable items to employees via the Company's platform, and resell the remaining to the qualified manufacturers or related manufacturers.
- The Chairman signs the energy policy, promising to work hard for the environment.
- Since TDCC implemented full dematerialization in 2011, a total of nearly 79.6 million physical stocks were reduced according to statistics, which equals to the height of 44 Taipei 101 Buildings when stacked together.
- "TDCC ePassbook" App reduces about 650,000 paper passbooks and more than NT\$ 3 million worth of magnetic strips per year.

Green Computer Facility Room

Almost all the main services of TDCC rely on a large number of information systems and server backgrounds. Therefore, the use of electricity by computer hosts and other equipment is our largest source of energy consumption. In view of this, our plan to promote the renovation of green computer rooms since 2019 will improve the energy efficiency of overall computer facilities, reduce operating costs, and contribute to energy conservation and carbon reduction. Through the improvement of the power system circuit, update of the network wiring and air conditioning efficiency, integration of the green space of the equipment room, and the construction and enhancement of infrastructure in the storage equipment, 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 and other office equipment such as printers, and as well as paper. The energy policy also sets out the principles for purchasing energy-saving equipment and emphasizes the need to improve for 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 the manual procedures such as mailing of paper documents and manual processing.



CHAPTER 5

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, the development of capabilities, the protection of rights and interests, and the care of work and life are our main practices of a healthy workplace.

2019 Friendly Workplace

Employee training costs averaged NT\$24,246 per person

Employee training average 51.8 hours per person

A total of 444 medical examinations received subsidy

For employees' childbirth in 2019, the Company allocated NT\$100,000 for each child

O Complaints, No employee complaints, violations of any labor and human rights regulations, or penalties

Held 4 discussion meeting

Held 4 Labor-Management Meetings

A total of 6 employees applied for preferential retirement and resignation, with a turnover rate of 1.1%

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 local talents and we guarantee a job quota for the disabled based on legal requirements. TDCC had a total of 523 regular employees at the end of 2019.

The Staff Composition of TDCC in 2019

Cahagasy	Regular Employees		Non-Regular Employees	
Сатедогу	Male	Female	Male	Female
Local Employees	280	243	12	4
Foreign Employees	0	0	0	0
Total	539			

Note 1: There are 8 employees with disabilities in the regular employees of TDCC, with no indigenous employees

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

The following table is the employee gender distribution at TDCC:

Employee Gender and Age Groups of TDCC in 2019

Category -		Male		Female	
Cate	gory	Number	Percentage	Number	Percentage
	Under 30	5	0.93%	11	2.04%
Age	31~50	133	24.68%	98	18.18%
	Above 51	142	26.35%	134	24.86%

Note: Only Regular Employees

We uphold a diverse and open attitude and recruit employees from different education systems or backgrounds. Our colleagues all 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 2019

Catagory	Crown	Male		Female	
Category	Group -	Number	Percentage	Number	Percentage
	High School or below	12	2.23%	23	4.27%
Education	Bachelor's Degree	150	27.83%	145	26.90%
	Master's Degree	117	21.71%	75	13.91%
	Doctoral Degree	1	0.19%	0	0.00%

Note: Only Regular Employees

The Job Structure of TDCC in 2019

Catagory	Croup	Male		Female	
Category	Group	Number	Percentage	Number	Percentage
	Management	61	11.66%	51	9.75%
TDCC	Non- Management	219	41.87%	192	36.72%

Note: Only Regular Employees

The Current Human Resources Status of FundRich

The human resources situation of FundRich is as follows:

The Staff Composition of FundRich in 2019

Cahagasy	Regular Employees		Non-Regular Employees	
Сатедогу	Male	Female	Male	Female
Local Employees	23	27	0	0
Foreign Employees	0	0	0	0
Total	50			

Note: FundRich has no disabled nor indigenous employees

The Employee Gender and Age Structure of FundRich in 2019

Category -		M	lale	Female	
		Number	Percentage	Number	Percentage
	Under 30	6	12%	7	14%
Age	31~50	14	28%	17	34%
	Above 51	3	6%	3	6%

The Employee's Education Level of FundRich in 2019

Category	Croup	M	lale	Female		
Category	Group -	Number	Percentage	Number	Percentage	
	High					
	School or	0	0%	0	0%	
	Below					
	Bachelor's	17	34%	22	44%	
Education	Degree					
	Master's	6	12%	5	10%	
	Degree				1070	
	Doctoral	0	0%	0	0%	
	Degree	U			0 76	

The Job Structure of FundRich in 2019

Category	Crows	N	lale	Female		
	Group	Number	Percentage	Number	Percentage	
۲۰۰۰ مار): ما	Management	3	6%	3	6%	
FundRich	Non-Management	20	40%	24	24%	

Recruitment and Turnover in 2019

TDCC offers excellent job opportunities, all personnel management must pass the approval of the competent authority and exhibits a stable working environment and excellent employee welfare. There were 20 new recruits in 2019, accounting for 3.71% of full-time employees. In the same year 6 employees resigned from their positions, with the turnover rate of 1.11%, which is far below 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 2019

	Age		Male			Female		To	tal	Number
Company /Location		30 Under	31-50	Above 51	30 Under	31-50	Above 51	Male	Female	of New Recruits
	Taipei	2	6	1	4	4	0	9	8	17
TDCC	Nangang	0	3	0	0	0	0	3	0	3
	Hsinchu	0	0	0	0	0	0	0	0	0
To	tal	2	9	1	4	4	0	12	8	20

The Status of Employee Resignations in TDCC in 2019

	Age		Male			Female		Тс	otal	Number
Company /Location	n	30 Under	31-50	Above 51	30 Under	31-50	Above 51	Male	Female	of New Recruits
	Taipei	0	2	3	1	0	0	5	1	6
TDCC	Nangang	0	0	0	0	0	0	0	0	0
	Hsinchu	0	0	0	0	0	0	0	0	0
To	tal	0	2	3	1	0	0	5	1	6

The new employee recruitment rate by gender and the turnover rate in 2019 are as follows:

	Ratio of New Hires	Turnover Rate
Rates Overall	3.71%	1.11%
Male	2.23%	0.93%
Female	1.48%	0.19%

- 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
- Does not include FundRich

Labor-Management Communication

We treat employees as partners and family members. Through regular labormanagement meetings and employee interviews, we listen to the employee's voices, establish communication channels between the two parties, and value the employees' opinions and ideas.

We are keeping track of employee's work conditions and continue to provide multiple communication channels. For the first time in 2019, senior executives met directly with supervisors and entry level employees through a two-way communication tea party and opened up with colleagues to discuss any issues they have at work. The questions raised by the colleagues will be discussed in the follow-up seminars and corresponding improvement measures will be stated. Between 2016 and 2019, there were no employee complaints.

