



# TDCC

Taiwan Depository &  
Clearing Corporation  
TDCC ESG Report  
2021







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## About This Report

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

### Disclosure Period, Boundary and Scope of the Report

The period of disclosure in the report is the year 2021 (from January 1, 2021 to December 31, 2021). 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 fifth and 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 2019, or refer to the direction of action in 2022 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 2021 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." In addition, this report is disclosed in accordance with the disclosure standards issued by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (referred to as TCFD) issued by the United Nations Financial Stability Board.



### External Assurance

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

Click me to go or scan  
 TDCC Sustainability  
 website

#### Reporting Cycle

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

The publication date of the last ESG report: June 2021

Publication of this report: June 2022

The publication date of the next ESG report: June 2023

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## Letter from the Chairman & CEO

Due to the spread of the COVID-19 pandemic and the development of global industrial digitalization in the past 2 years, TDCC has taken corresponding measures in response to financial environment changes and the arrival of the digital era. Besides improving the core business of digital development and the transformation of TDCC, under the effort of all associates, TDCC has made fruitful progress as we kept on setting new records on our business revenue and EPS.

As the Central Epidemic Command Center upgraded the national epidemic alert to level 3 on May 19, 2021, the response team of TDCC implements preemptive deployment by staying updated on the latest epidemic development to ensure the health of all our associates and maintain the normal operation of the market and the corporation. At the same time, due to the heavy burden on medical institutions resulting from the epidemic, TDCC has donated NT\$15 million to purchase built-type negative-pressure isolation chambers, medical equipment and appliances, and medical expenditures on patient care. TDCC has assisted in the input of medical resources to ensure that all medical personnel can practice epidemic prevention operations without worry.

Regarding “enhancing the corporate governance of Taiwan”, under the instruction of competent authorities, TDCC has swiftly stipulated Shareholders’ Meeting Guidelines in response to the epidemic and successfully assisted 1,930 corporations in holding shareholders’ meetings. TDCC also aggressively utilized media channels to strengthen the promotion of e-voting. The total amount and percentage of e-voting have increased when compared to those in the previous year, as the average e-voting percentage of shares held by shareholders reached 62.7%, which was a new record. Moreover, when the stock market encountered its first experience of comprehensive delay of shareholders’ meetings, TDCC took the lead as the pioneer of domestic shareholder’s meetings by successfully releasing the “Platform to Support Video Shareholders’ Meeting”, which 17 corporations have used. On the other hand, the “Investor Relation Integration Platform” has cooperated with major global ESG assessment institutions to aid listed corporations in obtaining international

ESG information in order for them to practice ESG guidelines and promote corporate governance.

As for “environment protection”, TDCC was the first to innovatively apply blockchain technology to bond and financial bill transaction confirmation and invoice transaction services. TDCC has solved the 30-year lingering custom of practicing settlement in person or through mails in the fixed income commodity market and has effectively enhanced overall operation efficiency. TDCC has established a digitalized operation environment in establishing the Digital Account Book Remittance Platform (eSMART). This provides online account application and relocated digital document transferring, document signature, e-document keeping and other services between depository institutions and security corporations. TDCC has put effort into the promotion of paperless operation by reducing the usage of papers and carbon emissions resulted from physical document transferring.

Regarding “social participation”, creating a healthy and happy workplace has been one of the most important commitments of TDCC. Although society activities have been suspended due to the epidemic, TDCC still cares about the health of our employees. TDCC has insured all its employees with epidemic insurance and vaccination comprehensive insurance. TDCC has also strengthened its promotion on encouraging its employees to regularly exercise and EAP to help them maintain a better physical and mental status. TDCC also continues to train financial human resources with actual practices, promote education in remote regions, give care to underprivileged populations, and sponsor art & cultural events. TDCC also practices our caregiving ideas by holding college student financial employment charity classes, sponsoring after-school talent programs for remote schools, and promoting basic archery, soccer and other sports lessons at schools. TDCC has also held charity blood donating and fundraising campaigns for 12 straight years.

Moreover, TDCC has cooperated with the "Retire Well Preparation Platform", which combines public welfare and education, to promote the "Aging Well" charity donation



program. By providing donations to social welfare organizations such as Hondao Senior Citizen's Welfare Foundation and holding related events, TDCC expands the citizens' understanding of getting prepared for aging and retirement. In 2021, domestic and overseas assessments have once again recognized our efforts. In the past year, TDCC has obtained honors such as the Asia Responsible Enterprise Awards, the first Taiwan Sustainable Action Awards, the sustainability report platinum award & the innovative growth leader award of

TCSA, and the Art & Business Award presented by the Ministry of Cultural Affairs. These honors have all highlighted TDCC's long-term devotion to social welfare and how it has practiced corporate social responsibility with actual actions.

Upholding the core ideas of "Altruism & Common Good", TDCC has utilized emerging technologies to promote and upgrade its core and innovative businesses. It has also established a partnership with global depository & clearing organizations and ESG institutions to promote international standard gearing, practice inclusive financing, collaborate with market participants to establish a fin-tech service ecosystem, and enhance the capital market competitiveness of Taiwan. TDCC expects common good with its stakeholders and practice sustainable ideas with actual actions.

Taiwan Depository & Clearing Corporation Co., Ltd.

Chairman & CEO, Sherman Lin


 A handwritten signature in black ink, likely belonging to Sherman Lin.



# Sustainable Development and Strategies

- 1.1 Sustainable Vision
- 1.2 Market and Service Value Chain
- 1.3 About Us



## 1.1 Sustainable Vision

### Core Strategy for Sustainability Vision

Embrace innovative technology and develop financial markets	Promote business diversification as well as stable and sustainable growth
As the only post-trade facility in Taiwan's cross capital and money markets, TDCC not only actively assists the competent authorities in implementing policies to meet the business needs of participants, but also continues to challenge itself to expand its service scope and refine its service quality in different stages, seeking new business values through financial technology, and building a complete infrastructure for the digital transformation framework of Taiwan's securities and financial markets.	From the perspective of its core business, TDCC has been transforming and innovating its business to keep up with the times. In addition, we will develop diversified value-added services to meet market demands and create greater benefits for our customers. We also use emerging technologies such as big data, blockchain, and cloud services to revitalize data and information from our core business and assist the competent authorities in improving market supervision to achieve the goal of sustainable operation.

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

### Sustainable Development Strategy

#### Fulfill the Role as a Domestic Financial Service Hub

Strategic Directions	<ul style="list-style-type: none"> <li>• Strengthen the business information system to achieve all-round service</li> <li>• Develop FinTech and apply innovative services with the latest technology</li> <li>• Continuously promote dematerialization of business and service processes</li> <li>• Consolidate digital service platform, integrate financial market operation</li> </ul>
Sustainability and Market Value	<ul style="list-style-type: none"> <li>• Create diversified, long-term value for stakeholders and promote the sustainable growth of the company, while ensuring a smooth and sound market development with sound and efficient back office infrastructure</li> <li>• Security dematerialization, reduce market costs, integrate with the world, and provide customers with more convenient services through various value-added functions</li> <li>• Use diversified platforms and extended mediums to make financial services or corporate governance decisions border-less and barrier-free; non-physical FinTech further reduces environmental pollution and energy use</li> </ul>



### 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
- Cultivate Financial talents

#### Sustainability and Market Value

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

### Assists in the Supervision of the National Financial Market

#### Strategic Directions

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

#### Sustainability and Market Value

- In addition to fostering back-office operating functions of financial products, TDCC also assists regulators to supervise the financial market to ensure compliance and internal control of participants, securities dealers and stock affairs units, so as to maintain their operation quality, financial security and safeguard investors' interests
- Use digital financial technology to quickly organize and analyze large amounts of data and provide regulators with real-time market supervision and analysis results with high efficiency

## TDCC's Response to Actions by SDGs

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

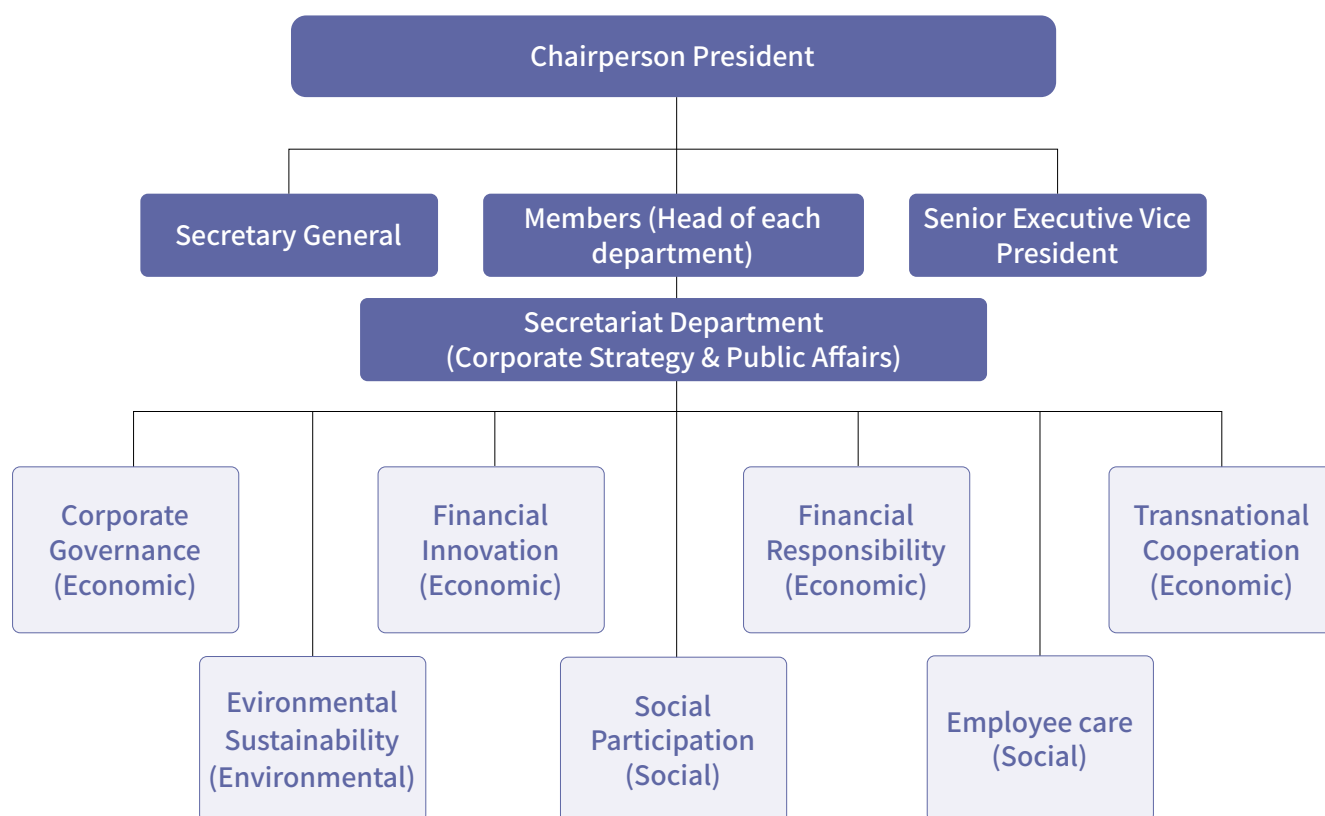


## Sustainability Promotion Organization

### Sustainable Development Committee

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

## TDCC's Sustainable Development Committee Structure



Secretariat Department	Corporate Governance	Financial Innovation	Financial Responsibility
Corporate Strategy & Public Affairs	Legal Affairs & Compliance Internal Auditing Finance Corporate Strategy & Public Affairs Intermediaries Compliance & Inspection	Equity Services Fund & Global Services Fixed Income Services Issuer Services	Fund & Global Services Equity System Development Fixed Income System Development IT Infrastructure Intermediaries Compliance & Inspection

Transnational Cooperation	Environmental Sustainability	Social Participation	Employee care
Fund & Global Services	Fixed Income Services Issuer Services General Administration Legal Affairs & Compliance	Corporate Strategy & Public Affairs General Administration	General Administration

## 1.2 Market and Service Value Chain

TDCC is an information center dealing with the most diversified subject matters and participants in the capital market, and is also a public center and information transfer center with the largest number of participants. TDCC is an important communication platform among government authorities, front-end institutions and relevant service providers. Initially, TDCC was responsible for handling business related to the "Centralized recording of securities in a book-entry system". Nowadays, our services include centralized book-entry of securities, settlement of securities in the centralized trading and over-the-counter markets, settlement of securities in the emerging stock market, computer processing of futures settlement, registration of securities without entities, and computer processing of participants' securities accounts. In addition, we are entrusted by the competent authorities to handle stock audit operations. The financial assets under our custody include a wide range of securities with a total market value of over NT\$80 trillion, which makes us a major player in the domestic capital market. In addition, we serve as the only major post-trade facility in the domestic cross-capital and money markets, and are the national critical infrastructure provider for the securities sub-sector of the primary financial sector. Maintaining the security and protection of our core information systems is crucial to the stable operation of Taiwan's financial markets. We have established a national critical infrastructure security plan, a notification mechanism, an alert mechanism, and professional support agreements to ensure the normal and continuous operation of our critical business functions in securities and financial payments.

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

In response to the growing international trend of responsible investment, the company's investor relationship platform was launched in 2019. In 2020, it has become an important ESG information platform in the post-epidemic era of domestic and foreign market turmoil, providing reliable and free ESG information for retail investors, institutional investors, and issuers.

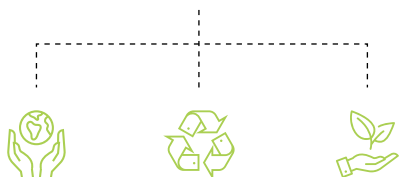
Currently, TDCC has collected the ESG rating data from ESG research institutions and scoring agencies such as FTSE Russell, ISS ESG, MSCI and Sustainalytics. In 2021, TDCC has further established partnerships with shareholder meeting voting proposal report published by Glass Lewis, the world's leading shareholder meeting and corporate governance research organization. ESG information platform published the latest ESG information and evaluated any concerns related to ESG research institutions and scoring systems, as they often become international development trends and will be the focus of companies. Therefore,

through our communication and the use of the platform, we can help companies to obtain the latest information and can respond immediately.

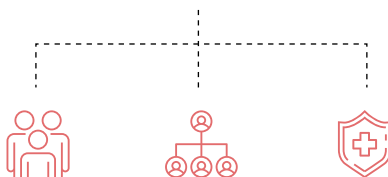
We are committed to fulfilling our corporate social responsibility by nurturing future financial talents, promoting education in rural areas, and caring for the disadvantaged in society, as well as assisting the authorities in promoting financial education and knowledge. In addition, we established Taiwan's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

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

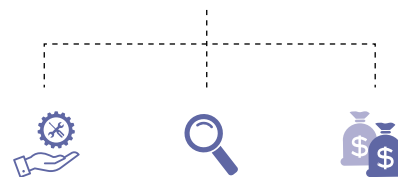
#### ENVIRONMENTAL



#### SOCIAL

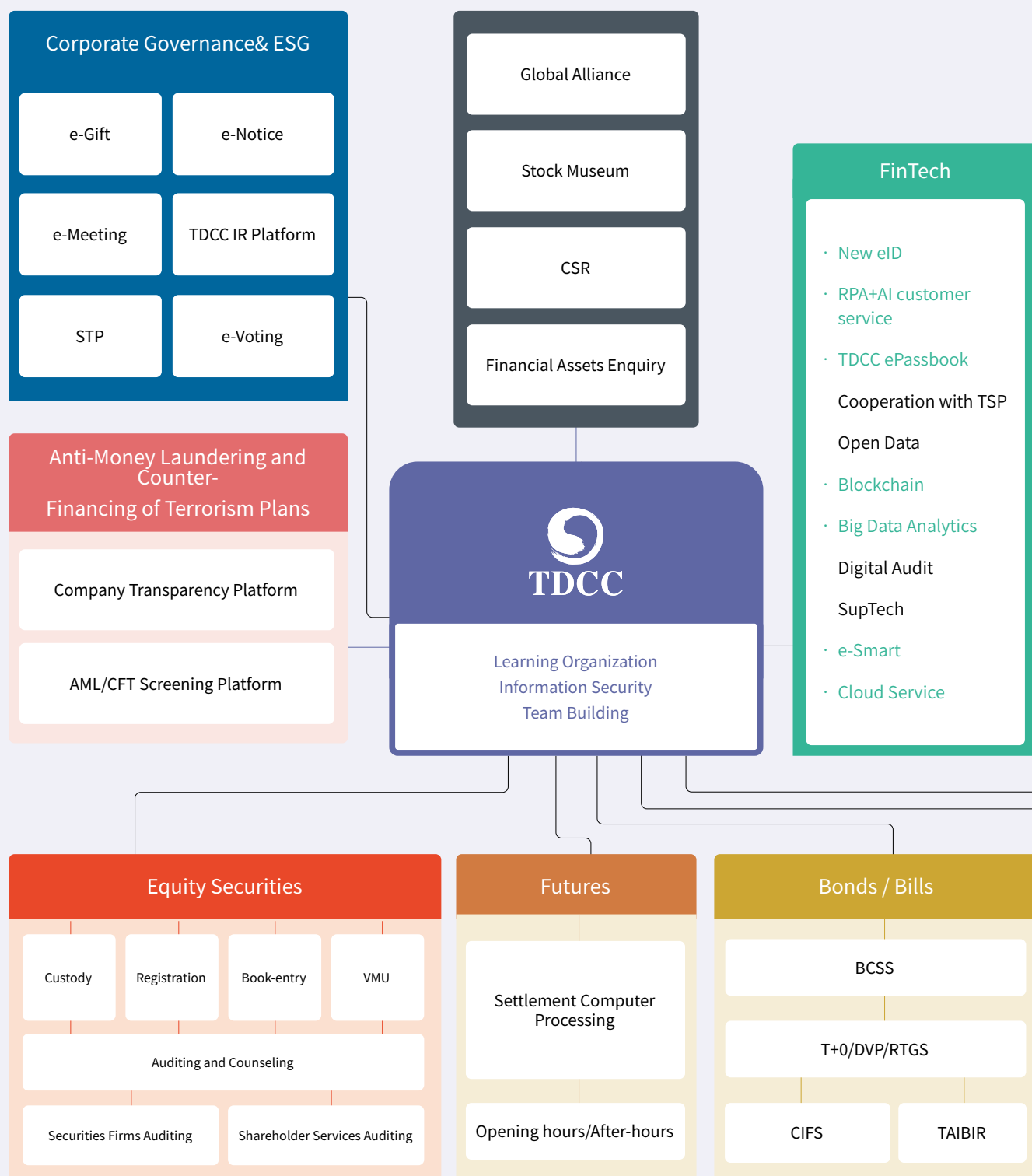


#### GOVERNANCE





## Primary Products and Services of TDCC

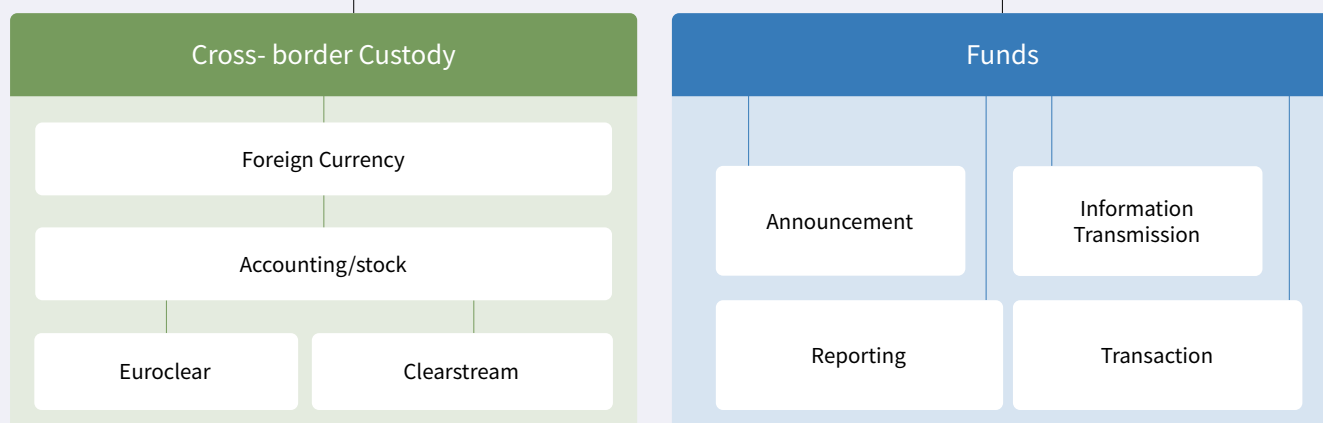


## TDCC's Role - The Only Back-Office Organization across Capital Market and Money Market

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

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

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



## TDCC's subsidiary FundRich Securities

FundRich Securities is a fund sales platform, committed to assisting investors in investing in funds online with reasonable costs, sufficient information and a user-friendly interface. With the global rise of online technology, the concept of "customer-centric" development of Fintech is shaping the new landscape of the financial service industry. The biggest challenge for the future development of online fund sales platform is how to integrate the innovative concept of Fintech into the service process, and how to integrate the fund companies on the product side and the investors on the purchase side through the innovative technology of online fund platforms to create a win-win situation in the market. The operation method of FundRich is based on an open platform structure, which meets the demand for financial technology innovation and diversified market channels. The combination of smart services such as Robot Advisor and big data marketing, and the integration of social sharing to make investors' financial management a bigger part of their lives, makes FundRich become the most influential financial innovation platform. FundRich Securities' missions also include spreading correct wealth management knowledge, aiming to promote the wealth management concept of small amount investment among the youth to enable the younger generation to start managing their wealth at an early stage through lower commission charges. Furthermore, FundRich also pays significant attention to the retired generation. In the aging social environment, we hope to promote retirement preparations as soon as possible. In the past three years, we have actively cooperated with the competent authorities, TDCC, various financial authorities and relevant units. In Addition, we have successively launched "Ready to Enjoy Retirement" and "Retirement Preparation Platform", which expand retirement preparation from investment to insurance protection, providing the public with a one-stop retirement preparation platform.