Communication Channels in 2019

Note: Does not include FundRich

Employee Suggestion Form:

We encourage employees to use their creativity and potential to come up with innovative improvement suggestions on business planning, regulations, systems, work environment, management and interpersonal relationships.

Labor-Management Meeting:

- Frequency: at least once every 3 months
- Total Number of Meetings held: 4 Labor-Management meetings
- Ratio of Labor and Management Representatives is 1:1
- We discuss and build a consensus on the Company's regulations and future plans, establishing official communication channels for both sides and incorporating employee feedback into the Company's major direction of improvement.

Two-way Communication Tea Party

- Number of times held: 4 two-way communication tea parties
- Two follow-up seminars on the matters discussed during the two-way communication seminar
- Senior executives met directly with supervisors and entry-level employees, opened up with colleagues to discuss any issues they have at work, and these issues are followed up with and improved.

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

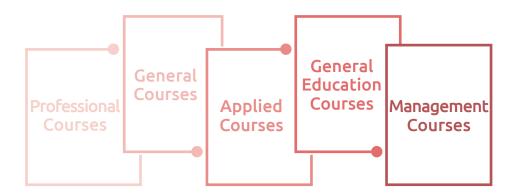
In order to provide more innovative and convenient services, TDCC cater to various needs of business development in each department by organizing our own courses, external training, or outsourced professional courses onsite. Personal information certification, personal information protection, information security, or technical training in hacking and trend analysis, fall under the scope of professional courses. Fire safety seminars, ISO courses, and anti-money laundering courses are also organized, along with English lessons for recruits and current employees based on their level.

TDCC employees represent the Company in ACG leader workshops and transnational talent development courses by Securities and Futures Institute, among others. They will bring back the latest international trends, cultivate leadership, develop their vision, and share with their colleagues to improve the Company's overall capabilities.

Besides the onsite courses, 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. E-Training also provides courses on health and well-being, which are provided to retired colleagues for occasional viewing and adjusting their bodies and minds.

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

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



The training hours for various types of training courses in 2019 are as follows:

The List of Courses for TDCC's Employees in 2019

Employee Education Training	Number of Participants	Number of Courses	Total Hours of Participation
Professional Courses	7,522	295	18,654
Management Courses	348	6	931
General Courses	475	4	2,850
Applied Courses	118	1,109	4,680
Total	8,463	1,414	27,115

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

In 2019, there were 523 regular employees in TDCC and the average training hours were 51.8 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 main course hours and number of participants are as follows:





English and its Applications
532 people
1061 times, which is a total of 1596.5 hours

Overseas Assignment Training or Outsourced Professional Courses

- 3,234 people
- A total of 1,163 hours in 194 sessions

General Professiona

- 2,294 people
- ♦ A total of 31 hours in 26 sessions

New Recruit Training

- 20 people
- ♦ A total of 2 hours in 1 sessions

Personal Information Certification

- 495 people
- ♦ A total of 9 hours in 3 sessions

Personal Information and Information Security Courses

- ♦ 563 people
- ♦ A total of 26 hours in 12 sessions

Internet Skills Training

- 162 people
- A total of 150 hours in 38 sessions

In order to increase the quality of work and ensure the safety of the workplace, TDCC also organizes courses on safety and first aid. For details, please refer to 5.4 Employee Health and Safety.

Team Building

In order to build "Organizational Agility", we will add "Experiential Education and Training Courses" in 2019 to develop digital talents. The course takes place every six months, with 30 people in one session. Under the guidance of professional lecturers, a series of activities were carried out, allowing colleagues to share and reflect on team feedback which further strengthen the learning effect, and applying the learning experience into daily tasks.





The results were presented by the participants in the class.

5.3 Employee Remuneration and Benefits

In the past, TDCC provided an excellent remuneration system and employee benefits that are more superior than 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. We see our employees as partners and family members, therefore ensuring the work-life balance has become our goal, which includes 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 TDCC. At the same time, we also hope to influence the society, spread the good spirit, and improve workplace care and welfare for the overall enterprise.

Compensation Policy

Talent is the foundation of the enterprise, 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 our 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." Sexual harassment complaint channels were established, for example: a dedicated hotline, fax number, and email. 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 the employers and employees to deal with these cases.

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

Employee Benefits

We place great importance on the quality of work and life for our employees, and offer various types of bonuses, rewards and medical insurance. In addition to mandatory group insurance, the Company's Welfare Committee provided different types of bonuses, medical insurance and incentive benefits:

TDCC Recreation and Family

- ◆ Wedding Subsidy, NT\$12,000 per person → Received by a total of 8 employees in 2019.
- ◆ Childbirth Subsidy, NT\$6,000 for the first-born, NT\$12,000 for the second-born, and NT24,000 for the third baby and more. → Received by a total of 6 employees in 2019.
- ♦ Childbirth Incentives, NT\$100,000 per person
- Subsidy for pre-school children, NT\$5,000 per month for each child under 5 years old
- ◆ Childcare Subsidy, for children under 12 years of age, the subsidy is NT\$10,000 every six months. → Received by a total of 310 employees with children under 12 in 2019
- ◆ Children Education Subsidy → Received by a total of 613 employees in 2019
- ◆ Funeral Subsidy: For parents, spouses and children → Received by a total of 20 employees in 2019
- ◆ Employee and Family Group Insurance, Employee Hospitalization medical subsidies up to NT\$100,000. → Received by a total of 8 employees and 7 family members in 2019
- Employees medical/hospitalization visits and presented gift fruit baskets.
- Year-End Bonuses, Employee Compensation and Bonuses for Three Major Chinese Holidays
- Birthday Bonuses, Employee Travel, Medical Examinations
- Discounts from restaurants, hotels, stores, post childbirth centers, and other types of vendors.

Employee Welfare Committee

TDCC Welfare Committee is responsible for certain employee benefit operation and supervision. It ensures that our colleagues can enjoy the Company's care and feedback and strengthening unity within the Company. Besides their full dedication to work, our colleagues is able to enjoy life and care for their families in a peaceful and positive manner. In terms of governance, It endeavors to take care of every colleague according to funding availability. The committee hosts one meeting per season to discuss employee vacations, club activities, mutual aid fund, and charity club. It endeavors to take care of every colleague according to funding availability. The Company contributes a certain percentage of its monthly revenue to fund the committee in hopes to provide a better working environment for our colleagues.



Employee Travels

The committee held a total of 37 trips with 954 counts of participation in 2019. The Company 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. Domestic vacations include Hsinchu, Miaoli, Yilan, Hualien, Chiayi, Nantou, and Kaohsiung, while overseas vacations include Japan, Korea, Thailand, Cambodia in Asia, and Portual, Switzerland, and Italy in Europe, allowing our colleagues enjoy the holiday thoroughly, relax and decompress. Vacation destinations and number of participants are as follows:

	Number of Groups	Number of Employees	Number of Family Members
Domestic	17	230	250
Overseas	20	223	251
Total	37	453	501

Note: family members refer to member's spouses, parents, children, and spouses' parents





Employees of TDCC to recharge through traveling

Club Activities



TDCC hosted the 12th Securities Cup slow pitch softball, where Chairman Koo from the Financial Supervisory Commission and Chaiman Lin from TDCC cheered on the participants



President Chu from TDCC led the Tai Chi Club to win first place in Tai Chi sequence competition (37 postures) and Tai Chi weaponry (plum blossom spear) in the 16th Tai Chi Exhibition for Securities-related Units

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, with a total of 535 participants. Each club has been actively participating in or hosting competitions in peripheral units and having stellar performance. The results for 2019 are as follows:

- First place in Tai Chi sequence competition (37 postures) in the 16th Tai Chi Exhibition for Securities-related Units
- Second place in the 12th Securities Cup slow pitch softball
- O Group champion in the 10th yoga exhibition for securities peripheral units
- Fifth place in men's group C, fifth place in women's group B, third place in women's singles/ doubles in the 64th Taiwan Financial Cup table tennis tournament.

- O Group champion in the Fubon Securities Cup table tennis tournament.
- Champion in the 9th Basketball Friendly Tournament for securities and futures related institutions
- O Group distinction for the 51st Taiwan Financial Cup badminton tournament
- Third place in women's group, champion in men's 50 year old group, second place in women's 45 year old group, and second place in young women's group.
- Group second place in the 18th badminton friendly for securities and futures peripheral institutions

Besides from the fruitful activities, we place strong emphasis on operation frequency and activity content of every club. We even conduct club evaluation every March, where Welfare Committee and the Company management review club content, activity results, 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 results of each club, it 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 a difficulty. Club activities not only provided a channel for employees to practice their interests and hobbies, but also allowed the employees to enjoy their leisure time and enriched their everyday lives. TDCC's dedication to the development of clubs is rare in businesses.



TDCC hosted the 10th Yoga Exhibition for Securities Peripheral Units, where the colleagues from the Yoga Club exhibited the beauty of combining body, mind, and soul.

Sports Enterprise Certification

In 2019, TDCC obtained the Sports Enterprise Certification from the Ministry of Education because we have long encouraged colleagues to actively participate in various sports competitions throughout the year. The employees can develop teamwork through sports spirit and learn how to apply the idea of sportsmanship to the challenges they face in the workplace. Exercise not only benefits your body and mind, but also enhances the relationship between colleagues and family members. The non-participating colleagues and relatives enthusiastically joining the event to support the other colleagues, which is a major factor that brings all of us together. Also through the sports competitions, friendships with the financial-related peripheral units is strengthened and promotes overall social harmony.



The President Chu and the General Manager from the Corporate Strategy & Public Affairs and colleagues received the award at the Sports enterprise certification award ceremony.

The 30th Anniversary Family Day

In order to celebrate the 30th anniversary of TDCC, we held the annual Family Day event in November 2019, inviting employees, dependents, current directors and supervisors, retired colleagues, and former colleagues who have transferred to other peripheral securities and futures units to gather together. In addition to inviting bands to perform at the event, there were also music performances by the employees as well as a video and photo area that was set up to play a video reviewing TDCC's achievements of the past 3 decades. The activity area is a small paradise for parents and children. It is equipped with carousels, darts, pinball machines, doll machines, toy capsule vending machine, etc., and through prize redemption, both adults and children are happy and have lots of fun.





Unpaid Parental Leave

We also have set up a system for unpaid parental leave according to legal requirements. In 2019, a total of 2 employees applied for parental leave and their reinstatement status is as follows:

Item	Male	Female
Unpaid Parental Leave Applications in 2019	1	1
Expected Number of Employees Who Return to Work in 2019	1	0
Actual Number of Reinstated Employees in 2019	1	0
Actual Number of Reinstated Employees in 2018	0	1
Number of Employees Reinstated in 2018 Working for More than One Year	0	1
Return Rate	100%	-
Retention Rate	-	100%

Note 1: Actual number of reinstated employees include 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

5.4
Employee
Health and
Safety

In order to ensure a friendly, safe, diverse, equal workplace environment, we comply with relevant laws and regulations on occupational safety and health in addition to promoting various workplace activities in these areas. 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.

Work Injuries

In 2019, we had a work-related injury incident due to an accident that occured during the commute to work. Through the care and follow-up by colleagues, managers in the department, and the onsite nurse, this colleague has recovered and returned back to work. TDCC promotes the idea of taking appropriate rest and have a healthy lifestyle, and require employees to pay attention to their own safety during traffic and commute.

There were no work-related injuries in FundRich in 2019.

Labor Health, Occupational Safety and Health Management

In compliance with regulations on safety and health management, the "Rules and Regulations on Labor Safety and Health Management" had its name changed to the "Regulations on Occupational Safety and Health Management"in 2018. 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 work safety and health. Starting from 2019, we will continue to devote ourselves to the prevention of occupational disasters, and promote the safety and health of our colleagues as top priority. No violations of relevant laws and regulations were observed in 2019. A code of conduct for occupational safety and health has also been established, along with several management plans added in recent years:

Occupational Safety and Health Management:



To use P-D-C-A management method to "standardize, document, and systematize" each safety and health item, 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 timely fashion. Occupational safety and health management is thereby improved, covering employees and preventing occupational hazards.

Safety and Health Self-Inspection:



To find adverse safety and health factors in advance through regular and proactive inspection, attempt to eliminate or control them to prevent hazards, and protect employee safety and health.

Prevention of Human Factor Hazards

Preventive measures for employees engaged in repetitive operations, who might suffer from muscle and bone ailments due to excessive force exertion and high operation frequency.

Prevention of Diseases from Abnormal Work



Preventive measures for employees who work in rotation, night shifts, and long hours, who might suffer from diseases related to abnormal work loading and pattern.

Prevention of Unlawful Abuse While on Duty



Preventive measures for on-duty employees against unlawful physical and psychological abuse from actions of others.

Maternal Labor Health Protection



To ensure 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.