### FundRich Securities' Core Business Philosophy

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

FundRich Securities offers a platform featuring reasonable commission charges and user-friendly interfaces for all groups to do self-directed investments. 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 businesses.

### Features of FundRich Securities' Products and Services



Taiwan's first policy-led fund sales and wealth management platform.

Provision of comprehensive selections of domestic and offshore fund products.



A comprehensive selection of products, and customers enjoying one-stop shopping services; expand the breadth and depth of investment and trust operators' client bases.

Provision of FinTech Tools to Assist Self-Saving Wealth Management.



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.

Disintermediation and redefinition of the financial service value chain.



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

Strengthen cooperation with third parties and expand the ecosystem of fund platform industry



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

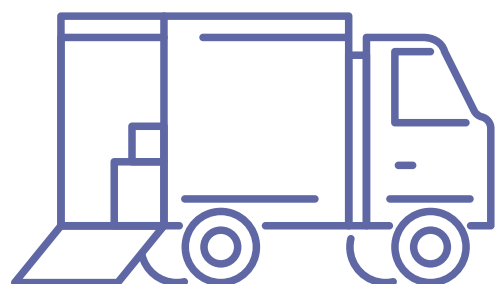
Promote long-term and consistent self-directed investment through simple, constant-in-amount and periodic investment approaches.

## 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

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



### 1.3

### About Us

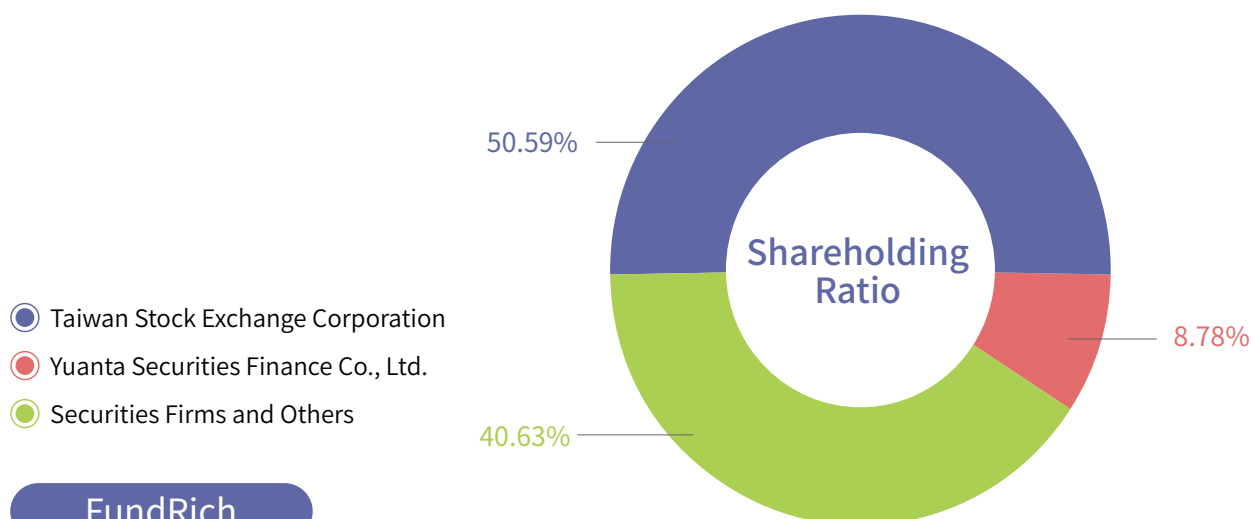
TDCC	
Date of establishment	1989
Place of business	Hungya Building at Fuxing North Road, Taipei City and Computer Facilities in Nangang District and Zhubei City
2021 Business Revenue	NT\$10,322,508 thousand <sup>Note1</sup>
Total Number of TDCC Employees at the end of 2021	539 people <sup>Note2</sup>

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

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

## Shareholding Ratio

As of the end of 2021, TDCC's shareholders structure is as follows :



## FundRich

Date of establishment	2015
Place of business	Hungya Building at Fuxing North Road, Taipei City
Total Number of FundRich Employees at the end of 2021	56 people

## Operational performance

The COVID-19 epidemic of 2021 has brought unprecedented challenges to global economic development, but at the same time, the digital transformation triggered by innovation and technology has driven a full acceleration of digital transformation in the capital market. In response to the changes in the financial environment and the advent of the digital age, TDCC has adopted an innovative mindset to carry out the concept for their platform and to keep abreast of the times in business transformation and innovation, we have been working hard for many years to diversify our business. The business of TDCC, includes "creating a digital financial environment for the capital market", "enhancing the overall operational efficiency of the bond market", "optimizing the platform to strengthen fund services", "promoting e-voting services for shareholder meetings to improve the country's corporate governance effectiveness", "assisting the competent authorities to strengthen market supervision and establish a digital supervision platform", "promoting stronger international cooperation to enhance Taiwan's influence" and "fulfilling social responsibility to become a model of corporate citizenship", all produced impressive results.

In 2021, the overall financial performance of TDCC (including its reinvested operations) recorded continuous growth with earnings after tax reaching NT\$6.174 billion. The continuous profit growth has demonstrated that we have not only provided stable and sound platforms and systems, but we have also kept up with the times by innovating our business development and achieved excellent business results through teamwork.

● Thousand NTD

Year	2021	2020	2019
Total assets	37,241,615	33,046,733	40,078,819
Operating revenues	10,322,508	7,140,893	5,345,120
Nonoperating income	290,513	286,720	334,452
Operating expenses	2,949,321	2,679,238	2,569,485
Employee benefit expenses	1,306,702	1,270,499	1,267,149
Tax	930,518	607,195	633,553
Profit before tax	7,663,700	4,748,375	3,110,087
Profit after tax	6,174,155	3,828,550	2,509,005

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

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

## External Participation

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



# Material Issues in Sustainability

2.1 Identification and ranking of sustainability issues

2.2 Management Approach Towards Material Issues

CH

## 2.1

# Identification and ranking of sustainability issues

## Identification and ranking of sustainability issues

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

### 01

#### Identify stakeholders

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

### 02

#### Keep abreast with sustainability issues

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

### 03

#### Analyze material issues

From the 2021 Sustainability Survey, a total of 311 questionnaires were returned. After analysis of the questionnaire, it is adjusted according to the global and sustainability trends, the business characteristics of TDCC, etc., and 9 key material issues were determined.

### 04

#### Conclude aspects and communication

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

## Stakeholder Communications

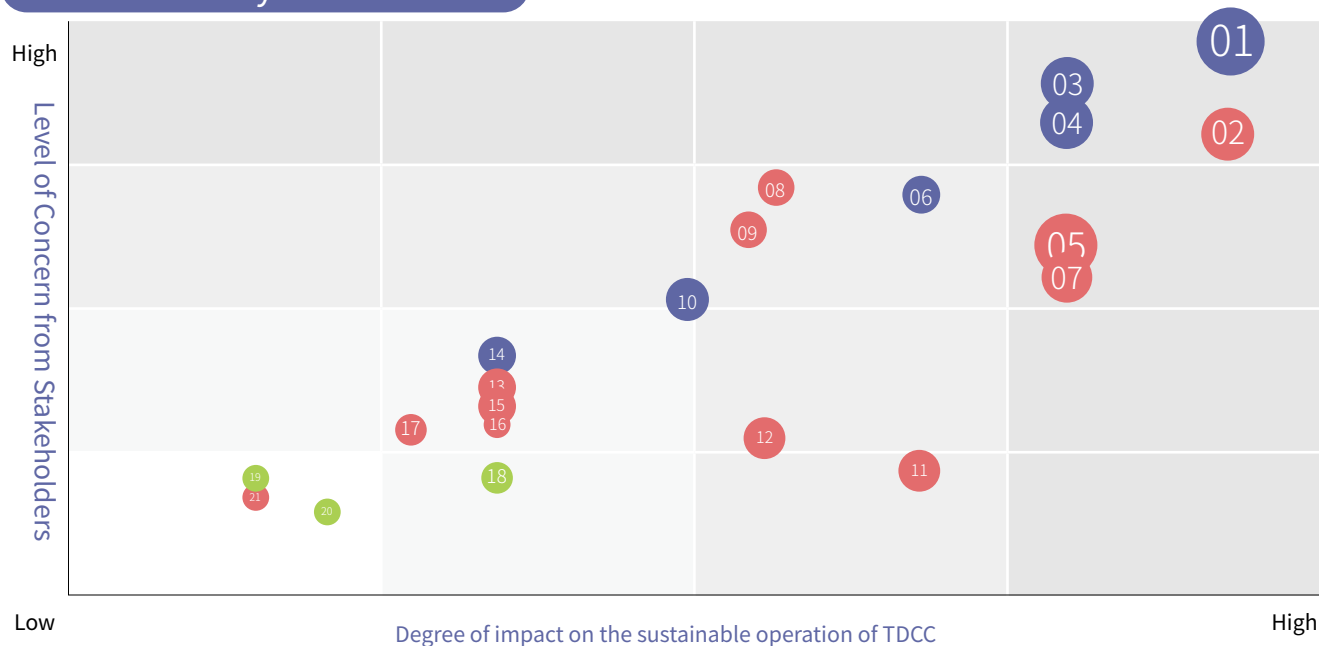
We pay special attention to the concerns of various stakeholders, and set up a special area for stakeholders on the official website, and set up a communication line, etc. Through various communication channels, we collect information about the stakeholders' opinions and maintain close contacts in order to ensure the steady progress of sustainable operations.

Stakeholders	Relations with TDCC	2021 Communication Channel and Frequency
<b>Employees</b>	Corporate sustainable operations and growth can only be achieved through excellent teams and talents. We are of the view that talents are the foundation and employees are precious assets of an enterprise. Thus, our employees are provided with a healthy and equal workplace at all times.	<ul style="list-style-type: none"> <li>• Labor-management meetings (quarterly)</li> <li>• Employee suggesting forms, two-way communication (occasionally)</li> <li>• Face-to-Face Communication, Documents in Writing, Telephone (instant)</li> <li>• Supervisors meetings (weekly/monthly)</li> <li>• e-Training Digital Learning Platform (occasionally)</li> </ul>
<b>Customers/Participants</b>	Customers and participants are major sources of income. We expect to offer participants with services in advance to jointly create value again.	<ul style="list-style-type: none"> <li>• Relevant association smeetings (occasionally)</li> <li>• Face-to-Face Communication, Meeting, Documents in Writing, Telephone (instant)</li> <li>• Coordinate with the Competent Authority to Conduct Audits (occasionally)</li> <li>• Seminars (occasionally)</li> <li>• Customer satisfaction survey (annually)</li> <li>• Publications (bimonthly/annually) e-Training Digital Learning Platform (occasionally)</li> </ul>
<b>Competent Authorities</b>	As a chartered industry, various businesses of TDCC are required to be approved by the competent authority, and the Company shall coordinate with the competent authority to conduct oversights and audits on relevant matters. Thus, the competent authority is important to TDCC's day-to-day operation.	<ul style="list-style-type: none"> <li>• official correspondence (occasionally)</li> <li>• Telephone (occasionally)</li> <li>• Email (occasionally)</li> <li>• Meetings and Seminars (occasionally)</li> </ul>
<b>Shareholders/Investors</b>	Shareholdings of Taiwan Stock Exchange account for 50.59% of the total shares. Other major shareholders are relevant financial institutions. Therefore, TDCC's operational performance, corporate governance and sustainable development are major issues of concern.	<ul style="list-style-type: none"> <li>• Shareholders' meeting (annually)</li> <li>• Board Meeting (monthly)</li> <li>• Face-to-face Communication, Meetings, Written Correspondence or Emails, Telephone (instant)</li> <li>• TDCC annual report (annually)</li> <li>• TDCC's online information (occasionally)</li> <li>• Messages from Official Website (occasionally)</li> <li>• Publications (bimonthly/annually)</li> </ul>
<b>Suppliers/Contractors</b>	TDCC's services rely on committed suppliers to offer quality and compliant products and services. It is necessary to build mutual and trusted relations between the Company and suppliers.	<ul style="list-style-type: none"> <li>• External communication mailbox (timely) Timely business communication (occasionally)</li> <li>• Face-to-Face Communication, Meeting, Documents in Writing, Telephone (instant)</li> </ul>
<b>Communities</b>	TDCC emphasizes the impact of social engagement on the local development.	<ul style="list-style-type: none"> <li>• Business correspondence (occasionally)</li> <li>• Activities (occasionally)</li> <li>• Results announcement (occasionally)</li> </ul>

## Ranking and Description of Sustainable Issues

Rank	Catagories	Topic
01	Governance and Economy	Corporate
02	Products and Services	Information Security
03	Governance and Economy	Policies and compliance
04	Governance and Economy	Risk Management and Communication
05	Products and Services	Customer Relationships and Protection of Rights
06	Governance and Economy	Internal control and internal auditing
07	Employees and the Society	Talent education and development
08	Employees and the Society	Healthy workplace
09	Employees and the Society	Labor-management communication
10	Governance and Economy	Operational performance
11	Employees and the Society	Talent recruitment and retention
12	Products and Services	Sustainable Finance and Product Innovation
13	Employees and the Society	Employee compensation and benefits
14	Governance and Economy	Sustainable supply chain management
15	Products and Services	Promotion of International Business
16	Employees and the Society	Financial Inclusion and Financial Education
17	Employees and the Society	Human Rights and Diversity
18	Environment	Energy Management
19	Environment	Measures for Responding to Climate Change
20	Environment	Environmental Impact from Operations
21	Employees and the Society	Communities and Social Influence

## Sustainability Issue Matrix





## 2.2 Management Approach Towards Material Issues

We disclose the material issues of the TDCC in 2021 based on GRI standards and listed the relevant stakeholders, policies and commitments, goals and related communication mechanisms for the issues in order to meet the expectations of all parties on the sustainable development of TDCC.

### Material Issues and Parties Impacted

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

Notes :

1. The "Organization" represents all the department heads and staffs of TDCC and FundRich.
2. According to the occupational safety and health-related laws and regulations, based on the size of FundRich and the number of employees, it is not necessary to establish relevant regulations and implementation plans.

## Material Issue Management Approach

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

## Policies and Commitments

I. We have established a "Personal Information Protection Management Policy" to implement personal information protection and a management system and to protect the rights and personal information of subjects involved. We have established the "ISO22301 Business Continuity Policy" to continuously strengthen our disaster response capabilities and establish appropriate backup mechanisms to reduce the likelihood of service interruptions and to enable our critical infrastructure business and its related applications to return to acceptable service levels within the promised recovery time targets in the event of an interruption, and to do our utmost to protect the interests of all our investors. 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. We have established the "TDCC Rules of Employee Ethics and Integrity" and "TDCC Directions Governing Handling of Reported Cases" to promote fairness when employees carry out their duties. We also aim to create a company culture of integrity and transparency for comprehensive management.

We fully utilize information and communication security technology to build an effective and complete system. The purpose of the Information security protection mechanism is to ensure the confidentiality, completeness and usability of information assets.

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

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

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

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

## Policies and Commitments

### Quality Policies:

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

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

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

I. In line with TDCC's strategy and development goals, we continue to implement a full range of education and training resources to improve professional knowledge, digital thinking abilities, and the diversified development of employees. Regular performance appraisal is carried out to effectively enhance the employees' competency, at the same time to keep track of the performance and lead employees to grow.

II. Adhering to the concept of "People are the company's assets", TDCC continues to carry out talent training, accumulate innovative knowledge power of various technologies through new digital learning courses, and accelerate talent development in order to strengthen employee competitiveness and allow the organization to develop sustainably, which serves as an important foundation for TDCC's future advanced insurance services.

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

TDCC promises to maintain the harmony between labor and management and create a healthy, safe, diverse, and friendly workplace. Two-way communication and exchange of opinions is promoted to ensure the continuous progress of the working environment and the improvement of company culture. If there are any major operational changes or decisions that affect the rights and interests of employees, these will be announced in advance in accordance with laws and regulations to protect employees' rights and interests.

Materiality Issue	Goals and Objectives
Corporate Governance and Business Integrity	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	TDCC has developed the "Information Security Policy", which is reviewed and evaluated by management at the Information Security Meeting at least once a year to reflect the latest status of information security management, operational standards, technologies, business needs and regulations in order to ensure usability, security, and effectiveness of operations related to information security. Appropriate information security management will also be reinforced.
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.
Risk Management and Communication	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.
Customer Relationships and Protection of Rights	I.The quality objectives, policy statements, privacy protection, information security policies, and personal data protection management objectives, etc., are set annually by all units in accordance with their powers and responsibilities. II.Customer service is enhanced in order to have a better-integrated customer feedback and communication platform. It strives to improve service quality, as well as the adequacy, sufficiency, and effectiveness of the quality management system. III.Understand the customer's overall satisfaction with the corporate image in all aspects of satisfaction ratings. IV.The annual business plan and performance evaluation shall be determined every year, and the scope of implementation, expected results and estimated execution timetable shall be explained in order to check the annual execution results and report to the competent authority

Communication and Complaint Mechanism	2021 Methods of Action and Results	Stakeholders in Focus
I. We have established the "TDCC Rules of Employee Ethics and Integrity." II. The "TDCC Directions Governing Handling of Reported Cases" was added for case handling of independent units and investigation. The system has also been incorporated into the scope of internal control.	Please refer to <a href="#">3.1 Implement Corporate Governance</a>	TDCC, FundRich Securities, Shareholders/ Investors
Suggestion forms from the official website, email, investor service hotline, or in writing.	Please refer to <a href="#">3.2 Risk Control</a>	TDCC, FundRich Securities, Shareholders/ Investors, Competent Authorities
I. "Directions Governing Handling of Reported Cases in Taiwan Depository and Clearing Corporation". II. "TDCC Procedures for Exercise of Rights, Complaints and Consultation". III. In 2021, 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	Please refer to <a href="#">3.1 Corporate Governance</a> , <a href="#">4.1 Comprehensive Financial Market Infrastructure and Regulation</a>	TDCC, FundRich Securities, Shareholders/ Investors, Customers/ Participants
Both internal and external units have to assess the risks of various business activities. This can be done through emails, investor hotline and suggestion forms from the official website, and in writing to their respective units.	Please refer to <a href="#">3.2 Risk Control</a>	TDCC, FundRich Securities, Customers/ Participants, Shareholders/ Investors, Competent Authorities, Suppliers/ Contractors, Communities
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 opinions are then organized and summarized as a basis of reference for future communication with users or when services are being provided.	Please refer to <a href="#">3.1 Implementing Corporate Governance - Compliance</a> <a href="#">4.2 Quality Customer Service</a>	TDCC, FundRich Securities, Shareholders/ Investors, Customers/ Participant

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



Communication and Complaint Mechanism	2021 Methods of Action and Results	Stakeholders in Focus
Audit personnel shall conduct audits according to plans. In case of any doubts during the process or when verification is required, they will always communicate with the inspected unit. When issues are discovered in audit results, they will hear the explanations from the inspected unit and offer suggestions to ensure communication and understanding. This way, the audit can be carried out smoothly.	Please refer to <a href="#">3.2 Risk Control</a>	TDCC, FundRich Securities
Employees can grow themselves through the e-Training digital learning platform; labor management meetings are held quarterly, supervisor meetings are held weekly and monthly, and employee interviews are held occasionally to show care for them.	Please refer to <a href="#">5.2 Talent Development</a>	TDCC, FundRich Securities
TDCC has an Occupational Safety and Health Group with a complaint window where employees can submit their needs and difficulties by phone, email service box, or in writing. In addition, there is an employee assistance program to provide overall assistance to our employees.	Please refer to <a href="#">5.4 Employee Health and Safety</a>	TDCC
<p>I. TDCC set up the "TDCC Directions Governing Handling of Reported Cases," and established the whistleblowing system. In addition, TDCC has set up an independent unit that is responsible for accepting and investigating whistleblower cases.</p> <p>II. Labor-management meetings are held quarterly, supervisor meetings are held weekly and monthly, and employee interviews are held occasionally to show care for them.</p> <p>III. Multiple bilateral communication seminars are held, all of which can provide an opportunity to communicate relevant information with the company.</p>	Please refer to <a href="#">5.1 Human Resource</a>	TDCC, FundRich Securities



# Corporate Governance

3.1 Implement Corporate Governance

3.2 Risk Control

3.3 Climate Governance

CH

### Important Recognition

- ✓ Awarded "Silver Award" by the Taiwan Corporate Sustainability Awards (TCSA)
- ✓ Awarded "Innovation and Growth Award" for excellence in Sustainability by Taiwan Corporate Sustainability Awards (TCSA)
- ✓ Awarded "Taiwan Sustainability Action Awards (TSAA)"
- ✓ Awarded "Social Welfare Development Award" for The Asia Responsible Enterprise Awards (AREA) in 2021
- ✓ Awarded "Silver Award" of Arts&Business Awards

### Operational Performance

- ✓ In 2021, TDCC had an After-tax surplus of \$6.174 billion, with a stable and profitable performance

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

## 3.1 Implement Corporate Governance

### Board of Directors and Functional Committees

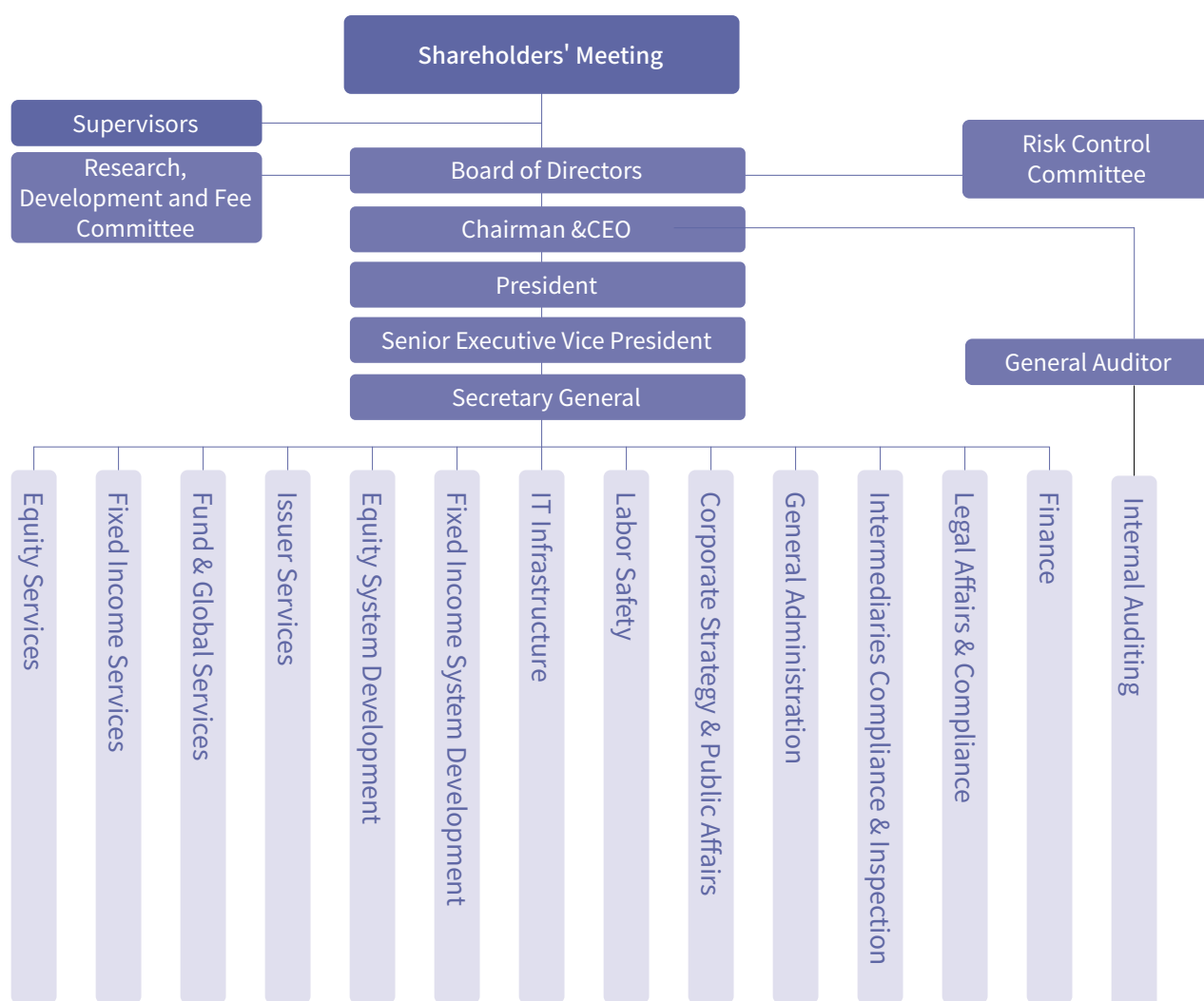
TDCC's highest decision-making authority is the shareholders' meeting, and the highest executive authority is the Board of Directors. Other committees such as the Research, Development and Fee Committee and Risk Control Committee are set up to ensure the integrity and transparency of the company's operations.