Note: The content of this paragraph does not include FundRich

TDCC conducted the Overfatigued Assessments for staff on shifts since 2017 and expanded the assessment to all employees in 2019. The items conducted include physical and mental questionnaire survey on all employees on overfatigue, human factors, motherhood and workplace violence and accomplished a recovery rate of 95%. The survey results helped to screen the high-risk groups: 65 people under the overfatigue assessment, 5 people under the musculoskeletal assessment, and 3 people under the maternal protection plan. In response to the evaluation results, in addition to the quarterly physician assessments on-site, an additional eight on-site physicians are planned to strengthen the guidance in health education and health promotion. All health consultations were completed in October 2019, and follow-up care and check ups are done by our nurse on-site.







In 2019, the following trainings were held at TDCC to ensure occupational safety and health management, as well as employee understanding of various measures.

Course Title	Number of Participants	Total Hours	
General Safety Training for New	39	3	
Recruits and Current Employees			
Labor Physical and Mental Health	272	٥	
Protection Council			
First Aid Personnel Training	11	113	
Occupational Safety and Health	3	41	
Management Personnel Training	3	41	

For workplace emergencies, disaster prevention and relief along with first aid courses are as follows. To deal with unexpected incidents at the workplace, all employees have been taught the basic concept immediate action in order to assist others and themselves.

Course Title	Number of Participants	Total Hours
Fire Safety Courses	78	2
AED&CPR Courses for All Employees	482	18

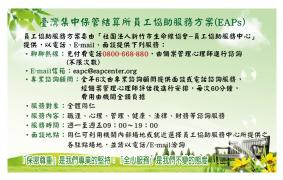
Health Promotion and Health Care

As a bench-marking companies today, we not only need to meet the regulation 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 nonoccupational diseases. For example, the three highs of high blood pressure, high blood sugar, and high blood cholesterol caused by prolonged sitting, unhealthy diets, or physical and mental problems caused by the environment. Therefore, TDCC attaches great importance to the health promotion and care 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 to regulations.

The nurses onsite are angels of the workplace at TDCC where daily health awareness for our colleagues is promoted through monthly health seminars, non-scheduled information, bulletins, emails, and other measures with relevant departments. To promote employees' health, we organized many activities and encourage participation and incentives from our colleagues, such as anti-smoking campaigns, seminar on musculoskeletal health, and personal health management plans, etc. Our wide range of health promotion activities has allowed us to obtain the healthy workplace certification from Health Promotion Administration, and hopefully through a positive circulation of health information, we can help our colleagues to maintain in good health conditions. The events in 2019 are listed as below:

April	"Secret to Vision Care" Course on Vision Care	June	"Relieving Stress" Meditation Course
t.d.	"Recipe to counter allergy" Course on	C	"Recipe for Health" Course on Sports
July	Healthy Diets	September	and Fitness
September	Tobacco Hazard Prevention Seminar	October	Briefing on the Staff Assistance Program
October	"The Brain Strengthening Formula" Brain	November	"The Bone Strengthening Formula" Bone
Octobel	Power Course	November	Strengthening Course
October	Lecture on Workplace Violence	November	Lecture on Motherhood Protection and
	Lecture of workplace violence	Novellibei	Family health

In September 2019, we set up an employee assistance program (EAP) and issued a small card to allow the employees to understand the service items. Colleagues can call a toll-free hotline for related psychological consultations on their career, psychological status, physical health, family or any other issues that they may need help with.





■ Employee Assistance Program card

Based on the results of employee medical examinations, we zone in for specific group care and have doctors providing health consultation and management. Starting from 2017, we also have specialists in mental health onsite in order to offer our colleagues comprehensive and timely mental care. To ensure the health of our colleagues and prevent influenza, employees above the age of 50 regularly receive subsidized vaccination services at the Company, establishing a complete prevention and health protection mechanism.



CHAPTER 6

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 accumulated to NT\$52.7 million in 2019

A total number of 144,299 visitors came to the Taiwan Stock Museum in 2019

Since its establishment in 2019, the Taiwan Securities and Futures Virtual Museum has been put on more exhibitions and accumulated more than 150,000 readings so far

In 2019, TDCC hosted a joint concert of 9 primary schools in Hualien, and more than 100 students participated

Participated in the "5th Taiwan Junior Football League Tournament", and held the second "TDCC Archery Tournament"

Blood donation activities has been held for the past 10 years. TDCC donated a total of 100,000 empty blood bags to the Taipei Blood Donation Center, and the total amount of donated blood reached 490,000 cc, which amounts to a total of 1,964 donations.

A total income earning of NT\$500,000 from Joint charity event was donated to 5 charity groups

During the 2019 Book Donation, a total of NT\$285,000 book fees was donated, benefiting 22 schools.

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

- 1. Financial Talents
 Cultivation
- 3. Providing
 Underprivileged
 Groups with
 Love and Care

2. Promotion of Rural Area Education





4. Sponsorship of Arts and Culture Activities

Cultivate
Talents in
the Financial
Sector

TDCC is committed to invest 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, narrowing 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 it is important for students to start learning about financial management concepts and accumulating investment experience while they are still in school. Since most young people with low-income and bad family economic status need to work to share their family expenditure or raise their tuition fees during their schooling, this will not only affect their study, but also fail to grasp fundamental financial knowledge. They may not be able to improve the family economy effectively, and even affect their future career choices, which leads to a vicious cycle.

TDCC invited peripheral units of the financial, securities and futures sector to jointly arrange the "First Financial Literacy for Youth (FLY) Courses in 2015." The program supports students from families in straitened circumstances, and 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 21, 2019, the "Fifth Financial Literacy for Youth (FLY) Courses" was held simultaneously at 9 universities in Taiwan, and 579 fresh graduates from 47 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.

Since the Fifth session of the "Financial Literacy for Youth (FLY) Courses", students have been diving into the industry directly after graduation, and the student feedback 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"

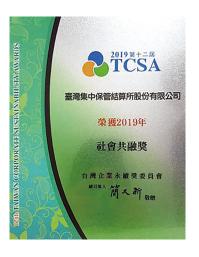
	2016 School Year 2016-2017 2nd session	2017 School Year 2017-2018 3rd session	2018 School Year 2018-2019 4th Term
Number of admission	142	129	149
Rate of admission	86.59%	64.82%	84.18%



For more information on the Financial Literacy for Youth (FLY) Courses, please see <u>official website</u> or scan the QR Code.

Affirmation and Glory

The "Financial Literacy for Youth (FLY) Courses" applied for the 12th TCSA Best Performance of Specific Categories and received recognition under the Social Inclusion Awards, which is an affirmation to TDCC's efforts to support economically disadvantaged college students and cultivate future financial talents.



Aspirations and Resonance

The Second Financial Literacy for Youth (FLY) Courses Participating Student from I-Shou University

I majored in philosophy in university, but was still very interested in financial management, so I plan to enter the financial industry in the future. My classes in university were not related to finance, but I learned about the Financial Literacy for Youth (FLY) Courses by chance. The course not only has a supplementary class on license training, but also has professional lecturers from the finance industry to share their experiences with us, so that we can understand the actual situation of the financial industry. Although I wasn't able to learn finance-related knowledge in my university courses, I was able to access to it through the course, which was really helpful to me.

Although I did not a graduate with a financial-related major, I obtained 10 licenses during the Youth (FLY) Courses because I know that no matter what industry, I will need to go through a written review and an interview, and the financial industry is a profession that attaches great importance to licenses. If you do not have a license you will not be able to perform a specific task, which will become a hindrance during an interview, and that's why I later obtained many licenses. I personally feel that these licenses become a bonus during my interviews, and made it easier for me to find a job. Right now I am working at the Land Bank of Taiwan, which is very rare for a non-finance related graduate to be able to work at a bank, and I am very grateful for the Financial Literacy for Youth (FLY) Course. The course provided a big change in my life. It became the source of guidance during my journey of job searching. I also encourage my juniors to seize the opportunity and sign up for such a great course.







Introduce AR equipment and AI robots to enrich people's interactive experience.

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 from 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, work flow of inventory management at TDCC, and how the stocks became electronic. In 2019, there were a total of 1,590 trips and 20,061 counts of visitors, since its establishment to the end of December 2019, a total of 11,045 trips and 144,299 counts of visitors.

30th Anniversary Special Exhibition

To commemorate the 30th anniversary of the establishment of TDCC in 2019, the "TDCC 30th Anniversary Special Exhibition" is held in order to allow the groups and people who come to visit the museum to better understand the many outstanding contributions and achievements accomplished by TDCC over the past 30 years to the development of Taiwan's capital market. The Transformation exhibition section has been remodeled to become the "Animation Interactive Zone" where the development process of TDCC from beginning to present day, and the transformation of stocks from the physical to the non-physical process is presented in animation and the visitors can experience with live interaction. A lively "Photo Area" and "Stamp Area" is set up in innovative and interesting designs so that visitors can enjoy different styles and experiences, then share them through Facebook and other social media in real time for friends at home and even around the world.

- 1 4 The 30th Anniversary Special Exhibition presents the outstanding contributions and achievements of TDCC for the past 30 years
- ☐ IThe Photo Area of the exhibition invites the public to commemorate wonderful moment of the 30th anniversary







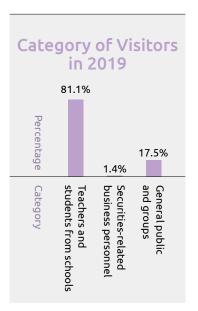
Industry-Academia Internship Program - Stock Museum Guides

The Stock Museum handles the recruitment of guides from mid-March to mid-April. A total of 57 students from 19 schools participated in the selection process, and 30 students were admitted on May 2nd. Senior employees from TDCC served as the lecturer, and the course content included museum introduction, display content and equipment operation instructions, the qualities and attitudes that the tour guide should possess, the collection of the exhibits and the standard museum visitation process. In addition, another training was arranged where the Secretary General Lin of the International Goodwill Ambassador Association was invited to give a lecture on beauty attitude and beauty etiquette, and each student will conduct practices on reception protocols and international etiquette.











The museum guides give a guided tour and commentary for the visiting students and tourists.

The Thoughts of the Guided Students

Tamkang University - Ms. Hu, Yu-Hsuan

As a guide at the Stock Museum, I think the most valuable experience is getting along with people, whether it is with the supervisors, colleagues, or even the visiting guests. In the past year or so, I met many people at the job, and this experience has really changed me a lot. I used to be an person with very little confidence, and I always wanted to be the best in whatever I do, but I gradually found that it is impossible to be always perfect. In the beginning I was very resistant to the test, not because I didn't want to memorize the script, but because it was impossible to be perfect at it, but under the supervision of the seniors, and after the tests done by my seniors and also the supervisors, I received many compliments and suggestions, allowing me to understand how to deliver the guided tour better and with more confidence. What I learned at the Stock Museum is to be prepared and to not be afraid to make mistakes, but if you made mistakes, don't be afraid to admit it too.

The Stock Museum is a simple yet challenging place. Firstly, all the shifts will be re-arranged every semester and there are opportunities to interact with different colleagues. Secondly, the process of reception to the actual tour requires constant communication and discussion. Third, the people joining the tour from all age groups and diverse backgrounds. You will never know what kind of guests will come, so the ability to respond to different situations becomes very important. I am thankful for the Stock Museum for providing these chances for me to learn.

National Taipei University Mr. Chiu, Shih-Hsuan

During the months when I came to work in the stock museum as a guide, we guided a variety of people, from kindergartens students to professionals in various fields. Each time I will get a new feeling.

I remember when I first came to the Stock Museum, I went to work with nervousness and excitement every day. I often admired the seniors who guided the visitors elegantly and professionally, and looked forward to the day when I get to guide a tour myself. But because I rarely had the opportunity to show myself in front of everyone, I constantly asked myself in the process of memorizing the script, "Am I really suitable as a tour guide?" Before I realized it, and when I was still suspicious of myself, my senior announced that it would be my shift to go on as a guide next week. On the day of my first guide, I guided the students from the Financial Management Camps from National Chengchi University. Throughout the process, I realized that the doubts I had about myself were unnecessary, and I even started to enjoy being a guide, and this feeling still remains the same.

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 Teacher 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 2019 there has been 7 batches, a total of 295 teachers from senior and junior high schools and kindergarten have joined this course.

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 was set up using AR technology to embed brief descriptions of animated characters, AR photo activities, etc. The Augmented Reality (AR) technology and 360-degree panoramic shooting are introduced where users can browse the Taiwan Stock Museum online at any time regardless of the environment and time restrictions. In 2019, additional information such as "Tips on Funding your Funds, TDCC StockVote, TDCC ePassbook" were added. The interactivity and immediacy of the website was increased through the AR interactive games and animated videos, combining with the physical collection and online digital display, a new technology experience is created. The Transformation exhibition area was renovated in 2019 and the display content was updated. Since its establishment, it has accumulated more than 150,000 views.



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 "Taiwan Securities and Futures Virtual Museum" official website continues to provide digital publications, allowing the readers to download, browse, and read through mobile devices, which is convenient for the investors. In 2019, two short videos on securities investment education were launched, which are "E-voting is so easy, The TDCC StockVote" and "TDCC ePassbook, a better choice for you". The videos showed how to use electronic voting to fulfill shareholders' rights, and presented the characteristics of TDCC ePassbook. Through the audiovisual media, we accomplished the goal of popularizing financial knowledge and promoting the investor's investment efficiency.