## The Board of Directors

The Board of Directors of TDCC is formed by seven directors, all of whom are juristic persons, on behalf of Taiwan Stock Exchange, Yuanta Securities Finance Co., Ltd. and KGI Securities respectively. There are three supervisors, including one standing supervisor, representing Taiwan Securities Association and Taiwan Futures Exchange, respectively. The directors and supervisors all have substantial experience in the industry and at the same time have diversified professional backgrounds. They supervise and guide all major decisions of the company's management team, and ensure that each unit performs its functions. A total of 12 board meetings were convened in 2021 with an attendance rate of 100%.

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

### The Board of Directors



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

## Functional Committees

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

Names of the committee	Main responsibilities	2021 Operation conditions
Risk Control Committee	<ul style="list-style-type: none"> <li>Review on the risk controls and self-assessment reporting mechanism of participants</li> <li>Carry out risk control auditing on depository, clearing and settlement business procedures, computer operating system and operational procedures between participants</li> </ul>	CONVENED 2 MEETINGS WITH AN AVERAGE ATTENDANCE RATE OF 100%
R&D and Fee Committee (equity products group and fixed income group)	<ul style="list-style-type: none"> <li>Planning on business development and operational guidelines</li> <li>Carry out review on new business planning</li> <li>Carry out review on material changes in the respective business</li> <li>Carry out review on the standard of service fees for handling depository, registration, book-entry and transaction settlement, etc.</li> </ul>	EQUITY PRODUCTS GROUP AND FIXED INCOME GROUP CONVENED 2 MEETINGS RESPECTIVELY WITH AN AVERAGE ATTENDANCE RATE OF 96.15%
Fund Market R&D counseling Committee	<ul style="list-style-type: none"> <li>Counseling and suggestions on the fund market development, product development and back office operations</li> <li>Counseling on the fund business planning, marketing and fee charge of the re-invested company of TDCC</li> </ul>	CONVENED 2 MEETINGS WITH AN AVERAGE ATTENDANCE RATE OF 92.85%

## Integrity and Anti-corruption

TDCC is concerned with ethical operation and anti-corruption. Therefore, we formulated the "TDCC Rules of employee ethics and integrity" to regulate employees when dealing with matters such as receiving of gifts or benefit, receiving of drinking and dining treat, recusal of employees due to conflicts of interest and matters relating to requests for influence lobbying to ensure impartiality while performing duties by such employees of TDCC. All employees of TDCC abide by relevant regulations and discipline. Along with training, the Company creates a highly ethical and disciplined operational environment. TDCC added the "Directions Governing Handling of Reported Cases," and established the whistleblowing system to encourage anyone to report cases related to crimes, frauds or violations of laws and regulations discovered by them. In addition, TDCC has set up an independent unit that is responsible for accepting and investigating whistleblower cases. On the other hand, the whistleblowing system has been incorporated into the scope of TDCC's internal control system to promote sound management of the Company. According to the implementation of the "Rules of Employee Ethics and Integrity" and the "Directions Governing Handling of Reported Cases," no cases of corruption or complaints were found in 2021.

FundRich established the "Rules of Ethical Conduct for Employees" for directors, supervisors, managers and all employees to treat all customers, suppliers, competitors and employees fairly. They should not use their positions to gain any kind of improper benefits, thereby upholding the corporate core values of honesty, integrity and anti-corruption. In addition, the "whistleblower system" encourages internal and external personnel to report any unlawful, unethical and dishonest behavior, and designates an independent unit with the authority to receive and investigate all reported cases. The whistleblower system is incorporated into the internal control system to ensure and promote the sound operation of the Company. According to the implementation of the "Rules of Ethical Conduct for Employees" and the "Whistleblower System," no cases of corruption or complaints were found in 2021.

## Human Rights and Diversified Equality

As human rights are highly valued internationally, the topic of human rights and diversity in Taiwan is one of the top ones in Asia, and TDCC values diversity and equality within the company. In order to better fulfill corporate social responsibilities and protect the basic human rights of all employees, we recognize and promise to follow the international human rights conventions including the "The Universal Declaration of Human Rights", "The UN Global Compact" and other international human rights conventions, and abide by the local labor laws. The local laws include the "The Labor Standard Act" and the "The Act of Gender Equality in Employment", etc., in the hope to establish appropriate management methods and procedures to prevent any violations of human rights. The "Human Rights Commitment and Policy Plan" was established to create a secure working environment and a good work culture. The TDCC implements five major directions for human rights protection: implementing human rights in the workplace, providing a safe workplace, emphasizing labor-management harmony, respecting associations and communities, and protecting privacy and security.

## Regulatory Compliance

### TDCC

Strictly regulated by the competent authority, TDCC is also a financial institution that shall discharge its obligation to prevent money laundering in accordance with the requirements stipulated by Subparagraph 15, Paragraph 1, Article 5 of the Money Laundering Control Act, and shall abide by relevant regulations set out in the Money Laundering Control Act, Terrorism Financing Prevention Act and the "Regulations Governing Anti-Money Laundering of Financial Institutions." In doing so, we have actively participated in courses and meetings organized by relevant competent authorities and subsequently implemented requirements through amendments to regulations and the systems. Therefore, no penalty was imposed in 2021 by the competent authorities in relation to any violations of money laundering control and financial oversight-related laws as well as relevant laws governing the economy (product and marketing), the society (labor and human rights) and the environment (environmental protection).

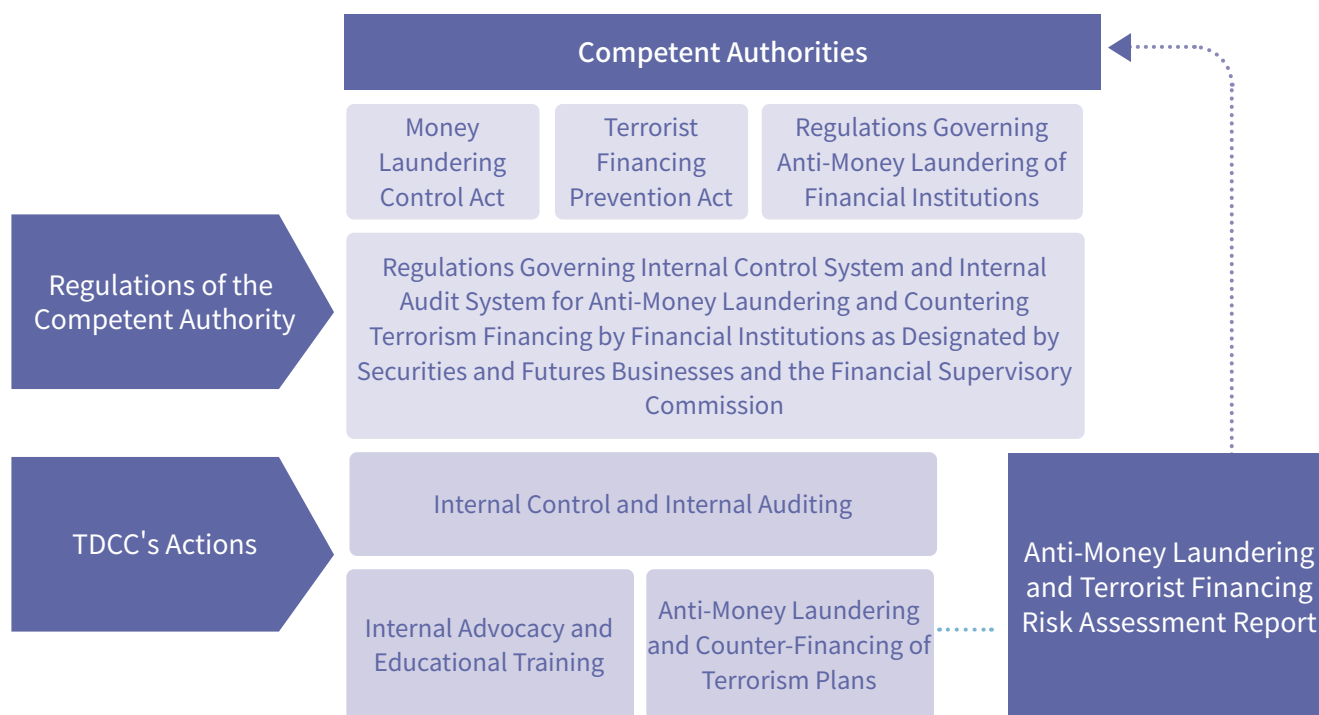
The rules and regulations of TDCC comply with the following aspects, and there are three action methods as follows:

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

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

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

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



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

### FundRich

In order to ensure the operations of FundRich comply with regulations, FundRich strengthens internal compliance regulations and code of conduct through education and training. As one of the financial institutions that should fulfill anti-money laundering obligations in accordance with Paragraph 1, Article 5 of the Money Laundering Control Act, FundRich must comply with the relevant regulations, including the Money Laundering Control Act, the Terrorism Financing Prevention Act, and the Regulations Governing Anti-Money Laundering of Financial Institutions, while carrying out anti-money laundering operation and terrorism financing prevention according to Article 5 of the "Regulations Governing Internal Control System and Internal Audit System for Anti-Money Laundering and Countering Terrorism Financing by



Financial Institutions as Designated by Securities and Futures Businesses and the Financial Supervisory Commission." Employees actively participated in training and briefings conducted by the competent authorities and trade associations. FundRich has gradually implemented regulatory requirements through amendments to regulations and systems. Hence, no penalty was imposed by the competent authorities due to compliance with regulations related to anti-money laundering and financial supervision, as well as violation of economic (anti-corruption and anti-money laundering), social (labor, human rights, product marketing labels) and environmental (environmental protection) laws in 2021.

## 3.2 Risk Control

### Key actions taken by TDCC

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

#### Risk Control Committee

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

## Business Continuity Planning (BCP)

Since 1997, TDCC has compiled a "Manual for Abnormal Situation Processing" and conducted drills based on if an abnormal situation shall occur. In 1999, based on the "Information Security Management Standards of the Executive Yuan and its affiliated organizations" promulgated by the Research, Development and Evaluation Commission of the Executive Yuan, TDCC's "Business Continuity Plan (BCP)" was formulated. Business continuity strategies were formulated and formed a business continuity operation team. The team coordinated overall command and resource utilization, and clearly defined the task organization and responsibility for the sustainable operation mechanism such as the pre-existing backup protection mechanism, contingency measures during the event, and post-recovery operations. We handled BCP drills with uninterrupted business and information operations on a regular basis in accordance with the abnormal situations of the manual, including natural disasters, human disasters and infectious diseases in order to confirm that all backup equipment, sites, and systems can ensure the uninterrupted operation of the core business. The proficiency of core business personnel and job agents is enhanced in handling abnormal conditions.

## National Critical Infrastructure Protection Plan

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

## Quality Management System

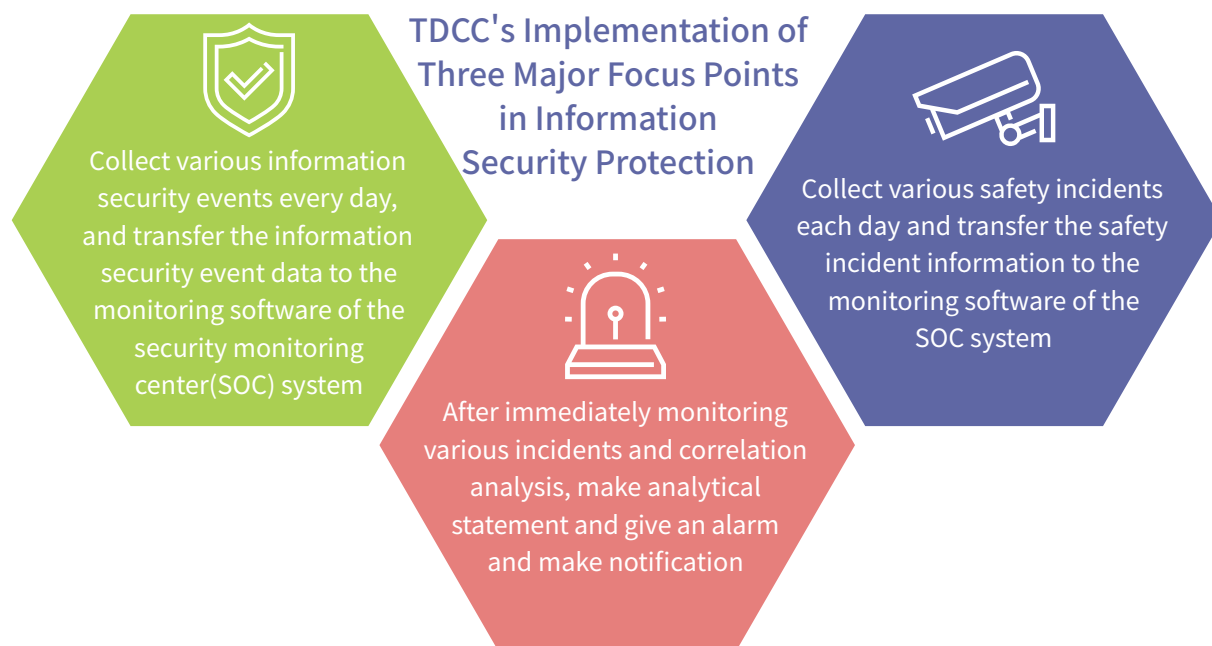
We attach importance to customer service quality and constantly optimize internal operation efficiency to provide the best service to our customers. We implement a quality management system and integrate its spirit into our internal processes and daily operations to standardize all operations and ensure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

## Internal Control and Auditing System

TDCC formulated the internal control system in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" promulgated by the competent authority. The system was approved by the Board of Directors, and the objective of which is to facilitate the Company's sound management so as to reasonably ensure the effectiveness and efficiency of our operation, deliver reliable, timely, transparent and compliant reports and abide by relevant laws and regulations. TDCC established the internal auditing office under the board of directors. The Company conducted an audit on the business operated by each department and office, assisted the board of directors and managers in investigating and assessing the internal control system and providing suggestions in due course so as to ensure the continuous and effective implementation of the internal control system. In 2021, the Company has completed 336 audit operations, and the audit results complied with regulations related to the Company's internal control system, in which no incompliance was found.

## TDCC's Information Security Protection

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



## Information Security Implementation

### Business Continuity Management System (BCSMS)

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

The 2021 annual assessment operation of ISO 22301:2019 BCM system of TDCC was carried out on November 2021 by certificate authority BSI. According to the result of this assessment, there was no nonconformance, thus the verification possessed by TDCC is still valid.

### Routine Safety Inspections

Safety Inspections are done every year, including system weakness scanning, code review, penetration testing, web weakness scanning, safety Inspections, 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 Information Security Implementation TDCC ESG Report 2020 043 Control Framework" (CSCF) published by the SWIFT organization. The items recommended by the evaluation results have been improved and completed.

#### Behavior Monitoring Software

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

#### ISO 27001 Information and Communication Security Management System Verification

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

Given that the practice of information security does not only include the security and protection of information system, but is also the common responsibility of all associates, TDCC has expanded the verification of ISO 27001:2013 to the whole corporate and successfully qualified for the ISO 27001 expansion verification on November 5, 2021. This information security management policy will be practiced throughout TDCC.

##### · Holding Information Security Drills

TDCC has stipulated Information and Communication Security Related Incident Informing and Contingency Operation Procedures for its associates to adhere to when incidents occur. In order to ensure that our associates can complete the SOP within the time limit, TDCC has held annual drills and tests:

1. Information system redundancy test operation.
2. Key infrastructure security and protection project drills.
3. E-mail social engineering drills: hold annual social engineering drills.
4. Distributed denial of service attack drills.

Systematic information security incident drills and information security incident informing drills are coordinated simultaneously with those practiced by the Financial Supervisory Committee.

## Employee Information Safety Training

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

## Ongoing Operational Response to COVID-19

1. When the epidemic alert was upgraded to level 3 on May 2021, TDCC immediately initiated large scale work-from-home operations and supervised the establishment of WFH Information Service Team, in which it aided associates on solving problems regarding their computers in real time online and maintained more than 50% of associated working from home. On the other hand, all sorts of meetings and conferences were carried out through video conferences. By doing so, TDCC not only reduced gatherings, but also maintained its daily operation through video conferences in real time. This not only ensured the market and TDCC's daily operations, but also reduced the risks of having our associates getting infected due to going to work.
2. We prepared and announced the implementation of a working manual for relocated offices. In addition, we prepared drills related to the new Aikuo Telecom Park while also holding training to take over all core business and information system operations from the Park. Home office equipment and Internet connections were used to verify the efficacy of the manuals during practical exercises in the Hungya Building and the Park.
3. TDCC's "Abnormal Situation Handling Manual", "Safety Protection Practice Regulations" and "Business Continuity Plan (BCP)" have been revised to include measures to deal with infectious diseases.

## Key actions taken by FundRich

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

In November 2021, the "Training on Anti-money Laundering and Combating the Financing of Terrorism" was conducted. All colleagues, some directors and supervisors participated. They will go through the risk factors as well as review the risk management and control measures, then conduct risk assessment operations. The anti-money laundering and anti-terrorism risk assessment reports are updated and sent to the competent authorities for reference in order to enhance the effectiveness of the TDCC's anti-money laundering and anti-terrorism operations. In addition, FundRich also provides training courses on personal information awareness, fair treatment principles and the whistle-blowing system to help employees serve the public more professionally.

## FundRich Information Security

### Information Security Implementation

#### Regular external audit of the computer room

The fund platform system hardware equipment is managed by TDCC. The safety maintenance services provided include physical safety, power support, server authority control, network architecture, network safety equipment, network equipment/server monitoring and notification, all of which are in compliance with ISO27001 international information safety standards. One external unit audit verification is carried out every year, and there were no missing or improvement suggestions in 2021.

#### Regularly Practicing Redundancy Drills

Redundancy drills are carried out once every 6 months to ensure that TDCC can immediately maintain its operation after switching its office to other places when any uncontrollable factors occurred, thus reducing its impacts on customers.

#### Website weakness scanning

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

#### Penetration test

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

### Employee Information Safety Training

- Carry out social engineering drills at irregular intervals, and the test results met the target values of the Securities and Futures Bureau of Financial Supervision Committee.
- Carry out the latest social engineering education and training every six months to enhance employees' awareness of information security.

## 3.3 Climate Governance

### TCFD Climate Change Risk Structure Disclosure

Given that global average temperature is rising and natural disasters are occurring more frequently, it is of essence that we recognize the risks of climate change as soon as possible. Given that climate change and environmental impacts are getting increasingly dangerous and will impact various factors of corporate operations, the Sustainable Development Committee of TDCC has embarked on the promotion of “TCFD Climate Related Financial Impact Assessment” by the end of 2021 by introducing the suggested structures of Task Force on Climate-related Financial Disclosures (TCFD) announced by the UN Financial Stability Board. TDCC also signed TCFD and has become its member from the end of 2021. At the same time, TDCC has also founded its TCFD Working Group (subordinated under the “Environment Sustainability Team” of Sustainable Development Committee) and for the first time, introduced the climate related financial disclosure suggested structures of TCFD in the 2021 Sustainability Report. Climate related information will be disclosed according to the 4 major perspectives of governance, strategy, risk management and indicators & goals. Qualitative and quantitative comprehensive assessments will be carried out targeting various kinds of risks, before corresponding measures and management methods were decided to achieve the efficacy of sustainable business.