The permanent exhibition hall of the virtual exhibition hall illustrates financial knowledge in the form of animation.



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. TDCC sent our employees to participate in the ICOM 2019 annual meeting held in Kyoto, Japan from September 1 to 7, 2019 in order to communicate with experts in the international museum industry, continue to learn about museum operation, and broaden our international horizons.

ICOM's 2019 Annual Meeting in Kyoto was grandly unveiled at the Kyoto International Conference Center in Japan, with a total of over 4,500 people from 120 countries/regions that participated.



In cooperation with ICOM's 2019 annual meeting in Kyoto, the Chinese Association of Museums held a series of lectures on "Education and Kyoto" before the trip inviting experts from the international museum industry to give a speech, allowing all members who will participate in the ICOM annual meeting know in advance the various themes and activities arranged in the ICOM annual meeting. The lectures also introduced Kyoto 's historical and cultural assets and Japan's active efforts in protecting their historical and cultural heritage. TDCC sent employees to attend the seminars in order to enhance interations with the museum industry and increase experiences. In addition, employees were sent to attend the 15th Annual Meeting from the Chinese Association of Museums held on December 21, 2019.





- Chairman Lin (First from the Right) was invited as a guest to the ribbon-cutting ceremony at the Busan Stock Museum.
- The Chinese Association of Museums held a series of lectures on "Education and Kyoto" at the National Taiwan Museum - Land Bank Exhibition Hall.

TDCC was invited to participate in the opening ceremony of the Busan Stock Museum on December 4, 2019 held by the Korea Stock Museum. Chairman Lin of TDCC led the delegation and served as the guest during the ribbon-cutting ceremony, and actively communicated with the representatives from the Korea Stock Museum. He shared TDCC's contributions and achievements in the past 30 years in terms of historical heritage, talent cultivation and social welfare.

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 assist schools in cultivating talents.





TDCC sponsors the "Financial Services Public Fund for Education Award Ceremony" every year to encourage students to continue to improve their financial knowledge.

Financial Services Public Fund for Education

In order to encourage financial sector 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 the education 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, and 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.

In 2019, the TDCC donated 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 in order for them to complete their education and accomplish social care for the disadvantaged 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 and career development, then creates long-term economic and social problems. TDCC sponsored the educational development of rural schools for a long time, and besides from 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.

TDCC's Rural Education and Sports Activities in 2019

- The annual total investment amount is NT\$ 9.65 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 in Hualien County and Chung Hua Elementary School in Hualien City
- 3 Cultural and Creative Talents Program: New Taipei City Shiding 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: Hualian 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
- Soccer: at the Junior High Division of Pingtung DongGang Senior High School
- 4 Roller skating: Dawan Elementary School in Tainan
- 5 Basketball: Yilan County Yuen Shan Junior High School

Financial Quotient Education Promotion Program

TDCC sponsored NT\$2.5 million to the Financial Literacy & Education Association in promoting financial management knowledge. The results include a series of lectures on "College Students' Money and Life" and 5 sessions of "Financial Reality Puzzle Games" in 12 universities, 5 sessions of "Young Entrepreneur Teams" and 6 sessions of "Little Bean's visit to school" camps were organized. The "Children's Financial Seed Lecturers Training Program" was also launched for helping the children to become a new force in the field of finance and enriching the college students' practical experiences in finance.

Through the "Young Entrepreneur Teams" camp, TDCC cultivates seeds in the finance field



After-School Care Program

Caring Activities Held in 2019

New Taipei City Pingxi Elementary School and He Ping Elementary School Since 2015, we have organized the "After-School Care Program" to help unattended students from disadvantaged families. The school will provide daily after-school tutoring to assist students in completing homework, and remedial teaching program to help them catch up with the course in the classroom. In addition to allowing students who lack internet resources at home to use school hardware equipment to complete homework after class, the project also arranges personal tutoring to help students catch up with the progress in school, including general academic courses and advanced courses. Also, various activities such as sports, arts and cultural experiences are arranged to provide comprehensive learning plan for the students. TDCC donates to the "After-School Care Program" and hopes that students can have better learning resources and develop in every aspect.

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 collaborate 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

TDCC has continuously sponsored the Shiding Elementary School in New Taipei City in arranging the "Cultural and Creative Talents Program" since 2011 to provide disadvantaged students with after-school care. TDCC provides the resources for the schools to offer dinner and also assign teachers to assist students in completing homework and remedial teaching and offer a variety of learning courses such as ocarina playing. The program allows the parents to safely hand over their children to the school, and the students also enjoy learning different talents after school.

Caring Activities Held in 2019

Xikou Elementary
School, Bei Chang
Elementary School in
Hualien County and
Chung Hua Elementary
School in Hualien City

Caring Activities Held in 2019

New Taipei City Shiding Elementary School

TDCC has strongly supported the establishment of music teams in Hualien schools since 2015. Through the three major aspects of "Supporting future financial talents, Promoting rural education, and Caring for social disadvantages", TDCC actively responds to and takes care of the needs of the society. 2019 is the 30th anniversary of TDCC, and we held a "TDCC 30th Anniversary-Moving forward Sustainably-9 Schools Joint Concert" at the Hualien County Indigenous Museum. In total 9 schools participated at this concert, including Yichang Junior High School, Bei Chang Elementary School, Zhong-Hua Elementary School, Ji An Elementary School, Jian Ching Elementary School, Xikou Elementary School, Fu Yuan Elementary School, and The Experimental Primary School of National Dong Hwa University. The musical performances included Chinese orchestra, cajon, xylophone, drumbeat dancing, erhu, djembe, ukulele, and orchestra. There were also dancing performances such as tap dance, street dance, badminton dance, and Flamenco. Seeing the possibility of practicing equality in education at a joint concert held in Hualien for three consecutive years, we will continue to fulfill our corporate social responsibilities, so that more children from rural areas have the opportunity to achieve their musical dream and be able to stand confidently on the stage and perform at their best.

- The poster for TDCC 30th Anniversary-Moving forward Sustainably-9 Schools Joint Concert
- "TDCC 30th Anniversary-Moving forward Sustainably-9 Schools Joint Concert" invited more than 100 students to participate in the performance together.







Seven schools from the North, Central, South and East region of Taiwan participated in the "Second TDCC Archery Tournament".



A photo was taken with the employees of TDCC and the students from Donggang Senior and Junior High school during The "Fifth Youth Soccer Tournament".

Sports Talent Cultivation Program

Since 2014, TDCC has consecutively sponsored programs for sports training and learning, including soccer, archery, badminton, and inline speed skating in schools located in rural areas. TDCC hopes that the support in schools' development in sports provides disadvantaged students with better opportunities to have access to sports equipment. We helped the students participate in sports competitions and work hard in cultivating talent across the country, winning more medals in international competitions, earning international recognition for our country and allowing the players to have a more stable long-term career development.