### Climate Governance

The board of directors is the highest supervising authority on climate change risks of TDCC as impact due to climate changes is listed as one of TDCC’s major risks. Through the Sustainable Development Committee and Risk Monitoring Committee, they implement our sustainability policies and climate promise by monitoring related issues regarding climate change risks and opportunities.


The Sustainable Development Committee of TDCC monitors the practice of corporate social responsibility and sustainable business issues, which has included climate governance related issues. The Sustainable Development Committee is made up of 7 teams, including “corporate governance team”, “innovate finance team”, “responsible finance team”, “cross-nation cooperation team”, “environmental sustainability team”, “social participating team” and “employee caring team”. The general manager serves as the chairperson, 2 deputy general managers and the chief secretary are responsible for the supervision of the committee, while executives from different department serve as committee members accordingly. This committee tracks climate change risks and opportunities and practices the promotion and implementation of various ESG actions.

TDCC has continued to strengthen its climate management mechanism and has established the Risk Monitoring Committee under the board of directors. This committee continues to coordinate the promotion of climate change related financial disclosure project and reports its progress to the board of directors. It also examines related operation status and audits the efficacy of climate governance with the aspiration of strengthening TDCC’s role and responsibility on climate related risk issues.

## Climate Change Strategies

Targeting existing and potential climate related risks, TDCC has sorted out possible impacts on organizational operation, strategy and financial planning and has distinguished physical and transition risks and opportunities. Targeting high risks TDCC has distinguished, its specialized department has carried out active and aggressive management to assess the risk's influence and impact in detail. TDCC has distinguished the connection between risks and stakeholders and has practiced stakeholder communication. TDCC has also sought possible opportunities in response to climate issues to enhance business opportunity sensitivity and carry out prevention measures and management guidelines preemptively. It is estimated that in recent years, TDCC will assess the introduction of scenario analysis to implement and perfect its climate change strategies.

According to its interviews and questionnaire results with high-level executives, TDCC has sorted out 10 climate risk issues and has practiced further strategic assessment and monitoring on 6 major physical and transition risks.

Physical Risk		
<ul style="list-style-type: none"><li>• <b>Information Facility and Service Supplier Suspension</b> (Short-term/ Mid-term Risks)</li><li>• <b>Extreme Climatic Events</b> (Short-term/ Mid-term Risks)</li><li>• <b>Global Energy Price Hiking</b> (Long-term/ High Risk)</li><li>• <b>Instable Energy Supply</b> (Long-term/ High Risks)</li></ul>		
Transition Risks		
<ul style="list-style-type: none"><li>• <b>Market Demand and Industrial Technology Transformation</b> (Long-term/ High Risks)</li><li>• <b>Stakeholder Concerns</b> (Long-term/ High Risks)</li></ul>		

## Explanation on the Strategic Assessment and the Monitoring of Physical Risks and Transition Risks

Physical Risk	
Information Facility and Service Supplier Suspension	
Description of Risk Impact	Office computers or servers were under attack from ransom ware, such as assaults or destruction by viruses on systematical facilities that causes in the infection of central monitoring processing system and results in the suspension or delay of related businesses.
Potential Financial Influence	Increases business costs.
Stakeholders	TDCC, Employees, Supply Chain



Physical Risk	
Information Facility and Service Supplier Suspension	
Opportunities	Strengthens corporate business development physique.
Climate Change Strategies	<p>Prevention Measures:</p> <ol style="list-style-type: none"> <li>1. Arranging backup cables for major networks and connections.</li> <li>2. Installing network monitoring measures.</li> <li>3. Monitoring invasion detection and defense system regularly to see if it were assaulted by hackers.</li> <li>4. Monitoring the latest information security loopholes and practicing related technical protections.</li> <li>5. Deploying various information security defensive facilities (such as firewalls, invasion detection and defense system, and APT defensive system) and monitoring suspicious customer actions that resemble hacker assaults while taking related responses.</li> <li>6. Scanning the weakness of the information system and hiring information security personnel if needed.</li> </ol> <p>Management Guidelines:</p> <ol style="list-style-type: none"> <li>1. Abnormal Scenario Handling Manual (Information Security)</li> <li>2. Information and Communication Security Incident Reporting and Responding Procedure</li> </ol>
Extreme Climatic Events	
Description of Risk Impact	Increasing frequency of extreme climatic events. For example, the occurrence of floods, abnormal cyclones, and the lack of electricity due to high temperature may impact office works, create transportation obstacles, and destroy hardware and facilities.
Potential Financial Influence	<p>Business Suspension</p> <ol style="list-style-type: none"> <li>1. Flood and Typhoon Assault: Traffic obstruction results in power supply interruption and house power generators may be malfunctioned, causing staffs' inability of work normally and the wreckage of machines and facilities.</li> <li>2. Power Shortage / Fire Accident due to High Temperature: This may cause the wreckage of office environments. Thick smoke or fire accidents are possible due to overheated UPS batteries, resulting in the wreckage of data room facilities and the interruption of related businesses.</li> </ol> <p>Asset Repairing / Devaluing</p> <ol style="list-style-type: none"> <li>1. Increasing costs of repairing or purchasing facilities.</li> <li>2. Further potential changes on asset value.</li> </ol>
Stakeholders	TDCC, Customers / Participants

Extreme Climatic Events	
Opportunities	TDCC introduced ISO 22301 BCM system and provided participants with post-disaster system services to help them backup up their system in order for them to resume their business as soon as possible.
Climate Change Strategies	<p>Prevention Measures:</p> <ol style="list-style-type: none"> <li>1. Preparing lights, communication tools, necessary components, batteries, tools, life support appliances and others in advance.</li> <li>2. Conducting tabletop walkthrough on natural disasters.</li> <li>3. Installing fire extinguishers and practicing regular examinations.</li> <li>4. Developing incident response handling and report mechanisms in advance.</li> <li>5. Practicing firefighting and emergency escape drills.</li> </ol> <p>Management Guidelines:</p> <ol style="list-style-type: none"> <li>1. Abnormal Scenario Handling Manual (Common Issues, Information</li> </ol>
Global Energy Price Hiking	
Description of Risk Impact	Due to the global trend of energy conservation and waste decreasing, related electricity fares tend to increase, thus resulting in the increasing of facility and business costs.
Potential Financial Influence	Increases business costs.
Stakeholders	TDCC, Employees
Opportunities	Responding measures should be taken in advance to strengthen the customers' confidence on TDCC. This not only can enhance and create a positive corporate image, but also strengthens their brand value.
Climate Change Strategies	Searching for cheap substitute energy and improving energy conservation measures.
Instable Energy Supply	
Description of Risk Impact	As one of the supporting pillars that is still operating normally in the capital market of Taiwan, if any power shortage occurs to TDCC in the future, it may result in the suspension of related businesses and services and may be difficult to be restored within the smallest amount of tolerable time.
Potential Financial Influence	Information facility damages resulted from power failure and power dropping will result in the increasing cost of power generating and substitute energy purchasing.
Stakeholders	TDCC, Customers, Employees
Opportunities	Strengthening corporate business development physique.

### Instable Energy Supply

#### Climate Change Strategies

##### Prevention Measures:

1. Covering electronic facility comprehensive insurance.
2. Appointing designated staff or hiring specialists to regularly examine various facilities.
3. Appointing designated staff to consistently monitor system status.
4. Developing incident response handling and report mechanisms in advance.

##### Management Guidelines:

1. Abnormal Scenario Handling Manual (Common Issues, Information Security)
2. Information and Communication Security Incident Reporting and Responding Procedure

### Transition Risks

#### Market Demand and Industrial Technology Transformation

#### Description of Risk Impact

Facing emerging new global financial commodities and the increasing demand of versatile information transmission automation service, we need to immediately coordinate with government policies and respond to the market's demand on low-carbon products and services.

#### Potential Financial Influence

Increasing business costs and fares.

#### Stakeholders

Competent authorities, TDCC, Customers / Participants

#### Opportunities

Breaking the difference between front stage / back stage and make corporations into market hubs.

#### Climate Change Strategies

Be aware of trends on international finance and supervision, domestic policies, and market activities as references for planning new businesses, low carbon products and low carbon services. Deployment on related responding measures should be carried out in advance.

### Stakeholder Concerns

#### Description of Risk Impact

Due to the impact of global net zero-emission trend, government policies and rules, stakeholders pay attention on the sustainable ESG development of TDCC and how it can assist the promotion of new systems.

#### Potential Financial Influence

Business Cost / Fare Increase

#### Stakeholders

TDCC, Competent authorities, Shareholders / Investors, Customers / Participants

#### Opportunities

Develop more versatile businesses.

#### Climate Change Strategies

1. Improve ESG Actions: Introduce scenario analysis.
2. In coordination with policy developments, TDCC assists listed corporations to establish comprehensive sustainable development competitiveness.

## Climate Risk Management

Through systematic assessment procedure, TDCC has reviewed and assessed climate risks. With qualitative interviews and quantitative analysis, TDCC has further improved its climate risk management mechanism. Through the stipulation of comprehensive risk policies, TDCC has integrated climate risks into its risk management framework.

### TCFD Climate Change Risk Assessment Procedure of TDCC

Distinguish	Interviewing High-level Executives	By interviewing mid and high-level executives of various corporations, TDCC has initially collected and distinguished its potential climate risks and opportunities with qualitative method. It then examines the effects of these climate risks on itself.
Evaluate	Giving Out and Retrieving TCFD Questionnaires	Through qualitative climate risk questionnaire, it has evaluated and distinguished the 6 major key climate risk factors of TDCC.
Analyze	Climate Risks Analysis and Assessment	With external scenario analysis tools and according to the 3 factors of fragility, level of impact, and likelihood, TDCC analyzed questionnaire results and sort them into the TDCC TCFD Climate Risk Matrix.
Management	Climate Risks Opportunities Responding Strategies and Management	The disclosure of climate risk distinguishing results helps stakeholders to understand the possible influence and significance of various climate change factors on TDCC and proposes responding strategic guidelines and management methods targeting different risks.

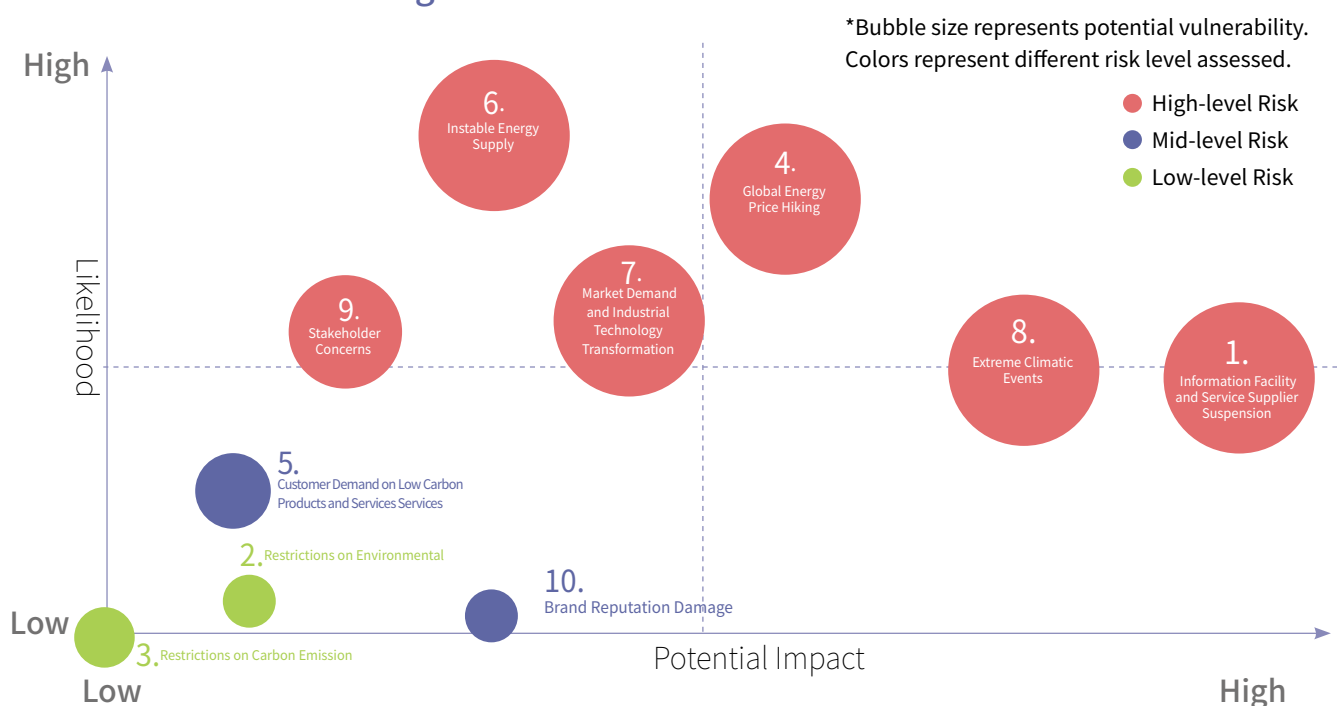
### Management Mechanism that Integrates Qualitative Interview and Quantitative Analysis

Through external consultant & expert conferences and role model cases, TDCC is well aware of TCFD framework and demands. In order to strengthen climate risk financial disclosure, TDCC has sorted out various risks and opportunities through qualitative interviews with different units and has analyzed actual and transforming risk influence through qualitative questionnaire survey. By doing so, TDCC has exploited the data TCFD framework requires and has sorted out the current situation and improvement direction regarding depository and clearing businesses. TDCC will distinguish key climate risk factors accordingly to strengthen the management procedure of climate change risks.

## TDCC Climate Change Risk Matrix

Through qualitative questionnaire survey, TDCC has distinguished key climate risk factors and has sequenced them according to their significance. These 10 climate risk factors were then calculated and evaluated through the 3 factors of fragility, level of impact, and likelihood, thus a risk matrix was illustrated through climate risk qualitative analysis, which distinguishes 6 high-level risks, 2 mid-level risks and 2 low-level risks. Among the 6 high-level risks, they include 4 physical risks and 2 transition risks.

### TDCC 2021 Climate Change Risk



Risk Level	Climate Risk Genre	Climate Risk Item
High-level Risk Factor	Physical Risk	Information Facility and Service Supplier Suspension
		Extreme Climatic Events
		Global Energy Price Hiking
		Instable Energy Supply
	Transition Risks	Market Demand and Industrial Technology Transformation
		Stakeholder Concerns
Mid-level Risk Factor	Transition Risks	Brand Reputation Damage
		Customer Demand on Low Carbon Products and Services
Low-level Risk Factor	Transition Risks	Restrictions on Environmental Laws
		Restrictions on Carbon Emission

## TDCC Integrated Risk Management Structure

TDCC has compiled an Abnormal Scenario Handling Manual and held drills according to abnormal scenarios. When disaster occurs, TDCC will immediately report to related authorities and take related responding measures with the aspiration of reducing damage and maintaining normal operation. TDCC has also compiled “Business Continuity Planning (BCP)”, in which it has stipulated business continuity strategies and formed business continuity operation team. Targeting prior backup protection mechanism, concurrent response measure and post restoration operations, TDCC has clearly stipulated mission grouping and duties, while including information security protection to compile “ISO 22301 Business Continuity Policy”. TDCC continues to strengthen disaster response capacity and establish appropriate backup mechanisms to reduce the possibility of service suspension, while enabling key infrastructures and related applicative systems to be restored to acceptable service standard within the promised restoration time target when interruptive incidents occur. From business impact analysis, risk distinguishing, to stipulating continuity strategy and the planning and practicing of PDCA cycles, TDCC has prudently included climate change risks into its management procedure to achieve its business continuity management (BCM).

## Indicators and Goals

Targeting major risk agendas, TDCC has examined annual progresses and has kept track, reviewed and monitored them through the stipulation of indicators and goals. By doing so, it has set future annual goals and encouraged the whole group to adhere to them, practice climate risk management, and fulfill its promises to stakeholders and the environment.

Physical Risk	
Information Facility and Service Supplier Suspension	
Progress of 2021	Practiced the basic infrastructure maintenance operation of TDCC computer center and Hongya computer room to prevent the malfunction of electromechanical facility, air conditioner and communication network. This ensured the usability of the system and enables them to provide normal services to external clients.
Goals for 2022	<ol style="list-style-type: none"> <li>1. Ensures that when service suspension occurs due to incidents on key infrastructures and its related applicative systems, minimum acceptable service standard can be resumed within the maximum suspension tolerable time.</li> <li>2. Ensures that when service suspension occurs due to incidents on key infrastructures and its related applicative systems, it can meet the expectation of competent authorities and complete reporting within the time limit.</li> </ol>

### Extreme Climatic Events

#### Progress of 2021

Practiced the basic infrastructure maintenance operation of TDCC computer center and Hongya computer room to prevent the malfunction of electromechanical facility, air conditioner and communication network. This ensured the usability of the system and enables them to provide normal services to external clients.

#### Goals for 2022

1. Ensures that when service suspension occurs due to incidents on key infrastructures and its related applicative systems, minimum acceptable service standard can be resumed within the maximum suspension tolerable time.
2. Ensures that when service suspension occurs due to incidents on key infrastructures and its related applicative systems, it can meet the expectation of competent authorities and complete reporting within the time limit.
3. Protects the life safety of TDCC personnel and making sure that they are trained with disaster response capacity.

### Rising Global Energy Price and Instable Energy Supply

#### Progress of 2021

Continued to promote ISO 50001 energy management system and reduce annual total electricity usage by 1%.

#### Goals for 2022

Continues to promote ISO 50001 energy management system and reduce annual total electricity usage by 1%.

### Transition Risks

#### Market Demand and Industrial Technology Transformation

#### Progress of 2021

- In response to the COVID-19 epidemic and in order for listed corporations to successfully hold their shareholders' meeting, TDCC stipulated the following measures:
1. Established platform to support video shareholders' meeting.
  2. Stipulated Guidelines for Listed Corporations on Video Conference Assistance and Precautions for Listed Corporations Applying for Video Assistance when Holding Actual Shareholders' Meetings.

#### Goals for 2022

1. In coordination with government policies and in response to the market's demands on low carbon products and services, TDCC continues to release low carbon economy services and products, including:
  - a. Providing a common platform the opening of depository giro accounts between investment trust businesses, depository institutions and security dealers and provide related services on account opening digital documents transmission, evidence signing and e-archives.
  - b. Providing bond & note trading evidence electronic transmission service between participants and customers.
2. Establishes the "Shareholders' Video Meeting Platform" to provide listed corporations the selections to hold video shareholders' meetings or aid actual meetings with video meetings.

Stakeholder Concerns	
Progress of 2021	<ol style="list-style-type: none"> <li>1. Reduced greenhouse gas emission by the average of 1% in 2021.</li> <li>2. Reduced total electricity usage by the average of 1% in 2021.</li> </ol>
Goals for 2022	<p>Category 1, 2, 3 Emission:</p> <ol style="list-style-type: none"> <li>1. Starting from 2019, TDCC has introduced ISO 14064-1 greenhouse gas investigation and has obtained third-party verification.</li> <li>2. In 2020, TDCC introduced ISO 50001 energy management system and received its verification. With the operation of energy management system, TDCC has achieved the actual benefit of improving energy usage efficacy and reducing greenhouse gas emission.</li> <li>3. Regarding TDCC ' s annual goal of conserving energy and reducing carbon emission, based on the number of 2019:                         <ol style="list-style-type: none"> <li>a. Reduces greenhouse gas emission by 5% until 2025.</li> <li>b. Reduces total electricity usage by 5% until 2025.</li> </ol> </li> </ol>





# Green Management and Sustainable Financial Services

4.1 Comprehensive Financial Market Infrastructure and Regulation

4.2 Quality Customer Services

4.3 Domestic and Overseas Marketing and Communication

4.4 Environmental Protection and Green Operations

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

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

## 2021 Sustainability Results of TDCC's Financial Services

e-Passbook	<ul style="list-style-type: none"> <li>✓ Total accounts have reached 3 million.</li> <li>✓ Nearly 80% of investors have chosen e-Passbook APP when opening stock accounts..</li> </ul>
Shareholders' Meeting E-voting Platform "Shareholder E-Voting"	<ul style="list-style-type: none"> <li>✓ A total of 1,793 corporations, including 1,720 listed corporations and 53 emerging stock market corporations have used the platform of "Shareholder E-Voting". Both E-voting percentage and total number of shares have reached new records.</li> <li>✓ A total of 9.11 million votes and 364.8 billion shares have utilized shareholders' meeting e-voting, in which it has increased 30.1 billion shares when compared to those of 2020.</li> <li>✓ The average amount of attended shares using the platform's e-voting was 62.7% in 2021, which enjoyed a 6.6% increase than those of 2020.</li> <li>✓ Stipulated Guidelines for Listed Corporations on Video Conference Assistance and Precautions for Listed Corporations Applying for Video Assistance when Holding Actual Shareholders' Meetings to hit the balance between epidemic fighting and ensuring shareholder rights.</li> </ul>
Investor Relations Platform (IR Platform)	<ul style="list-style-type: none"> <li>✓ First in the World. The first depository &amp; clearing institute to advocate the establishment of a comprehensive ESG information platform.</li> <li>✓ Guides corporations to strengthen ESG disclosure quality in order to gear up to international standards.</li> <li>✓ Guides corporations to strengthen board director independency and versatility to strive for foreign capital support.</li> <li>✓ Sustainability has rated 353 corporations, in which the number of corporations being rated has increased by 10% than those of 2020.</li> </ul>

<b>Cross-nation Voting STP Service Mechanism</b>	<ul style="list-style-type: none"> <li>✓ Collaborated with international voting institution Boardridge and ISS.</li> <li>✓ 1,891 stakeholders' meeting held by listed and emerging stock market corporations have foreign stakeholders and thus have been included in the STP operation.</li> <li>✓ Completed the voting of 6 major depository institute foreign investment customers and completed the total votes of 103,371 foreign shareholder accounts.</li> </ul>
<b>Short-term Investment Issuing Registration and Depository Operation</b>	<ul style="list-style-type: none"> <li>✓ New Taiwan Dollar short-term investment has registered / deposited NT\$16.623trillion and the depository balance was about NT\$2.7017trillion</li> <li>✓ US Dollar short-term investment has registered / deposited NT \$1,327.92million and the depository balance was about NT \$987.4 million.</li> </ul>
<b>Fund Operation Platform</b>	<ul style="list-style-type: none"> <li>✓ "Fund Clear" website has reached nearly 1.84 million views in 2021 and has added the ESG Fund Corner.</li> <li>✓ Keep Updated on ESG Fund Information in Real-Time</li> <li>✓ One-stop Search on All Verified ESG Funds</li> <li>✓ Enhances Understanding and Participation of Outstanding Corporation Business Process on ESG Fund</li> </ul>
<b>Cross-boundary Depository</b>	<ul style="list-style-type: none"> <li>✓ Service targets include insurance industry, banking industry, stock industry, depository banks and other professional investment institutions and has deposited NT\$4trillion of foreign marketable securities.</li> </ul>
<b>Accepts the Inquiry of Central Depository Target Information</b>	<ul style="list-style-type: none"> <li>✓ Accepted 104,529 investor and external unit inquiries in paper.</li> <li>✓ Practiced its duty in accordance with government authorities for 14,077,314 times, which enjoyed nearly 50% growth than those in 2020.</li> </ul>
<b>Blockchain Technology Applied on Digital Trade of Bonds and Notes</b>	<ul style="list-style-type: none"> <li>✓ Reduced manual operation burdens and increased settlement efficiency.</li> <li>✓ Greatly enhances bonds and notes digital trade safety.</li> <li>✓ Digitally transmitted 64,093 notes contracts, which greatly increased by 5,128 contracts than 2020.</li> <li>✓ Digitally transmitted 128,271 bond contracts and 31,036 e-bond passbooks, which greatly increased by 10,136 and 4,768 than 2020.</li> </ul>

## 2021 TDCC Progress on Assisting Market Supervision

<b>SupTech</b>	<ul style="list-style-type: none"> <li>✓ Strengthens the perspectives and depth of information analysis.</li> <li>✓ Provides competent authorities with instant supervision.</li> </ul>
<b>Company Transparency Platform</b>	<ul style="list-style-type: none"> <li>✓ 678,525 have completed their registration, which was an increase of 23,320 corporations than those in 2020.</li> <li>✓ A total of 3,643 financial and non-financial business personnel have completed the registration.</li> <li>✓ Accumulated 69,371 times of searches.</li> <li>✓ The platform reported 279 abnormal data, which decreased by 73% than those in 2020.</li> </ul>

## 2021 TDCC Progress on Assisting Market Supervision

AML/CFT Screening Platform	<ul style="list-style-type: none"> <li>✓ Added the batch comparison function on people under investigations, thus providing using authorities with more versatile systematic operation items.</li> <li>✓ Simultaneously updates with basic information on CTP platform to enhance the convenience of using authorities.</li> </ul>
Customer Due Diligence(CDD) Management System	<ul style="list-style-type: none"> <li>✓ In 2021, we accepted 1,046 cases of customer assessment and risk rating, which was a 27% increase than those of 2020.</li> </ul>
Overseas Structural Commodity Information Observation Site	<ul style="list-style-type: none"> <li>✓ Declared and announced 26,120 items of commodities, which increased by 98% than those in 2020.</li> </ul>
Internal Control and Information Security Auditing Counseling for Security Dealer Depository & Clearing Operations	<ul style="list-style-type: none"> <li>✓ Cooperated with TWSE and TPEX and carried out regular security dealer depository &amp; clearing operations for 43 times.</li> </ul>
Internal Control & Auditing and Letter of Authorization Seeking Operation Investigation for Stock Authority Stock Operations	<ul style="list-style-type: none"> <li>✓ Practiced regular investigations on stock authority stock operations for 125 times. Cooperated with competent authorities on assigned investigations and investor reported cases for 13 times. Practiced 83 investigations during letter or authorization seeking period. Carried out 221 total investigations.</li> </ul>
Cooperation with Competent Authorities on Multilateral Policy Communication and Workshops	<ul style="list-style-type: none"> <li>✓ Held workshop with 3 security dealers to exchange and collect opinions to help security dealers to implement internal control system.</li> <li>✓ Assisted TWSE to hold 22 nationwide “Norms on Security Dealer Internal Control System Standards” and “Norms on Futures Dealer Operating Security Dealer Supplementary Services Internal Control System Standards” amendment workshops.</li> <li>✓ Held 7 sessions of stock authority personnel education and training.</li> <li>✓ Held “Norms on Stock Authority Internal Control System Standards Amendment Explanation” and “Letter of Authorization Rule and Practical Operation Promotion Explanation” workshops with 744 participants.</li> </ul>

## 4.1

## Comprehensive Financial Market Infrastructure and Regulation

### TDCC's Features and Value of Financial Market Services

#### I. TDCC e-Passbook

##### Searching for Forgotten AssetsComprehensively

Through the function of “Rights Card” (physical passbook to be upgraded), it indicated how many physical security passbooks the investor possesses in order to aid investors in clarifying the possession of each security passbooks. It also provides them with contact telephone numbers of each security dealers of different passbooks, enabling investors to conveniently contact each security dealer to apply for mobile phone passbooks, so that investors can examine all security assets in one-stop.

##### Visually Presenting Asset Trends

In combination with big data database and through the function of “Security Asset Trend Graph”, it enables investors to examine the asset changing trend in the past year with visual graphs.

##### Practicing Shareholder Rights at One-stop

During the shareholders’ meeting, it will actively send messages to notify investors reminding them with related information on the right to take part in shareholders’ meetings. Investors can also connect to the e-voting platform to cast their votes. They can also connect to the Platform to Support Video Shareholders’ Meeting for application, registration, reporting and watching shareholders’ meeting online.

##### Cross-dealer Fund and Asset Integration

With each ID as an individual account, it integrates the investor’s cross-trust and cross-fund assets, including managed future funds, privately-raised funds and others.

##### Getting Connected to Correspondent Bank Account Assets

- With the function of “Connect to Banks”, it helps investors to look up bank account balances and transaction details of their correspondent banks with E-Passbook APP.
- For further information, please refer to the website of “E-Passbook”.



[Scan Me for e-Passbook](#)

#### Market Value

- Integrating services on security, fund and bank assets, it provides investors with more convenience on asset distribution and examination and more versatile digital services.
- Presents market information in real time. First moment notification functions enables investors to get key information regarding their rights. It also provides users with a more considerate cross-asset and customized integrated right reminding mechanism.



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

### TDCC StockVote

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

#### Globalization

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

#### Digitization

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

#### Driving Forces of ESG

- In coordination with the "Corporate Governance Blueprint" of the Financial Supervisory Commission, it provides corporate and its agent stock authorities with the function of announcing e-voting result 1 day before the shareholders' meeting. This provides convenience for investor inquiry, strengthens the transparency of e-voting results, and enhances the corporate governance image of Taiwan.
- For details, please refer to the "TDCC StockVote" website

### Market Value

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



### III. Platform to Support Video Shareholders' Meeting

As digital technology evolves, it is more common for shareholders to take part in shareholders' meeting through video conference to practice their shareholder rights. Great emphasis should be placed on their rights while ensuring such practice. When we observe such practices in the USA, Japan, UK, Germany, Singapore and other countries, many corporations hold shareholders' meetings via video conference or a combination of video conference and actual meeting. Due to the severe epidemic, the Financial Supervisory Commission announced on June 29, 2021 that listed corporations that meet certain circumstance can hold actual regular shareholders' meetings with the assistance of video conference. This is not only conducive to fighting the epidemic, but is also a new milestone on the digitalization of shareholders' meetings in Taiwan.

In order to establish a more comprehensive legal foundation for shareholders' video conference meetings and provide platform functions that suit practical demands, based on the successful foundation of video shareholders' meeting support in 2021, TDCC actively communicated with competent authorities, listed corporations, stock authorities, experts and scholars, and domestic and overseas manufacturers on related practical operations. This enabled the establishment of such platform that further suits the demands of various users. Related functions of the 2021 "Platform to Support Video Shareholders' Meeting" were optimized in order to establish a more well-developed "Shareholders' Virtual Meeting Platform" and this is available for more listed corporations to hold video shareholders' meetings. At the same time, it was designed to gear up with practical operations, which provided shareholders with better user experiences. Through the establishment of a more complete system on video shareholders' meetings, it fulfilled the purpose of enhancing stock market operation efficiency, ensuring the rights of investors, and enhancing the corporate governance performance of Taiwan.

#### Market Value

- Providing investors with "single platform & one-stop service" from registration, watching live streaming, online Q&A and casting votes. Users can enjoy complete shareholders' meeting functions to promote shareholder activism.
- Assisting listed corporations to successfully hold their shareholders' meetings while meeting epidemic fighting demands of reducing cluster infection risks.
- Responding to international and digital trend to enhance corporate governance performance.

## IV. Investor Relations Platform (IR Platform)

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

### Market Value

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



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

### Short-term Bills Central Depository Clearing and Delivery

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

### Commercial Paper (CP2)

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

### Bill Market Management Information Platform

We build a bill market management information platform with the new financial intelligence technology. The platform is full of various and detail content which is presented by the dashboard. It helps bills dealers to fully grasp right and instant transaction information regarding the bills market so that strengthen their risk management mechanisms.

### 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
- Reduce manual work and risks of issuers and bills dealers in the primary market
- Strengthen infrastructure in Taiwan's short-term bills market

#### ENVIRONMENT



#### SOCIAL



#### GOVERNANCE



## VI . Fund Transaction Platform

### Fund Declaration and Announcement Platform

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

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

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

Click to go to [the fund monitoring station](#)

### Fund trading services

In response to the impact of retirement in the future, to encourage the promotion of independent financial planning and to enhance the concept of investment in retirement fund management, the fund trading platform will be able to allow its distributors to set a deduction date for their regular quota investments every day since 2020. Besides, in order to cooperate with regulators in opening up the operation by securities firms of brokerage business for trading and exchanging beneficial certificates of funds, from 2021, TDCC provide securities firms to manage clients' itemized details of trades and exchanges of funds.

### Fund Information Transmission Platform

This provides general agents of foreign corporations in Taiwan with fund purchase & redemption transaction billing information from the Fund Trade Platform and is capable of automatically receiving replied transaction confirmation from overseas fund dealers. Moreover, to further perfect the operational function of this transmission platform, starting from 2021, marketing agencies can provide overseas fund short-term customer information to overseas fund general agents through the "Fund Information Transmission Platform".



Visualization of comprehensive statistics and trend charts

### Market Value

- Simplify the complex operational relationships between agencies.
- In 2021, there were around 9.19 million domestic and overseas fund dollar-cost averaging transactions, which purchased around NT\$54.9 billion.
- More flexible fund deduction and price risk diversification, which provides safe and convenient payment collection and payment services.
- Assist regulators in monitoring and verifying the fund market.
- Improve the automated information transmission operation when the general agent places order the funds in order to reduce the risk of manual errors.

## VII. Cross-Border Custody

Regarding the business of cross-boundary depositing foreign marketable securities, TDCC has established a direct service using SWIFT to send messages. With account management as its core cross-boundary depository system, it provides users with functions such as DVP, corporation mobile information, asset assessment, and customized reports. Currently, it mainly deposits bonds and has gradually established equity securities mechanism, connecting the system the mature markets such as the USA, UK, France, Germany, Japan, Hong Kong, Singapore, and Korea. In response to the changes on international settlement operation (such as CSDR delayed settlement fining mechanism), this service also provides related mechanisms by providing the latest ICSD and global custodian bank information to cross-boundary depository participating institutions to aid their simultaneous operation with the international market.

## VIII. Futures Clearing System

In coordination with the businesses of Taiwan Futures Exchange, TDCC has established futures settlement digital system to practice futures market settlement businesses.

In 2021, TDCC has practiced 17 operations, including introducing new commodities, introducing new systems, and the development & maintenance of digital systems & functions for various businesses. For example, in order for Taiwan Futures Exchange to enhance its income determination efficiency during trades, the Futures Settlement System has coordinated with price washing time to set new automatic price washing functions. Also, in coordination with the backstage system replacement and testing demands of futures dealers, TDCC has provided settlement system testing services.

### Market Value

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

### Market Value

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

## IX. Accepting the Inquiry of Investors and Government Authorities on Central Depository Target Information

### Investors Looking up Depository Information Online

TDCC has established “Investor Depository Information Inquiry System” on 1998, providing citizens with 24-hour online application to look up information on central depository targets. In response to the trends of FinTech, in coordination with the promotion of contactless digitalized financial service by the Financial Supervisory Commission, and in response to online inquiry demands due to COVID-19 epidemic, TDCC has optimized its online inquiry system in different phases.

In 2020, TDCC expanded its online inquiry service scopes by providing the 2 services of looking up minor children and ancestors information. New functions such as supporting mobile devices, being able to download inquiry results reports online, and others have also been available. Inquiry scope have been expanded and waiting time have been shortened. By 2021, number of online inquiries has enjoyed a fivefold increase.

Starting from November 1, 2021 and January 4, 2022, TW FidO issued by the Ministry of the Interior and chip ATM cards issued by 21 banks were added as online application identification means. Moreover, when statutory agents look up information on minor children, they can also directly link to MyData platform through online inquiry system, enabling them to enjoy zero-breakpoint and a more rapid & convenient service.

[Click to Investor Depository Information Inquiry System](#)

### National Taxation Bureau One-stop Reply Service on Financial Estate Information and Estate Tax Estimation

In order to provide a more convenient service for citizens to look up ancestor financial estates, this service has been practiced nationwide on 2020. Successor can look up the financial estate information of 9 major units and their membership institutions through the one-stop service of the National Taxation Bureau. This service has provided significant convenience to citizens.

The convenient measure of financial estate one-stop application was gradually practiced nationwide. Currently, the National Taxation Bureau acts as the one-stop respondent. All related papers will presented through digital transmission and also provides estate tax estimation

### Market Value

- Enhancing the citizens' efficiency and convenience on looking up central depository target information.
- First to introduce MyData besides banks to establish an innovative and convenient digitalized service.
- Enhancing the efficiency of governmental units, which is conducive to the legal supervision of national taxation and practices the fairness of government subsidies.
- Reducing the time and transportation costs of citizens having to go around to collect ancestor financial estate information and effectively enhances the convenience of citizens' estate tax declaration.

services. TDCC has legally, systematically, on paper, educationally, and promotion-wise assisted the National Taxation Bureau on sorting and providing advices. Completed financial estate information has been imported onto property reference inventory to provide estate tax estimation service. This service was available since January 1, 2022 to provide more convenience on estate tax declaration.

Click to [Estate Tax Declaration Estimation Service](#)

## X. Big Data and Blockchain Technology Applied on Bond and Note Trades and Statistical Information

### Big Data Information Platform for Looking Up Notes Statistical Information

According to directions from the Central Bank and related authorities, short-term notes statistic reports in the form of fax, e-mail, and official documents will be published on the big data information platform for future inquiry.

### Increased efficiency of Bond Transaction

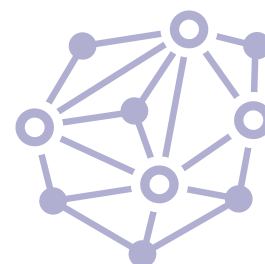
It provides bills dealers with the ability to transmit transaction slips and bond passbooks to customers through the system, reducing the burden and cost of manual receipt and delivery of transaction slips for bill dealers while also reducing the physical custody and entry/exit operations of custodian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

### Blockchain Application

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

### Market Value

- Enhancing the effective usage of human resources and greatly improves working efficiency.
- Preventing the risk of information loss and tampering during the transmission process, which effectively enhances the safety of information provision.
- 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.



## IX. A sharing platform for opening accounts of custody transfer accounts between custodians and securities firms

The operation volume of depository institutions and security dealers reaches 33,000 cases regarding account changes in a year. In order to create a digitalized operation environment, TDCC has established eSMART that provides depository institutions and security dealers with services regarding online digital document transferring, document signature, e-document storage and others.

By transmitting documents digitally with eSMART, it reduces operation costs. The digitalized transmitting and storage of account opening related documents not only saves delivery costs, but also reduces storage fare and space.

### Market Value

- Meeting competent authority demands to promote and digitalization and paperless policies of foreign investment account opening.
- Establishing a safe data storage digitalization environment, enhances passbook remittance operation efficiency, and enhances a better operation service for the market.
- Saving more than NT\$5 million delivery fares every year.
- Enhancing nearly 12,000 hours of depository institution and security dealer human labor processing efficiency every year.

### TDCC Actions on Assisting Market Supervision

#### I. SupTech

##### ■ Notes Supervision Technology Platforms

Established Notes Supervision Technology Platforms, including “Declared Information Management Platform” and “Supervision Analysis Platform” for notes financial enterprises to carry out information declaration and management operations in order to provide them to supervision authorities for information analysis.

##### ■ Fund Supervision Information Inquiry Platform

In 2020, the platform provides the competent authorities with information on the daily net value change rate or interval net value change rate of each fund, so that the competent authorities can clearly understand the information on the net value change of domestic and foreign funds. Besides, in 2021 we started to provide the service of searching the information on the underlying bonds held by the investment trusts, we evaluate their risk. The information on the platform is used for cross-analysis and cross-period comparison, and a large amount of effective information is compiled and provided to the competent authorities for interpretation and application.

##### ■ ESG Fund Corner

Added ESG Fund Corner and risk premium indicating information on to the website of “Fund Clear” in coordinates with competent authorities on their demands of enhancing fund information transparency and fund supervision. Providing fund information such as investment target and assessment standards, investment strategies and methods, investment allocation, performance indicators for reference, exclusion policies, risk warnings, diligence governance participation and other contents.



### Values and Effectiveness

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

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

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

### ■ Declaration

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

### ■ Query End

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

### ■ Supervision

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

### Values and Effectiveness

- Improve the transparency of corporate information, strengthen our action against money laundering  
Electronic declarations improve efficiency, save energy and reduce carbon emissions.  
Contributed to the third-round APG evaluation in which Taiwan was upgraded to the "General Tracking" list and received high praise from various countries, which invite us to share the evaluation with.  
Provide the competent authorities with access to real-time information to improve the effectiveness of the inspection and supervision by the regulators  
In 2021, a total of 3,643 unit codes were registered for financial institutions and non-financial businesses or personnel, with 69,371 inquiries and 279 abnormalities reported through the platform, contributing to the prevention and control of money laundering and the enhancement of the transparency of legal entities in Taiwan.

### III. AML/CFT Screening Platform

#### ■ System Background

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

#### ■ System Operation

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

#### ■ Units that Use the System

Covers financial institutions such as 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 Effectiveness

- Covers financial institutions such as securities, bills, futures, securities, investment credits, investment advisers, and designated non-financial business or personnel such as accountants, bookkeepers, real estate agency brokers, lawyers, jeweler's shop, tax agents, land administration agents, foreign exchange agencies and financial technology innovation companies
- In 2021, a total of 6,002 accounts were used by 33 businesses, out of which 43 accounts were used by government agencies, as they are of great help in the prevention of money laundering.

### IV. Customer Due Diligence (CDD) Management System

TDCC offers management of the digital review process including establishing electronic files for query results, automated generation of CDD reports, online review, automated monitoring of review on a regular basis and automated scan of customer documents. In 2021, a total of 1,064 customer reviews and risk assessments were completed, including 452 new customers, 52 new businesses, 54 periodic audits, and 488 other cases including for instance changes in directors and supervisors or penalties imposed by the FSC.

#### Values and Effectiveness

- Suits money laundry preventing and information terrorism fighting rules, which is conducive in helping competent authorities to supervise the market.
- It digitalized the whole management procedure to enhance related operation efficiency.



## Offshore Structured Notes Platform

### Offshore Structured Notes Platform

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

### Overseas Structural Commodity Supervision Information

The scale of overseas structural commodity market has increased greatly. In order to aid competent authorities to supervise the market, TDCC has utilized visualized tools and big data analysis technologies to create 6 major multi-dimensional interactive monitoring panels, including the current market situation, commodity information, the issuing information of related institutions, commodity market occupancy ranking, information on commissioned marketing agencies, and information on investor possession.

#### Values and Effectiveness

- Greatly improve the transparency of the offshore structural merchandise market and safeguard the equities of investors
- Enable investors to have reference for assets management and reduce their investment risks
- Replace the traditional manual operations which save manual work and time, simplifies the daily declaration process, and improve the safety as well as the efficiency of information declaration
- Improve the efficiency of the daily organization and reporting of sales information entrusted to domestic issuers and master agents
- In 2021, 26,120 products were filed for registration and publication



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

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

### Values and Effectiveness

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

## Innovative Financial Service for FundRich

### FundRich's Business Performance

FundRich is highly trusted by its customers, and FundRich's AUM reaches \$81 billion by the end of 2021, representing an annual growth rate of 49%.

In recent years, the cumulative growth in the number of customers has been good, and the ReLife Project was launched to bring about the people's awareness on retirement and increase investors' willingness to open accounts, with the number of newly opened account holders reaching 212,670 by the end of 2021, representing a 18% increase compared to 2020.

The cumulative purchase volume in 2021 was approximately NT\$66.89 billion, which was nearly 29% higher than NT\$51.969 billion in 2020.

The ReLife project brought along the purchase of regular quota investments, and the cumulative purchase volume in 2021 was approximately NT\$26.625 billion, which was nearly 77% higher than NT\$ 15 billion in 2020.

### The first Online Fund Account Opening System in Taiwan

In order to streamline procedures for opening an account, FundRich and TDCC actively communicated with regulators and unions and got permission from regulators to streamline procedures for open a fund account. FSC announced that the chip bank card can be used to verify one's identity and also agreed another way of verifying one's identity when opening an account online, which was to log in to their E-bank accounts and authorize the bank to conduct chargebacks. Currently, it takes 7 to 10 days to open an account by mail, and 1 to 2 working days to open an account online through internet banking and credit cards. As of December 2021, the proportion of FundRich accounts opened online through internet banking and credit cards been above 70%, which has significantly reduced the time spent on opening accounts.