TDCC, Taiwan Futures Exchange, Taiwan Stock Exchange, and Pou Chen Group all together have adopted four junior high school soccer teams in Donggang, Majia, Laiyi, and Changzhi separately. In 2019, the "Fifth Youth Soccer Tournament" was held, and we also hosted the "Second TDCC Archery Tournament" which provides a platform for children to communicate. Through the different sport competitions, the players from each school have opportunities to share their training experiences, give each other support, demonstrate their training results in the competition and strive for good results. During the course of the competition, we can fully see the determination of the students to work together side by side. Each team tries their best to challenge themselves, strives for excellence, and builds their dreams through the sport competitions.



Funded the Yilan Yuen Shan Junior High School Women's Basketball Team to Go Overseas to Participate in Events

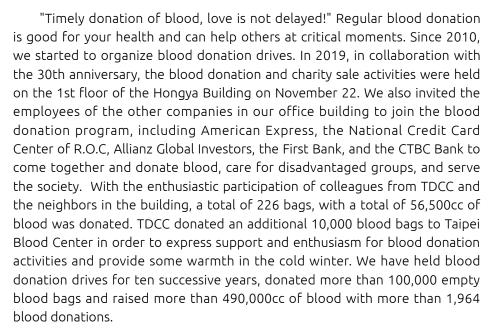
Yilan County's Yuen Shan Junior High School Women's Basketball Team, who won the fourth place in the JHBL Group A in 2017, was eligible for subsidized training abroad provided by the Sports Administration, Ministry of Education. However, the needed fund was a large amount, and the fund was still insufficient right before the team traveled to Singapore and Malaysia in August 2019. Under the spirit of caring for rural areas and paying attention to sports development, besides from subsidizing the project with NT\$200,000, TDCC purchased 600 kilograms of fish balls from players and their parents, which is equivalent to about NT\$100,000, showing the players that "You must chase your own dreams."

Funding for the Yuen Shan Junior High School Women's Basketball Project, besides from implementing the value of promoting rural education and sports development, we also hope to convey the spirit of the players' morality, education and sports. Walking on the path of dreams, if you stay pragmatic and determined, you will eventually succeed.

6.3Enhance Social Charity

Besides from paying great attention to the progress and growth of the industry, TDCC also devoted itself to social welfare continuously. 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.

TDCC 30th Anniversary Donation and Charity Sale





The charity fundraising and receipt collecting event held on the same day totaled more than NT\$500,000, which was all donated to charity. For a long time, TDCC has been committed to creating value for all stakeholders to reach a win-win situation, including shareholders, employees, third-party manufacturers, customers, communities, etc., to pursue sustainable development. In the future, we will continue to organize public welfare activities and give back to the society, so that more people in need can feel our care and warmth.

Care for the Elderly

In 2019, we continue to sponsor NT\$500,000 to the Eden Foundation to assist the implementation of care services for the elderly in rural areas in Kinmen and Taoyuan such as the "Community Aids Station" and the "Elderly Day Catering Program". We hope that the elderly can be "aging in place" and

get cared adequately for rest of their life. We hope that the promotion of this project can help the elders to move towards the ultimate goal of having a healthy and happy old age, and to make the demented elderly worry-free.

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 630,000 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", and 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.

Charitable Sales - "Happy Train" Charitable Donation

In 2019, we continued to hold the "Passing the love during Winter" year-end fun fair, taking place at the 6th Redevelopment Zone in Hualien. Through the charity sale, we were able to gather the love and warmth from different corners of the society, and donated all the proceeds to the disadvantaged families (1,627 families) at the Taiwan Fund for Children and Families in Hualien. A total of 5 people from our Charity Club assisted the charity sale, and with the support of the public and the business community, a total of more than NT\$100,000 of charity sales was created. TDCC donated an additional NT\$550,000, which combined to a total of more than NT\$650,000, which is able to benefit about about 3,000 beneficiaries. TDCC takes care of disadvantaged families and improves family care in all aspects, hoping that the company's social influence will gradually expand.





Book Donation-Enriching Your Knowledge and Reading Style

In order to promote basic financial knowledge and concepts, assist the public and disadvantaged groups to establish basic financial skills, we cooperated with the FINLEA to collaborate on the "Finance and Education Taking Root In Life" Project since 2016. We promoted basic financial education for children in Taiwan through student camps, campus activities, online competitions, etc. for the students in rural areas or from disadvantaged families. Over the past three years, more than 10,000 elementary school students have benefited from the project, and the results have been well received by the general public.

According to the statistics from the National Central Library, the national average book purchase budget per person was less than NT\$30 per year, the number of books borrowed from the library is less than 4 books per person per year. The willingness to read has been reduced for elementary and junior high school students, which makes us worried about the future students' competitiveness. In order to create a better reading atmosphere for elementary and junior high school students and increase the reading volume of students, we collaborated with FINLEA on the "2019 Charity Reading Plan" and donated a total of NT\$285,000 book fees and benefited 22 schools. We hope that through reading, students will develop good reading habits, broaden their knowledge, and increase their level of concentration. At the same time, by adding financial education related books, they will be able to develop correct financial concepts and knowledge.

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 the 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 the society, and achieve self-actualization.

Charitable Donations

Since 2011, we have been launching a charitable donation campaign based on special circumstances in the society and before the winter arrives each year. The charity fundraising and receipt collecting event held on November 22 by The Charity Club had a total of 15 members help on tasks such as money collection and receipt delivery, and the total working time reached 60 hours, with the total amount of proceeds came to more than NT\$500,000, and a good number of receipts were collected. The above proceeds are donated to charities such as the "Andrew Charity Association - Andrew Food Bank", "Eden Social Welfare Foundation", "Changhua County Autistic Kenner Parent Association", "The Autism Foundation", "Genesis Social Welfare Foundation", and "Huashan Social Welfare Foundation", allowing more disadvantaged groups to feel the care from the society.

Since its establishment, The Charity Club has collected a total of more than NT\$5.52 million from TDCC. The fund was distributed in charity sales, emergency assistance, and social welfare care. We hope that through charity sale activities, more communities can also take part in public welfare activities through the internet, resource integration and create synergy to care for vulnerable and disadvantaged families and convey their love and blessing.