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

Following the trend of digital finance, FundRich has introduced many smart tools so that all investors can find funds that fit their risk ratings among nearly 4,000 funds. With the core value of being "intimate, convenient, and smart +" and the new motto being "Making investment easier", we provide the investors with a simple and easy-to-use platform to open accounts. At the same time, it introduces a fund screening method that is different from the rest of the industry and focuses on how to manage customers' wealth. The platform further classifies funds according to clients' financial needs, so that clients can easily select the best fund to fulfill their financial needs. At the same time, they also hope to give investors the correct concept of financial management with equal emphasis on remuneration and volatility risk, so that more people can invest through funds and start planning their own finances. The additional series of funds to be updated in 2020 are the most popular funds in the market.

## Pension Platform

As Taiwan has entered aging society, retirement has become a major social issue. 2 years ago, under the leadership and promotion of the Financial Supervisory Commission, Taiwan's first retirement investment experimental project of "ReLife Project" was released. It brought about unprecedented successful retirement financial management boom. In order for citizens to have more investment selections and expand the youth population's understanding on retirement preparation, TDCC has acted in concert with government policies by expanding its collaboration with financial enterprises and industry-government-academic strengths and released the evolved the Pension Platform. This platform includes 4 components: education, investment, insurance and public welfare. It provides fund and covers insurance commodities that suit long-term pension reserve. Through the integration of education and public welfare, it expands the youth population's understanding on aging society and preparing for retirement, achieves the target of popularizing financial knowledge, and makes the society more stabilized

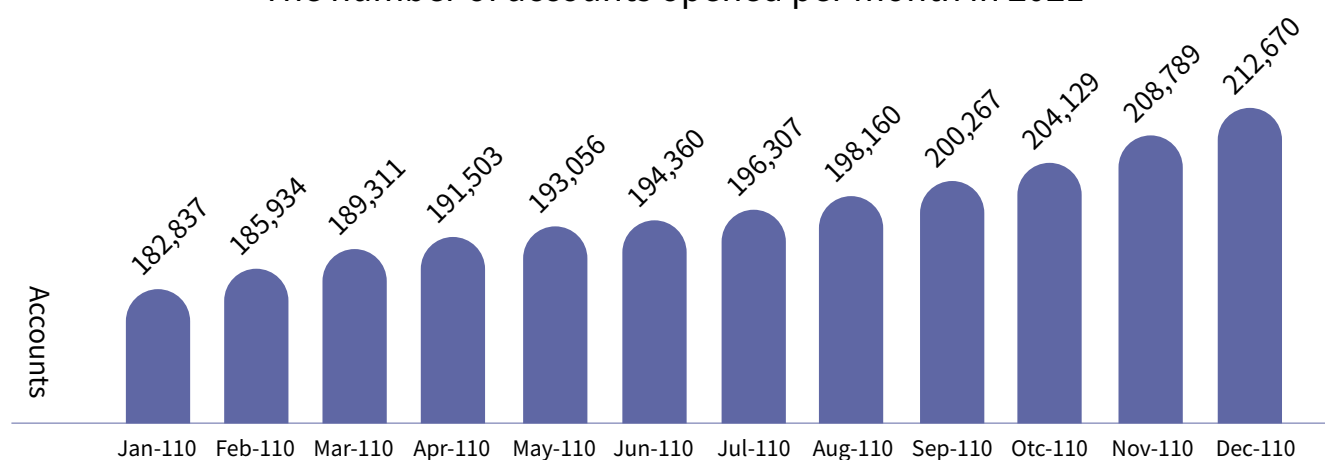
[Click here to go to FundRich](#)



## Key Results for FundRich in 2021

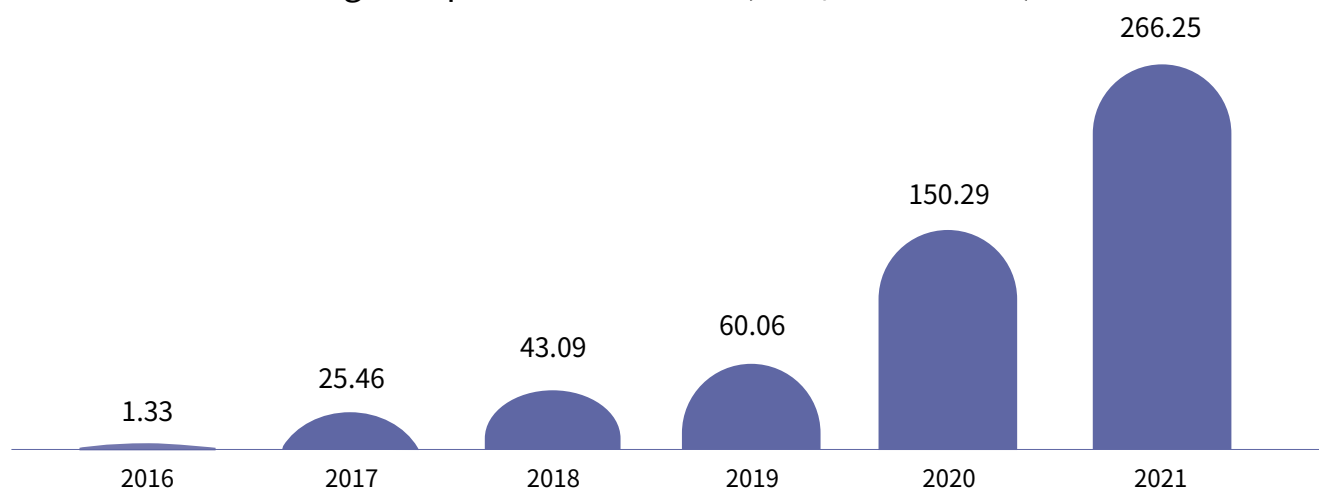
FundRich is highly trusted by customers. The annual fund purchase volume continues to grow every year, with a growth of 49% in 2021 compared to 2020. Additionally, the ReLife Project brings about the people's willingness to open accounts for retirement investments, the number of accounts opened in 2021 increased by 18% compared to that of 2020, illustrating the importance of FundRich in the digitalization era of the fund market.

The number of accounts opened per month in 2021



FundRich promoted regular quota investments and re-opened subscriptions for the ReLife project to increase interest in regular quota investment purchases. The cumulative purchase volume of regular quota investments in 2021 was approximately NT\$26.626 billion, which was nearly 77% higher than NT\$15.029 billion in 2020.

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



## 4.2

## Quality Customer Services

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



## Personal Information Protection

As a post-trade facility in both the capital market and the money market, TDCC always endeavors to build infrastructure in financial markets. In addition, because TDCC keeps the central depository data for investors, we attach great importance to personal information protection and information security. FundRich being both a domestic and foreign fund transaction platform, customer privacy and the stability and safety of the server are also very important. We are committed to protecting the security of personal information and communication through various security protection mechanisms to ensure customer rights and interests. TDCC and FundRich did not receive any complaints about infringement of customer privacy or loss of customer data in 2021.

## TDCC

### Taiwan Personal Information Protection and Administration System (TPIPAS)

Due to the nature of business, TDCC keeps the data regarding central depository subjects of all investors in the market; therefore, we attach great importance to personal information protection. To ensure that the personal information maintained by TDCC is duly protected, the Company has introduced the TPIPAS since 2012. We successfully passed the verification conducted by a professional institution and obtained the dp.mark from the Ministry of Economic Affairs. The Company engages a professional institution to conduct verification for TDCC every year to continue to maintain the effectiveness of the dp.mark. There were no reported complaints of disrupting customer privacy and losing data in 2021. Every year, TDCC will adjust and change according to the business, through the production or revision of individual asset operation flow charts, legal identification procedures, inventory of the number of individual asset types collected by the company's business, measure individual asset risks of the company's business processes, implement the requirements of TPIPAS, and implement the risk safety control procedures accordingly, to effectively control and avoid the risk of leakage of personal data held by TDCC.

## FundRich

### Personal Information Protection

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

### Customer Satisfaction Survey

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

On 2021, TDCC commissioned professional market survey company to separately carry out 2 customer satisfaction surveys. According to the surveys, most people have positive appraisal on the services TDCC provide. The first survey was conducted on July and targets of the survey were domestic and overseas security dealers that have utilized TDCC's passbook remittance businesses, institution e-voting and IR platform services. 120 valid surveys were retrieved, reaching 97.6% retrieval rate. The average satisfaction score on various TDCC indicators was 90.43 points.

The second survey was conducted on September and targets of the survey were those that have utilized TDCC's bond contract note & bond e-passbook services, secondary market contract note electrical transmitting service between bill enterprises, cross-boundary depository services, and E-Passbook APP. 141 valid surveys were retrieved, reaching 99.3% retrieval rate. This survey also received 1,002 E-Passbook user feedback. The average satisfaction score was 90.89 points.

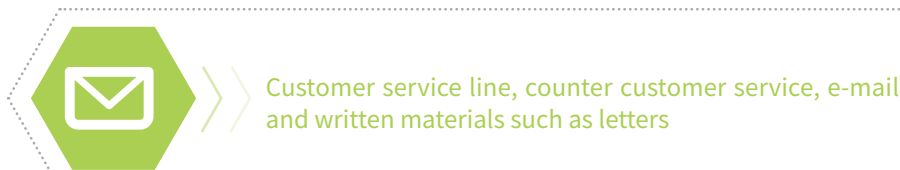
## Processing the Customer's Opinion and Communication

### ● 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 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.



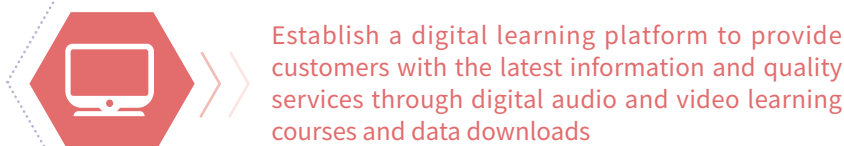
TDCC actively communicates with customers in the following methods and actively responds to the needs or questions of stakeholders:



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



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



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 2021, including "Information Security Education and Training," "Financial Consumer Protection," "Principle of fair hospitality", "Handling Consumer dispute and financial friendly service training", "Personal Information Protection Training" and "Anti-Money Laundering and Counter-Information Warfare Education and Training" in order to improve service quality and meet customer needs.

### Digital Learning Platform

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

### Knowledge Learning and Sharing Platform

In order to develop into a learning organization, make the parallel communication of agile development project team more fluid, and establish an introducing learning map for senior associates to pass on their abundant experiences, TDCC introduced the Knowledge Learning and Sharing (KM) System on October 2021. Through the Introduction of the KM System, TDCC expects to establish a knowledge sharing culture through systematic tools, thus enabling the whole corporation to utilize knowledge more efficiently and pass on it associates' working experiences.

## 4.3

## Domestic and Overseas Marketing and Communication

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



## Domestic Business Promotion

In order to continue to promote the services and businesses of TDCC and continue to expand the market trends of inclusive finance and open financial services, in addition to actively holding business briefings and providing various consultation channels, we also cooperate with relevant units to participate in exhibitions or promotion activities. This year, in response to the epidemic, online forums and e-Training sessions were held. Our goal is to continue to expand our service range and collect market information to facilitate the continuous optimization of products and services. Business promotion and training activities in 2021 are as follows:

TDCC	
E-Passbook APP	<ul style="list-style-type: none"> <li>· Marketing reward campaign. 760,000 participants and 160,000 newly opened accounts.</li> <li>· “Financial Digitalization E-Passbook APP” radio program promotion campaign had 4,330 listeners. “News Talkshow” had a total of 48,000 viewers.</li> <li>· “DVP Information All-in-One Experience the Brand New Investment Pass” promotion video clip had 193 viewers.</li> <li>· Central Depository Technology podcast has 24,300 listeners. Central Depository Digitalization podcast has 25,700 listeners.</li> </ul>
Explanation Sessions on TDCC Businesses, Systems and Platforms	<ul style="list-style-type: none"> <li>· 2 sessions of online digital central depository business explanatory session had 1,255 viewers.</li> <li>· 2 sessions of digital passbook remittance platform explanatory session had 65 participants.</li> <li>· Security dealer settlement personnel central depository business exchange explanatory session had a total of 82 participants.</li> <li>· Separately held notes financial enterprise digital supervision declaration operatic business explanatory session, API information technology development training, and notes financial enterprise digital supervision declaration and analysis system operation training and had a total of 92 participants.</li> <li>· 3 sessions of retirement preparation platform fund operator explanatory session and had 345 participants.</li> <li>· Annual fund business promotion explanatory session had 205 participants.</li> <li>· 6 sessions of shareholders’ meeting letter of authorization seeking operation promotion explanatory session had 489 viewers.</li> <li>· 3 sessions of stock authority internal control system standards amendment explanation explanatory session had 255 participants.</li> <li>· 4 panels of stock authority personnel stock affair explanatory session had 335 participants.</li> <li>· Separately held 2 sessions of stock authority executive’s workshop and had 83 participants.</li> <li>· 2 sessions of stock affair auditor training explanatory session had 85 participants.</li> <li>· 4 sessions of fund related business explanatory session. A total of 176 institutions and 472 participants attended.</li> </ul>

## Business Promotion Channels



ESG (environment, society and governance) has become the new trend of business operation and investment. On January 27, TDCC held the “2021 Taiwan ESG and Responsible Investment Forum” and invited well-known experts to comprehensively discuss about ESG agendas. Although this year’s forum was held online due to the epidemic, it still attracted more than 400 listed corporations, 50 investment institutions and more than 1,000 viewers. The forum received great response and was highly appraised.

## FundRich

## Business Promotion Channels

- Through placement marketing, TDCC promotes dollar cost average discipline and long-term discipline ideas on major news and financial media. It also promotes retirement preparation and track users who have surfed FundRich through online ads.
- TV commercial promotes the idea and importance of retirement preparation.
- In 2021, due to the epidemic, TDCC mainly held online events. It held 12 online events and 4 physical events. Most of the events were on the education and promotion of financial management, retirement preparation and investment handling fare discount. TDCC promoted these ideas to various kinds of citizens to expand the visibility of FundRich.

## Internet Marketing Analysis

- FundRich adopts a precise segmentation strategy, which includes collecting user behavior of all users, and filtering user behaviors by labeling and classification.
- FundRich defines Facebook as a tool for content management, which can be used as a brand facade and customer service channel. Fundrich also makes use of LINE's high usage and transmission rate, which can increase the contact with investors, and through collecting and labeling of existing customers and potential customers, promotion and discounts can be carried on to perform precise marketing. On the other hand, LINE can provide basic investor inquiries and discount notifications. If there are functions to gather more personal information, it can be positioned as the precursor station of the official APP.

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

### 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 Correlationy

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

### Mass Search

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

## International Promotion and Exchange

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

TDCC sends personnel to participate in international conferences and events abroad, such as annual meetings of the International Organization of Securities Commissions (IOSCO), SWIFT International Banking Operations Seminar (SIBOS), World Forum of CSDs (central securities depositories) (WFC), annual meetings of Asia Pacific Central Securities Depository Group (ACG), Asia Fund Standardization Forum (AFSF), Fund Forum and other important meetings. In 2020, the traditional physical event was suspended due to the global COVID-19 pandemic, but with the help of modern technology, uninterrupted international communication was still possible online. In line with the government's efforts to promote Taiwan's capital market blueprint and to strengthen communication between Taiwan's market and international securities institutions, in 2021, TDCC continued to participate in international capital formation organizations, serving as the vice-chairman of the Asia Pacific Capital formation (ACG) and a member of the board of directors of the World Capital formation (WFC). We send members to participate in online international conferences to keep abreast of international trends and developments and to enhance the international visibility of Taiwan's capital markets. Throughout the year, we participated in 21 international exchange events, including 5 ACG Executive Committee meetings, 1 WFC Board meetings, and 13 major international conferences.

## ● Holding a Key Position in an International Agency

TDCC successfully applied for the establishment of an Investor Service Working Group of ACG in 2018 under the support of the ACG members and became the convener of the group. TDCC also became the ex officio executive committee member of ACG Executive Committee, actively participating in the operations of the ACG Organization. In 2019, Mr. Sherman H.M. Lin, Chairman of the Board, was elected Vice-Chairman of ACG. At the same time, Mr. Lin serves as a member of the Board of Directors of WFC participating in important decisions of WFC.

In order to provide membership institutions with an experience sharing platform during the epidemic and promote mutual cooperation and consensus building, TDCC came up with a 1-week online exchange seminar (Networking Week). It invited 29 ACG membership institutions, foreign depository banks and information services providers as more than 300 people attended the Networking Week. Through cross-nation learning, it enhanced the interaction and cooperation between members and established an Asia-Pacific CSD Ecosphere. TDCC plans to continue hosting the 22nd ACG Mid-level Executive Seminar to aggressively promote international exchange, expand international relation, and present the versatile, innovative and sustainable image of Taiwan

In addition, in order to implement the mission of the Investor Service Working Group "Building a platform for communication", in 2020, TDCC has launched "e-Services for Investors" as the annual research topic of the Investor Service Working Group, and sent questionnaires to ACG member institutions to investigate the current status, development plans and new technology applications of e-Services for Investors of each institution. On April 2021, a report was made in the executive committee and planned to invite related institutions to share their experiences during the investor service working group of mid-level executive seminar in 2022 as a reference for digitalization development of membership institutions.

### Participation in International Events in 2021

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

Conference Agendas	How It Was Held	Shared Contents
ACG Online Exchange Seminar (Networking Week)	Online Conference	TDCC held a 1-week online exchange seminar and each of the 6 ACG working groups held a discussion workshop. In the “Investor Digital Service” workshop conducted by TDCC, it invited central depository institutions from Malaysia, Korea, Singapore and other countries to exchange experiences on the latest digital service and development direction provided to investors. TDCC also attended the “Recent Market Situation” workshop conducted by JASDEC and “New Business Opportunities” workshop conducted by KSD and shared its latest development of mobile phone passbook and ESG related businesses.
	September	
Held business exchange with NSD.	Online Conference	NSD and TDCC signed an MOU on cooperation and information exchange on 2020. In this conference, both parties shared and exchanged their experiences on recent businesses to absorb the latest knowledge on international finance industry and market service trends.
	October	
2nd ACG Webinar	Online Conference	ACG New Business Working Group convener KSD hosted the 2nd ACG Webinar based on the topic of “How will Fintech Reshape the Securities Post-trade Industry?” It invited KSD, NSDL, Deutsche Bank, HKEX, and TDCC as lecturers and participants shared their ideas on the latest Fintech development in the Asia-Pacific region.
	November	

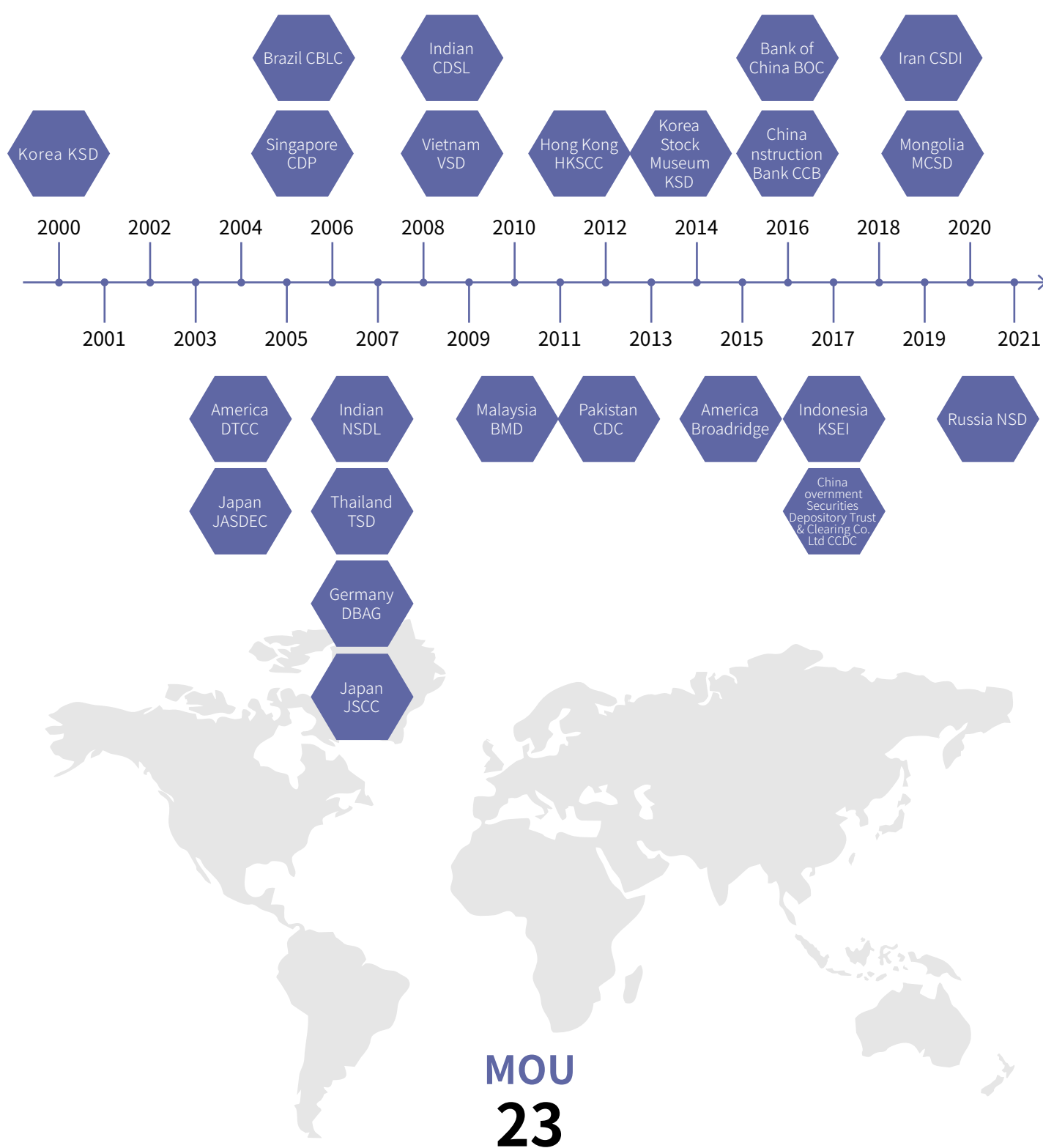


## TDCC and other International Activities

Conference Agendas	How It Was Held	Shared Contents
Global Funding and Financing (GFF) Summit 2021 led by Deutsche Bank	Online meeting	Benefits, efficiencies, and challenges brought by TDCC to fund companies
	February	
The 13th Taipei Corporate Governance Forum (TAICGOF)	Online meeting	Assist The Financial Supervisory Commission (FSC) in holding “The 13th Taipei Corporate Governance Forum” to help companies learn global ESG trends and strengthen companies’ competitiveness in global markets
	September	
Society for Worldwide Interbank Financial Telecommunication (SWIFT) SIBOS 2021	Online meeting	Global developmental trends of the securities industry
	October	
Gartner IT Symposium Xpo (U.S. venue/Asia venue)	Online meeting	Discuss the latest international development trends of information technology to understand how to improve corporate information security, and create safe digital development
	October	
2021 Asian Corporate Governance Association (ACGA) Annual Forum	Online meeting	Trends and developments in global corporate governance
	November	