ANNEXE

Appendix

100 Appendix I. GRI Standards Index102 Appendix 2. Independent Assurance Statement

Appendix I. GRI Standards Index General Standard Disclosure

Categories/ Aspects	No.	GRI Indicators	Corresponding Sections and Chapters	Page
Соге	102-1	Name of the organization	About the Report	03
Core	102-2	Activities, brands, products, and services	1.2 Market and Service Value Chain Comprehensive Financial Market Infrastructure and Regulation 4.1 Comprehensive Financial Market Infrastructure and Regulation	12 55
Core	102-3	Location of the organization's headquarter	About the Report	03
Соге	102-4	Operational Location	About the Report	03
Соге	102-5	Ownership and legal form	1.3 About us	16
Соге	102-6	Markets served	1.2 Market and Service Value Chain	12
Core	102-7	Scale of the Organization	1.3 About us CH4 Green Management and Sustainable Financial Services	16 49
Соге	102-8	Information on employees and other workers	5.1 Human Resources	92
Соге	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	-
Соге	102-11	Precautionary Principle or approach	A Message from the Chairman & CEO	04
Core	102-12	External initiatives	4.3 Domestic and Overseas Marketing and Communication	78
Соге	102-13	Membership of associations	1.3 About us	16
Core	102-14	Statement from senior decision- maker	A Message from the Chairman & CEO	04
Core	102-16	Values, principles, standards and norms of behavior	3.1 Implement Corporate Governance	41
Core	102-18	Governance structure	1.1 Sustainability Strategies Note: The board of directors has not yet divided the topics on economy, environment and society; there is a separate CSR committee established by TDCC.	07
Core	102-40	Stakeholder groups	2.1 Identification of Material Issues and Communication with Stakeholders	24
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	24

Соге	102-43	Approach to stakeholder engagement	2.1 Identification of Material Issues and Communication with Stakeholders	24
Соге	102-44	Key topics and concerns raised	2.2 Management Approach Towards Material Issues	30
Соге	102-45	Entities included in the consolidated financial statements	1.3 About us	16
Соге	102-46	Defining Report Content and Topic Boundaries	About the Report	03
Соге	102-47	List of Major Topics	2.2 Management Approach Towards Material Issues	30
Соге	102-48	Restatements of information	No reorganization of information this year	-
Core	102-49	Changes in Reporting	About the Report 2.1 Identification of Material Issues and Communication with Stakeholders	03 24
Соге	102-50	Reporting Period	About the Report	03
Соге	102-51	Date of most recent report	About the Report	03
Соге	102-52	Reporting cycle	About the Report	03
Соге	102-53	Contact point for questions regarding the report and its contents	About the Report	03
Соге	102-54	Declaration in accordance with the GRI guidelines	About the Report	03
Соге	102-55	GRI Content Index	Appendix 1. GRI Standards Index	130
Соге	102-56	External assurance	Appendix 2. Independent Assurance Statement	13

GRI-Specific Topic Disclosure

GRI-Specific Topic	No.	GRI Indicators	Corresponding Sections and Chapters	Page
		Environmental aspect		
	305-1	Direct (Scope 1) GHG Emissions	4.4 Environmental Protection and Green Operations	85
Emissions	305-2	Energy Indirect (Scope 2) GHG Emissions	4.4 Environmental Protection and Green Operations	85
	305-3	Other indirect (Scope 3) GHG emissions	4.4 Environmental Protection and Green Operations	85
		Social aspect		
	401-1	New employee hires and employee turnover	5.1 Human Resources	92
Employment and Labor Relations	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employee Remuneration and Benefits	100
	401-3	Parental leave	5.3 Employee Remuneration and Benefits	100
	Note: GRI 401 indicators do not include FundRich			
* Labor- Management	GRI 103	Management Approach	2.2 Management Approach Towards Material issues	30
Relationship (Labor-Management Communication)	402-1	Minimum notice periods regarding operational changes	2.2 Management Approach Towards Material issues	30
Occupational Health and Safety	GRI 403- 6: 2018	Promotion of worker health	5.4 Employee Health and Safety	106
* Education and Training (Employee Training and Development)	GRI 103	Management Approach	2.2 Management Approach Towards Material issues	30
	404-1	Average hours of training per year per employee	5.2 Talent Development	97
	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	30
	417-2	Failure to comply with product and service information and labeling regulations	No violation of any such regulations or voluntary regulations in 2019	-
	417-3	Incidents of non-compliance concerning marketing communications	No violation of any such regulations or voluntary regulations in 2019	-

* Customer Privacy (Information	GRI 103	Management Approach	2.2 Management Approach Towards Material Issues	30
Security, Customer Relationship Management and Rights Protection)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2 Quality Customer Service	71
* Socioeconomic	GRI 103	Management Approach	2.2 Management Approach Towards Material Issues	30
Compliance (Policies and Compliance)	419-1	Non-compliance with laws and regulations in the social and economic area	3.1 Implement Corporate Governance	41
	Mat	erial issues not attributable to the G	RI specific topic	
* Corporate	CDI 400		2.2 Management Approach Towards Material Issues	30
Governance and G Business Integrity	GRI 103	Management Approach	3.1 Implement Corporate Governance	41
* Risk Control	GRI 103	Management Approach	2.2 Management Approach Towards Material Issues	30
		-	3.2 Risk Control	46
Internal Control and	GRI 103	Management Approach	2.2 Management Approach Towards Material Issues	30
Internal Auditing	Auditing		3.2 Risk Control	46

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.

Appendix II. Independent Assurance Statement

DNV-GL

Independent assurance statement

Scope and approach

Taiwan Depository & Clearing Corporation (TDCC or the "Company") commissioned DNV GL Business Assurance Taiwan ("DNV GL") to undertake independent assurance of the 2019 Corporate Social Responsibility Report (the "Report") for the year ended 31 December 2019

We performed our work using DNV GL's assurance methodology VeriSustain™, 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 GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV GL provides a range of other services to TDCC, none of which constitute a conflict of interest with this assurance work. This is the 3^{rd} year that we have provided assurance.

DNV GL'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 GL 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;

¹ The VeriSustain protocol is available on dnvgl.com

DNV-GL

- 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;
- Review of supporting evidence for key claims and 2019 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 GL, 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 opinion we also provide the following observations.

- Enhancing the materiality review process to objectively identify specific CSR issues and to decrease
 the nonsignificant issues to be included in the report.
- The management approach can be by improved involving with all material issues. It is suggested to establish specific objectives/ targets for continuous performance improvement.
- Improving the data gathering process to cover all impact boundaries of significant aspects. And, a system method to collect data is encouraged for continual collecting data for those identified indicators and objectives.

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.

DNV-GL

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 GL Taiwan

Date: 23 April, 2020

Joseph Chu Johnny Wu

Lead Verifier
DNV GL – Business Assurance Taiwan

David Hsieh Sustainability Service Manager,

Greater China

Statement Number: 00003-2020-ACSR-TWN

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