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



MOU  
23

Foreign Institutions in Total

## 4.4

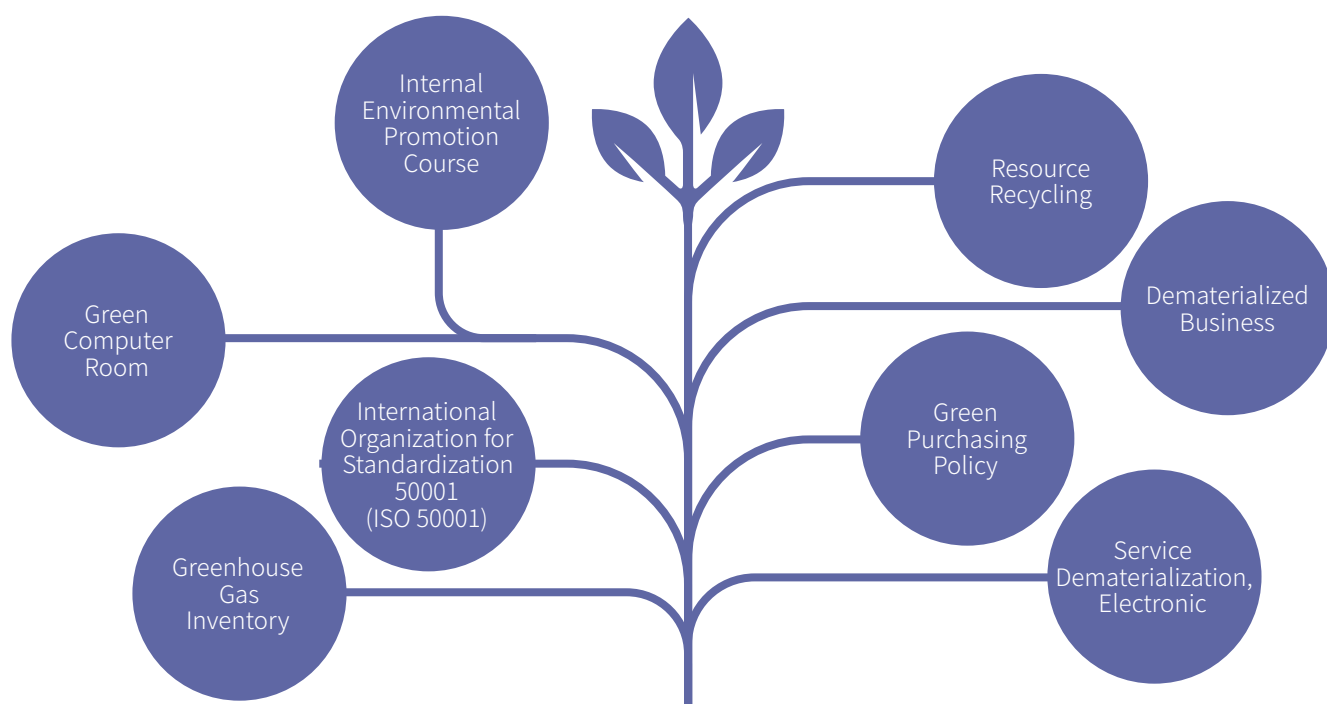
# Environmental Protection and Green Operations

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

After finishing the inventory of greenhouse gas emissions, TDCC found that electricity consumption accounts for more than 90% of the carbon emissions, so we obtained the ISO 50001 energy management system certification. Through the operation of the energy management system, we can improve energy efficiency and reduce greenhouse gas emissions.

### Exert Corporate Influence

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



### Establish a sustainable culture internally

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



## Greenhouse Gas Inventory

TDCC carried out the 2021 greenhouse gas inventory according to ISO 14064-1:2018 to have an understanding of our emission levels, which was verified by DNV GL Business Assurance Co., Ltd. as the basis for follow-up improvement. This certificate is not only the first greenhouse gas inventory report of securities and future units in Taiwan, but also a declaration of our determination in energy conservation and carbon reduction based on our corporate social responsibility.

The operational boundary of TDCC includes the office area in the Hungya Building, the Nangang computer facilities room and the Zhubei computer facilities room. In 2021, total emissions were 2,508.75 tons of CO<sub>2</sub>e, 99% of which were from power use, and the remaining were fixed emission sources (diesel use of emergency generator), mobile emission sources (gasoline and diesel consumption of official cars) and effusion emission sources (including refrigerant, septic tank, etc.). In the future, we will strive to reduce our greenhouse gas emissions through computer room reconstruction and energy management systems.

We started the investigation of indirect GHG emissions in Category 3 "employees' business trips", "capital finance" and "fuel and energy-related activities" of purchases by TDCC. Through learning about the sources and emissions of GHG that are not under TDCC's direct control, we can understand the impact of global warming regarding the company's value chain. At the end of 2021, we started to work on evaluating "Task Force on Climate-related Financial Disclosures" (TCFD) to manage our actions, exert our influence, and expand carbon reduction to work together to fight against climate change.



### TDCC's Greenhouse Gas Emission in the Past Four Years

Unit: t-CO <sub>2</sub> e/year	2018	2019	2020	2021
Category I	49.70	28.08	31.42	32.53
Category II	2,338.23	2,977.37	3,116.55	2,476.22
Category III	----	119.46	7.74	4.54
Category IV	----	----	3,665.48	5,971.81

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

Note 2: Greenhouse gas emission coefficient: Taiwan refers to the latest version of the data announced by the Environmental Protection Administration during the inventory operation as the basis for calculation. As for the electricity emission coefficients, since the Bureau of Energy had not yet announced the 2021 emission coefficients when the calculations were made, the 2020 coefficient of 0.502 kgCO<sub>2</sub>e/kWh is used for the calculation of 2021, while the rest of the year is based on the data announced at that time

## TDCC Category III and Category IV Greenhouse Gas Emissions



Note 1: 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. There was no foreign travel in 2021, resulting in a reduction in employee business travel emissions.

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

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

## Greenhouse Gas Emissions of TDCC (by Base)

Category	Category I				Category II	Total Emissions (t-CO <sub>2</sub> e/year)
110 排放型式	Fixed Combustion Emissions	Mobile Combustion Emissions	Process Emissions	Effusion Emissions	Indirect Energy Emissions	
Hungya Building	0.97	29.83	0.00	0.00	803.79	834.59
Nangang Office and Computer Facilities	1.46	0.00	0.00	0.00	1,356.31	1,357.77
Zhubei Backup Computer Facilities	0.00	0.00	0.00	0.27	316.12	316.39
Total Emissions in Different Categories	2.43	29.83	0.00	0.27	2,476.22	2,508.75
Proportion of Scope I and Scope II in total %	1.30%				98.70%	100.00%

## International Organization for Standardization 50001 (ISO 50001)

TDCC acquired the ISO 50001 energy management system certification in 2020 and completed regular review in 2021, and the President signed an energy policy establishing the energy management authority unit. In addition, TDCC started managing the equipment with high energy consumption; through a comprehensive energy review, a baseline was established, after which each unit plans future improvement possibilities.

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

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



### Energy Conservation Measures

Increase in air-conditioning temperature of the B2 electrical room in the Hungya Building

Implementation time (unit: years)

2022~2023

## Green Operation Management

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

### Reduce the Impact of Energy Resources Internally

- Optimize the internal operation management process through digitalization, including the official document system, financial system, personnel system and media inventory system.
- The meeting materials are sent out digitally. In this way, meeting materials can be found using an iPad or via the EIP website.
- Regarding internal business and administration digitalizing operation projects, TDCC has enhanced its internal business and administrative operation efficiency and practiced them simultaneously with external business digitalization to improve business precision and operation efficacy:
  - Paperless Online Operation
  - System Automatic Processing
  - Automatic Output of Reports
  - Establishment of Database Platform
  - Cross-department SOP Simplification

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

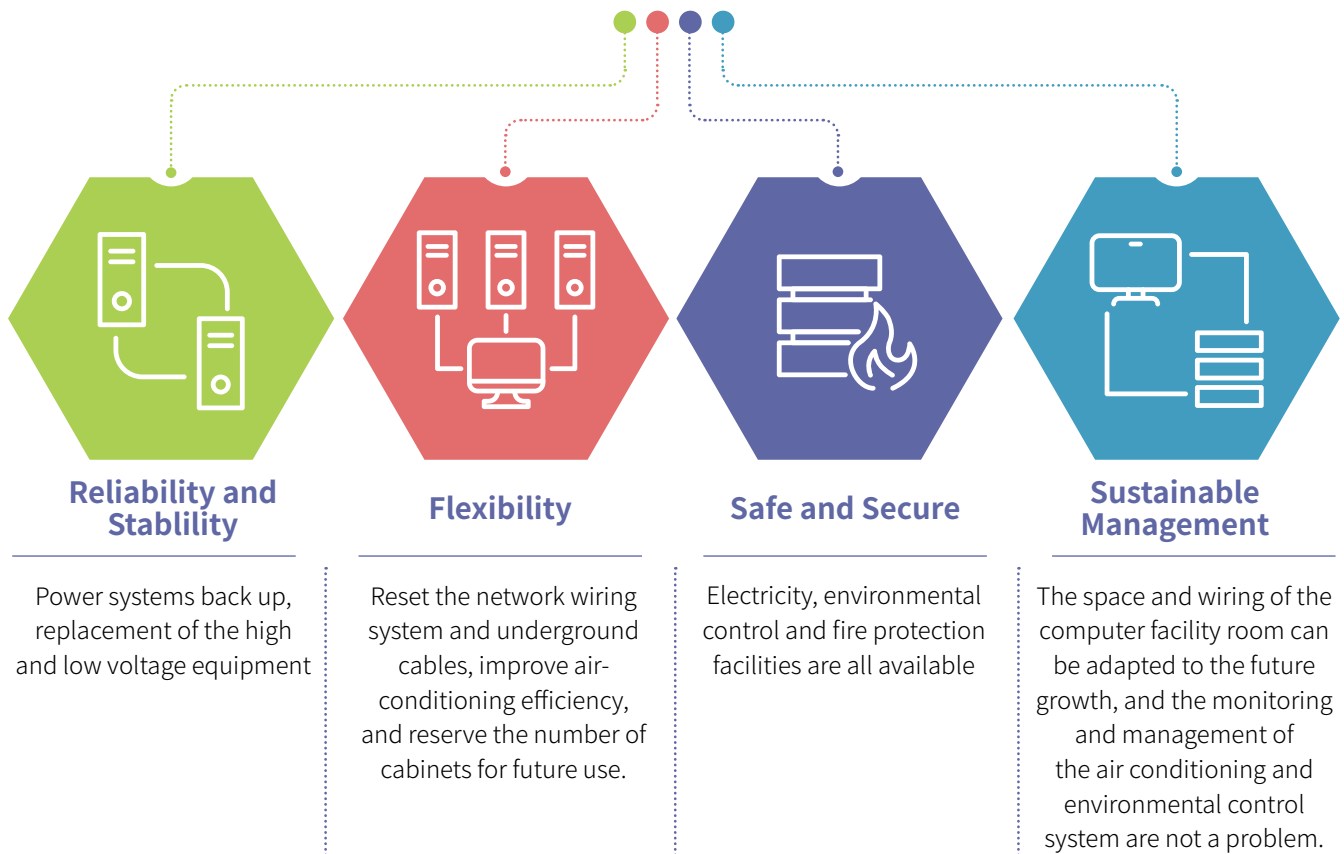
### Demonstrate Sustainable Operating Benefits to the Public

- The stock affairs unit starts to implement electronic personnel training certificates, saving about 500 sheets of paper per year.
- The stock affairs unit implements electronic sign-in for employee training sessions and briefings, saving about 200 sheets of paper per year.
- Through digitalization, the TDCC ePASSBOOK APP can reduce a number of paper passbooks issued each year, while also reducing the cost of purchasing paper passbooks and magnetic strips.
- TDCC has established the platform of eSAMRT, which provides depository institutions and security dealers with services regarding online digital document transferring, document signature, e-document storage and other services.

- The Company has a total of 64,093 digital transaction slips and 9,187 certificates of exemption/same industry issue balance.
- The Company has a total of 128,271 digital transaction slips for bonds and bond passbooks, 48,666 payout statements, and 31,036 digital bond passbooks.

## ● Green Computer Facility Room

Almost all the main services of TDCC rely on a large number of information systems and server back offices. Therefore, the use of electricity by computer hosts and other equipment is our largest source of energy consumption. In view of this, our plan is to promote the renovation of green rooms since 2019, to start to replace old electrical equipment with new ones in 2020, and to build electrical systems that meet the Tier 3 standard of computer facilities, which will improve the energy efficiency of overall computer facility equipment, reduce operating costs, and contribute to energy conservation and carbon reduction. Through the improvement of the power system circuit, the clear separation of hot and cold channels, the network wiring and air conditioning efficiency update and the integration of computer room space and equipment to increase utilization, the computer room reconstruction will have the following benefits:



## ● Green Procurement

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

## ● FundRich

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



## Friendly Workplace

5.1 Human Resources

5.2 Talent Development

5.3 Employee Remuneration and  
Benefits

5.4 Employee Health and Safety

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

2021 Friendly Workplace	
NT\$21,982	✓ Employee training costs averaged NT\$21,982 per person
49.65 hours	✓ Employee training average 49.65 hours per person
379Health checkups	✓ Provided subsidies for 379 health checkups over the year, totaling NT\$7,201,500
NT\$100 thousand	✓ For employees' childbirth in 2019, the company allocated NT\$100 thousand for each child
0 complaint	✓ No employee complaints, violations of any labor and human rights regulations or penalties
4 labor management meetings	✓ Held 4 Labor-management meetings
2.49%	✓ A total of 13 employees applied for retirement and resignation, with a turnover rate of 2.49%

## 5.1 Human Resources

### TDCC's Talent Composition and Structure

Disabled employees are offered a certain level of support, achieving the workplace spirit of diversity and care for the disadvantaged. We primarily recruit talents from Taiwan and we guarantee a job quota for the disabled based on legal requirements. TDCC had 525 regular employees and 14 part-time employees at the end of 2021, totaling 539 employees.

#### The Staff Composition of TDCC in 2021

Category	Regular Employees		Non-regular Employees	
	Male	Female	Male	Female
Local Employees	288	237	11	3
Foreign Employees	0	0	0	0
Total	539			

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

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

The following table is the employee gender distribution at TDCC:

### The Employee Gender and Age Structure of TDCC in 2021

Age	Male		Female	
	Number	Percentage	Number	Percentage
Under 30	16	3.05%	20	3.81%
31~50	122	23.24%	81	15.43%
Above 51	150	28.57%	136	25.90%

Note: Only regular employees.

TDCC uphold a diverse and open attitude and recruit employees from different educational systems or backgrounds. Our colleagues possess industry-related professional knowledge or skills and are given corresponding positions based on their experience, background and seniority. The employee educational background and job categories of TDCC are as follows:

### The Employee's Education Level of TDCC in 2021

Category	Group	Male		Female	
		Number	Percentage	Number	Percentage
Educational Background	High School or below	12	2.29%	20	3.81%
	Bachelor's Degree	148	28.19%	136	25.90%
	Master's Degree	128	24.38%	81	15.43%
	Doctoral Degree	0	0.00%	0	0.00%

Note: Only regular employees

### The Job Structure of TDCC in 2021

Category	Group	Male		Female	
		Number	Percentage	Number	Percentage
Title	Management	19	3.62%	15	2.86%
	Non-Management	269	51.24%	222	42.29%

Note 1: Only regular employees.

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



## Recruitment and Turnover in 2021

TDCC offers excellent job opportunities and all personnel management must pass the approval of the competent authority, exhibiting a stable working environment and excellent employee welfare. There were 17 recruits in 2021, accounting for 3.25% of full-time employees. In the same year, 13 employees resigned from their positions, equaling a turnover rate of 2.49%, which is far below the industry average. This shows a significant decrease from the previous year, exhibiting TDCC's efforts in taking care of and retaining our employees.

### TDCC's New Recruits in 2021

Category \ Age		Under 30	31-40	41-50	Above 51	Total
Number of New Recruits	Male	6	1	1	0	8
	Fe-male	4	5	0	0	9

Note: Only regular employees

### The Status of Employee Resignations in TDCC in 2021

Category \ Age		Under 30	31-40	41-50	Above 51	Total
Number of Turnover Staff	Male	1	1	2	1	5
	Fe-male	0	4	1	3	8

Note: Only regular employees

The new employee recruitment rate by gender and the turnover rate in 2021 are as follows:

### New Employee Recruitment Rate and Turnover Rate in TDCC in 2021

	Ratio of New Hires	Turnover Rate
Total Rate	3.25%	2.49%
Male	1.53%	0.76%
Female	1.72%	1.72%

- Recruitment rate = number of new recruitment of the year / Average number of employees of the year
- Turnover Rate = Number of resigning employees during the year / Average number of employees during the year
- The average number of employees this year was 523
- Does not include FundRich

## The current human resources situation of FundRich

The human resources situation of FundRich is as follows:

### The Staff Composition of FundRich in 2021

Category	Regular Employees		Non-regular Employees	
	Female	Male	Female	女
Local Employees	23	31	1	1
Foreign Employees	0	0	0	0
Total	56			

### The Employee Gender and Age Structure of FundRich in 2021

Category	Age	Male		Female	
		Number	Percentage	Number	Percentage
Age	Under 30	7	13%	8	15%
	31~50	13	24%	18	33%
	Above 51	3	6%	5	9%

Note: Only regular employees.

### The Employee's Education Level of FundRich in 2021

Category	Group	Male		Female	
		Number	Percentage	Number	Percentage
Category Category	Group	0	0%	0	0%
	Bachelor's Degree	13	24%	27	50%
	Group	10	19%	4	7%
	Doctoral Degree	0	0%	0	0%

Note: Only regular employees.

### The Staff Composition of FundRich in 2021

Category	Group	Male		Female	
		Number	Percentage	Number	Percentage
Employment Category	Full-time Employees	22	40%	30	56%
	Contractual Employees	1	2%	1	2%
	Dispatched Employees	0	0%	0	0%

Note: Only regular employees

### The Job Structure of FundRich in 2021

Category	Group	Male		Female	
		Number	Percentage	Number	Percentage
Managerial Level	Management Position	2	4%	1	2%
	Entry-level	21	39%	30	56%

Note: Only regular employees.

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

### FundRich's New Recruits in 2021

Age		Under 30	31-40	41-50	Above 51	Total
Category	Male	3	2	2	0	7
	Female	2	2	4	0	8

Note: Only regular employees

### The Status of Employee Resignations in FundRich in 2021

Age		Under 30	31-40	41-50	Above 51	Total
Category	Male	2	1	2	0	5
	Female	2	1	2	1	6

Note: Only regular employee

## New Employee Recruitment Rate and Turnover Rate in Fundrich in 2021

	Ratio of New Hires	Turnover Rate
Total Rate	28%	20%
Male	13%	9%
Female	15%	11%

- FundRich has no employees with disabilities nor indigenous employees
- Recruitment Rate = Number of new recruits during the year / Average number of employees during the year
- Turnover Rate = Total number of resigning employees during the year / Average number of employees during the year
- This year, the average number of employees was 53
- Only regular employees.

### Labor-Management Communication

#### ● TDCC

We treat employees as partners and family members, as well as one of our important stakeholders. Through regular labormanagement meetings and employee interviews, we listen to the employee's voices, establish communication channels between the two parties, keep track of their working conditions, and continue to provide more diversified communication channels to create a friendly working environment together. Between 2016 and 2021, there were no employee complaints.



## 5.2 Talent Development

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

### Employee Training

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

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

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

The training hours for various types of training courses in 2021 are as follows:

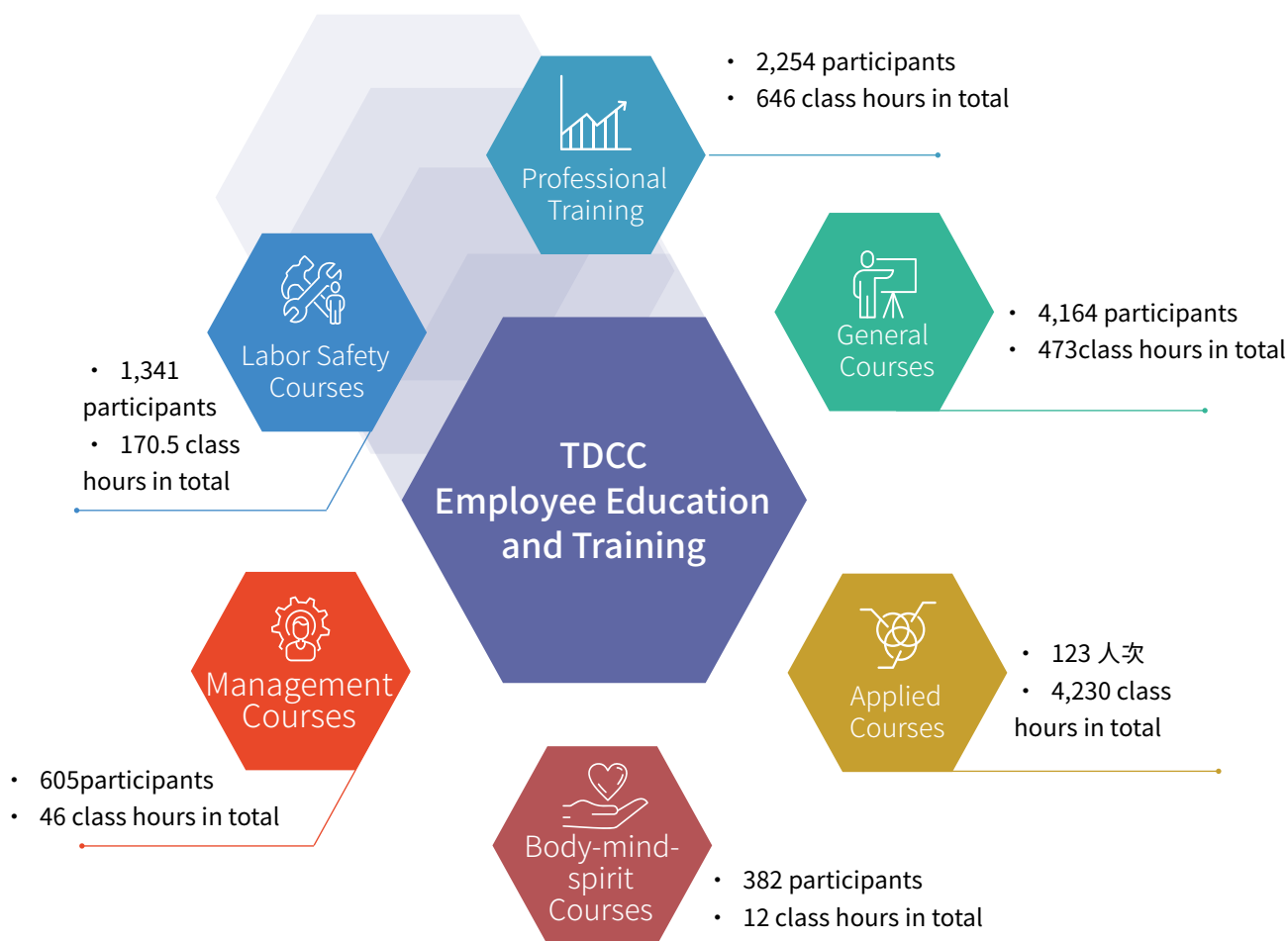
### The List of Courses for TDCC's Employees in 2021

Employee Education Training	Number of Participants	Number of Courses	Total Hours of Participation
Onsite Courses	8,869	1,177	5,577.5
Online Courses	1,931	64	150
Total Class Hours		26,068	
Total Training Expenses		11,540,455	

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

Note 2: Includes occupational safety training.

In 2021, there were 525 regular employees in TDCC and the average training hours were 49.65 hours. We continue to improve our skills and knowledge related to daily business operations and development, and organize diverse courses to strengthen the employees' knowledge under topics such as laws and regulations, language and management. The number of hours and participants in relevant onsite courses



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

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

## Cultivate Digital Seed Talents

In order to flexibly adjust and keep resilience in response to rapid changes in the market, we continue to cultivate digital seed talents by providing courses on the topics of agile development and big data with a total of 19 classes and 569 people participation. Under the guidance of professional lecturers, a series of activities are carried out, allowing colleagues to share and reflect on team feedback which further strengthens the learning effect, and applying the learning experience into daily tasks.

## FundRich

### 2021 FundRich Employee Education and Training

Course name/Training name	Training Sessions	Number of Participants	Average Hours per Person
Information Safety Awareness Training	2	56	3
AML/CFT Training	1	56	2
Financial Consumer Protection Law, Fair Treatment Principles, Consumer Dispute Handling and Financial Inclusion Service Training	1	56	3
Personal Data Protection Awareness Training	1	56	2

Note: Only regular employees.

## 5.3

## Employee Remuneration and Benefits

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

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

## Remuneration Policy

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

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

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

1

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

2

Temporary Part-time Employees: Group insurance, Scholarships.

## Workplace Equality

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

## Employee Benefits

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



## TDCC Recreation and Family

- Marriage subsidy: NT\$12,000 per person -> 3 employees in 2021
- Maternity subsidy: For employees' childbirth this year -> 12 payments in 2021; For employees' different childbirth -> 11 payments in 2021
- Pre-school subsidy: For each child under 5 years old, 96 payments in 2021
- Childcare Subsidy: For children under 12 years of age, 267 payments in 2021
- Child education subsidy: By student status, 515 payments in 2021
- Office buildings are equipped with nursing (lactation) rooms to encourage breastfeeding to promote the health of infants and young children
- Funeral subsidy: For parents, spouses and children, 16 payments in 2021
- Hospitalization medical assistance for employees and dependents: 3 employees and 26 dependents in 2021
- Employees medical/hospitalization visits and presented gift fruit baskets, 21 payments in 2021
- Termination payment: Up to three months, 10 payments in 2021
- Year-end bonuses, Employee compensation, bonuses for three major Chinese holidays and Chinese New Year gifts
- Birthday bonuses, employee travel, medical examinations
- Special discounts: Including restaurants, hotels, stores, post childbirth centers, and other types of vendors



## Unpaid Parental Leave

We also have set up a system for unpaid parental leave according to legal requirements. The employees applied for parental leave and reinstatement status in 2021 is as follows:

Items	Male	Female	Total
Number of employees that took parental leave in 2021	0	2	2
Expected number of reinstated employees in 2021	1	0	1
Actual number of reinstated employees in 2021	1	0	1
Actual number of reinstated employees in 2020	1	3	4
Number of employees who have worked for more than one year after reinstatement in 2020	1	3	4
Return to work rate	100%	N/A	-
Retention rate	100%	100%	-

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

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

Note3: Only regular employees.

## Employee Welfare Committee

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



## ● Company-subsidized Vacations for Employees

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

In 2021, employee travel was affected by the COVID-19 pandemic, and the travel format was adjusted to encourage our employees to travel to various scenic spots within Taiwan, so that they can thoroughly enjoy the beauty of their vacation, relax and express their mood. The number of employees and the number of family members are 538 and 963 participants respectively.

## ● Working with Employees to Improve Society

The 2021 pandemic has caused a global shutdown of many industries, and social welfare groups are facing difficulties. To thank our members for their hard work and dedication to our business, as well as in response to the charity sales held by the Company, and in order to help those in need while also helping charitable organizations to give back to society, the TDCC Welfare Committee give each member coupons to purchase goods for the charity sales, and also encourage our members to actively participate in the charity activities. According to our statistics, about NT\$350 thousand was spent with Love Coupons and in cash.

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

## ● Club Activities

A total of 15 clubs have been reviewed, approved and established by the Welfare Committee. They are the charity club, badminton club, yoga club, dancing club, softball club, Tai Chi club, table tennis club, basketball club, DIY club, Buddhist club, cycling club, calligraphy club, photography club, Go club, and golf club. Each club has been actively participating in or hosting competitions in peripheral units and having stellar performances. In 2021, although members could not participate in the competition due to the pandemic, members still use the Line community group to share information and encourage each other to use their personal space to develop activities.

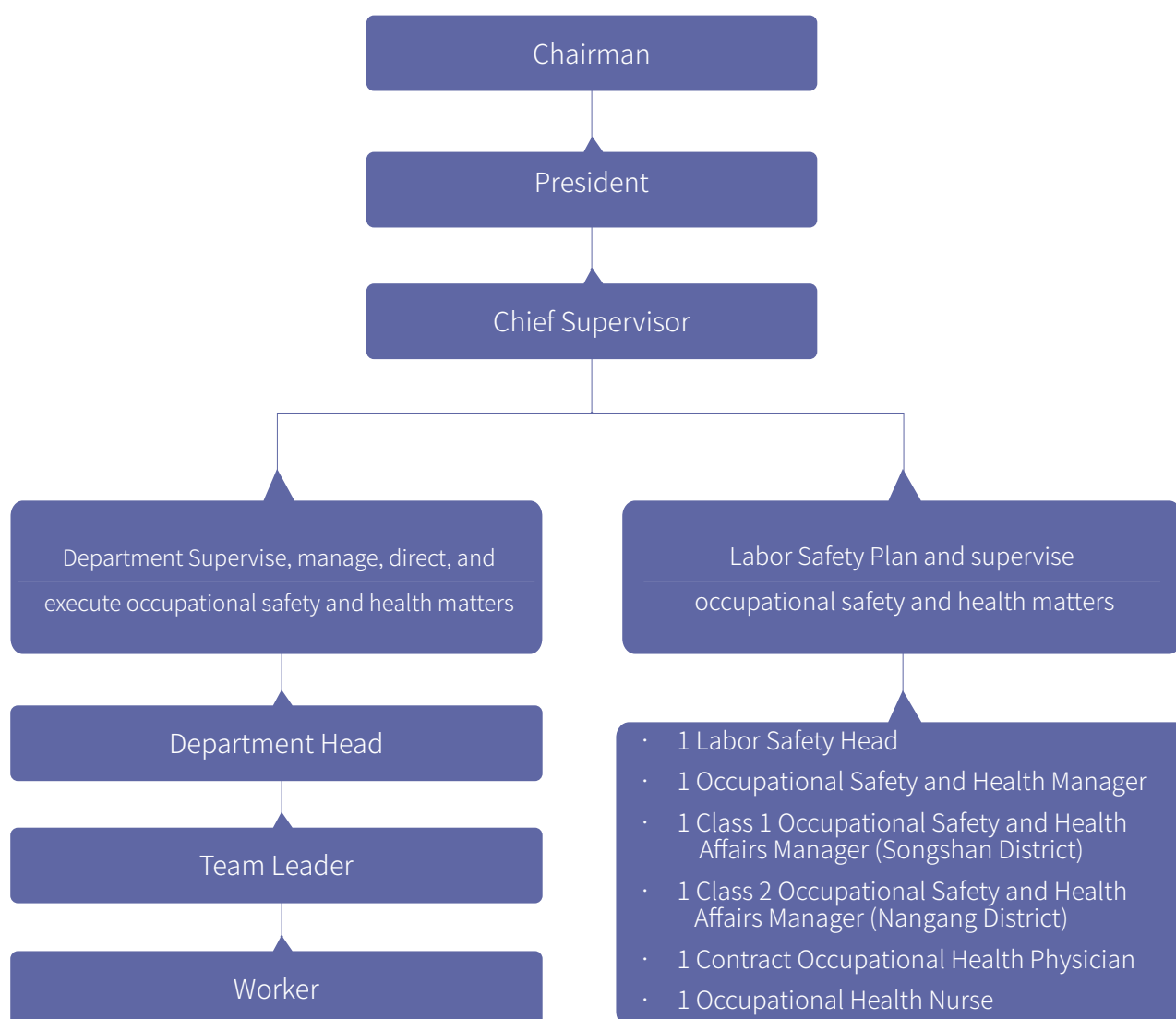
We place strong emphasis on the operation frequency and activity content of every club. We even conduct club evaluations every March, where the Welfare Committee and the Company management review club content, activity results, and plan implementation, etc. Employees also get to vote, with clubs finishing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

## 5.4

## Employee Health and Safety

In addition to complying with relevant laws and regulations on occupational safety and health, TDCC also promotes various workplace activities in order to ensure a friendly, safe, diverse and equal working environment. Relevant education training, promotion activities, and appropriate incentives are set up so that our colleagues can enjoy a more comprehensive and sustainable workplace environment free of physical and mental distress. There were no work-related injuries in either TDCC or FundRich in 2021. °

### TDCC Organization of Occupational Safety and Health Chart



## Labor Health, Occupational Safety and Health Management

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

In compliance with regulations on safety and health management, in 2018, TDCC changed its "Rules and Regulations on Labor Safety and Health Management" to the "Regulations on Occupational Safety and Health Management." Additions and amendments were made to internal management procedures, guidelines, highlights, and regulations related to occupational safety and health executed by management, direction, and supervision at each level. In addition, TDCC also established occupational safety and health organizations. In 2021, we continued to focus on the prevention of occupational hazards and promoted the safety and health of our employees as our highest principle. No violations of relevant laws and regulations were observed in 2021. A code of conduct for occupational safety and health has also been established, along with several management plans added in recent years:

Management Plan	Description
<b>Management Structure of the Occupational Safety and Health Committee</b>	In accordance with Article 12-1 of the Occupational Safety and Health Management Regulations, the former "Rules and Regulations on Labor Safety and Health Management" have been renamed as the "Regulations on Occupational Safety and Health Management". Additions and amendments were made to internal management procedures, guidelines, highlights, and regulations related to occupational safety and health executed by management, direction, and supervision at each level. TDCC occupational safety and health organizations were also established to effectively prevent occupational hazards, and promote workers' safety and health.
<b>Safety and Health Work Rules</b>	In accordance with the revised Occupational Safety and Health Act, the former "Occupational Safety and Health Work Rules" was renamed "Safety and Health Work Rules", and the contents of the work rules were revised to express the determination of TDCC to implement occupational safety and health work rules, and to promote and implement occupational safety and health at work through the establishment of the system, so that TDCC employees can have standards to follow for safety and health at work.
<b>Occupational Safety and Health Management Plan</b>	With the P-D-C-A management method, "standardize, document, and systematize" each safety and health item and fulfill safety and health management goals through a cycle of planning, executing, checking and improving. Through continuous auditing, issues are discovered and immediate corrective measures, as well as preventive measures, can be implemented in a timely fashion. Occupational safety and health management are thereby improved, covering employees and preventing occupational hazards.
<b>Automatic Safety and Health Inspection Plan</b>	The Inspection Plan aims to find adverse safety and health factors in advance through regular and proactive inspection, to attempt to eliminate or control them to prevent hazards, and to protect employee safety and health.

<b>Human Factors Hazard Prevention Plan</b>	Preventive measures are adopted for employees engaged in repetitive operations, who might suffer from muscle and bone ailments due to excessive force exertion and high operation frequency.
<b>Sudden Disease from Abnormal Work Load Prevention Plan</b>	Preventive measures are adopted for employees who work in rotation, night shifts, and long hours, who might suffer from diseases related to abnormal workload and pattern.
<b>Prevention Plan on Illegal Harm during Execution of Duties</b>	Preventive measures are adopted for on-duty employees against unlawful physical and psychological abuse from actions of others.
<b>Maternity Labor Health Protection Program</b>	The Program aims to protect the physical and mental health of female employees after pregnancy, childbirth, and breastfeeding. The Company has adopted risk assessment, control, and level management to safeguard the health of mother and child.

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

Course Type	Course Title	Number of Participants	Number of Courses	Total Hours
<b>Occupational Safety Training</b>	General Safety Training for New Recruits and Current Employees	316	3	9
	Health Seminar and Occupational Health Protection Measures	376	6	14
	Occupational Safety and Health Management Personnel Training	1	1	12
	On-the-job Training for Emergency Personnel	11	11	121
<b>Disaster Prevention, Disaster Relief and First Aid Training</b>	Fire Safety Courses	128	2	2.5
	AED&CPR Courses for All Employees	509	12	12

Note3: Only regular employees.

In order to create a healthy and safe working environment for its employees, TDCC has designed an environmental checklist, the "Occupational Safety and Health Facilities Daily Inspection Form", in accordance with the Occupational Safety and Health Act, and arranges for daily safety inspections of the working environment before work and quarterly health consultation services for employees by resident physicians. We also conduct annual physical and mental questionnaires on overwork, personal factors and maternity protection, and conduct a questionnaire on violence in the workplace every three years. The results of these physical and psychological surveys were evaluated by doctors, and there were no cases of occupational sickness or work hazards in TDCC. The results of the questionnaire on overwork showed that 12.3% of overworked employees belonged to the medium to the high-risk group, most of whom had cardiovascular diseases, diabetes, high blood cholesterol, etc. One-on-one health consultations were arranged with a physician, who, after assessment, recommended medical consultation, diet adjustments, medication control, and were encouraged to exercise. In addition, they were also encouraged to use our staff assistance program. A total of two people were evaluated for personal factors and were given advice on posture adjustment, muscle relaxation and physiotherapy by a physician.

## National Disaster Preparedness Day: Regular Drills for Earthquake Evacuation

On September 21, 2021, TDCC still participated in the Ministry of the Interior's "2021 National Disaster Prevention Day Earthquake Evacuation Drill" earthquake swift-response drill of this year. At the same time, we followed CDC of "Guidelines For Large-Scale Public Gatherings" to prevent large-scale public gatherings in the wake of the COVID-19 outbreak. The drill, officially named "Drop, Cover, Hold on: Earthquake Disaster Drill", was conducted with employees who were assigned to evacuate to the sidewalk in front of Zhongshan Junior High School in Taipei City from the Hungya Building, and from the Nangang district were assigned to evacuate to the sidewalk in front of Nangang Elementary School. Over 200 people had met ISO 22301 criteria.

## Health Promotion and Health Care

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

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

To our employees, the on-site nurses are the guardian angels of TDCC, and they work with the relevant departments to ensure the health and safety of our employees in accordance with the "Health Promotion Label". Considering that our company's work style is mostly sedentary and most of our employees lack exercise habits, in order to take care of employees' health, we provide annual employee health checkup programs that are stricter than the legal requirements, conduct physical



EAPC provide career, psychological, management, health, legal, financial, emotional and other consulting services



and mental questionnaire surveys, environmental autonomous safety inspections, and health seminar satisfaction surveys in accordance with the four major programs of the Occupational Safety and Health Act. We then understand that the proportion of employee health checkups is still dominated by high blood pressure, high blood sugar and high blood fat. Therefore, the nurses at TDCC promote health awareness for our colleagues through monthly health seminars, non-scheduled information, bulletins, emails, and other measures with relevant departments. In order to further promote employees' health, we organize many activities and encourage participation and incentives from our colleagues, such as anti-smoking campaigns, seminars on musculoskeletal health and personal health management plans, etc. We have also introduced employee assistance programs and health promotion activities.

The series of 2021 health activities are listed as below:

Health Series	Month	Topic	Number of Participants
Occupational Safety Law Series (Overwork Prevention - Stress Relief)	April	Gardening Stress Relief Experience Course - Make Friends with Plants	52
Healthy Diet Series (Health and covid-19 Prevention)	July	Build healthy body with good diet	69
Occupational Safety Law Series (Prevent workplace abuse)	August	How to get rid of emotional blackmail & employee assistance program promotion session	61
Occupational Safety Law Series (Kinesiology Program)	October	Health and Vitality Office Exercise Lecture	87
Healthy Body Series (Lung protection)	November	New life of pandemic prevention and tobacco injury prevention promotion	66
Healthy Mentality Series (Interpersonal communication)	December	The power of language ~ the beauty of opening relationships with Satir's conversation practice	47

Note: Only regular employees.

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

During the first phase in 2021, the program received 111 visits, including initial interviews, service consultations, emotional support, follow-up care, resource referrals, management consultations, case discussions and administrative services. The service is targeted at general employees and supervisors, etc. In the second phase, the one-on-one interview service was used by 40 people for a total of 42 hours, mostly for issues related to family, parenting and emotions as well as for legal counseling. The satisfaction rate of our colleagues was 91.6%. If an employee's dependents are causing stress to his or her family, they can receive psychological counseling together with the employees after the nurse practitioner's or psychologist's evaluation.



## 2021 TDCC Employee Promotion Activities



### One-on-one Health Counseling with Dietitians

In order to enhance the dietary knowledge of the staff and to implement healthy behaviors, 3 sessions of one-on-one health counseling service by dietitians were held for a total of 24 people.



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

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



### Health Seminars Held by Professional Specialists

#### 3. Health Seminars Held by Professional Specialists

To implement the concept of self-management of personal health, and in line with the Occupational Safety and Health Act and the physical and mental health needs of TDCC employees, professional specialists were invited to teach employees about being healthy, and a total of 387 participants attended 6 sessions.



### Onsite Doctors

We screened employees of high-risk groups and arranged quarterly health consultations with hospitalist to facilitate follow-up of health checkups for a total of 28 people in 2021.



### Four Major Projects Survey

#### 5. Four Major Projects Survey

In accordance with the regulations, TDCC conducts annual physical and mental questionnaire surveys on overwork and personal factors, and the results of the overwork assessment survey show that 12.3% of the overwork results are people of the high-risk group. Most of them have cardiovascular disease, diabetes, high blood pressure and other similar diseases. In addition to the quarterly resident service by doctors, four additional consultation sessions with doctors have been added, and the high-risk colleagues in the survey results are assigned to doctors for a one-on-one health consultation. After evaluation, the doctors recommend medical treatment, diet adjustment, medication control or exercise, and encourage employees to use the TDCC Employee Assistance Program. Through the questionnaires, the employees can respond to our health consultation services such as physical fitness courses, health checkup programs, and staff assistance programs. Based on the personal factors assessments, only two people were scheduled to meet with a physician for advice on posture adjustment, muscle relaxation and the possibility of consulting physical therapy.



### CPR+AED Education and Training for All

In 2019, TDCC was certified as an AED facility. In accordance with the regulations, we continued to conduct related activities within the 3-year validity period of the label. Due to the pandemic we held online CPR+AED video sessions for all employees in 2021 and a total of 509 people finished the lessons.



### Influenza Vaccines Services

In accordance with the influenza vaccination policy, 3 vaccinations sessions were set up, during which 148 people got vaccinated, both self-funded and publicly funded.

## Response to COVID-19

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

### ● Conferences on COVID-19 Held From Time to Time

Between 2020 and 2021, General Manager Chu Han-chiang hosted 37 epidemic fighting conferences and 4 WFH improvement meetings. TDCC was responsible for drafting and composing epidemic fighting information, contacting, drafting meeting minutes and successive tracing. In coordination with Central Epidemic Command Center policies, TDCC consistently amends related TDCC operation measures and announce conference decisions to all employees to follow.

### ● Practiced Epidemic Fighting Measures

#### A. Practiced Off-site Office and WFH Measures

##### (1) Practiced Off-site Office Measures

Due to the harsh epidemic and in coordination with the upgraded measure from the Centers for Disease Control, to prevent cluster infection, TDCC immediately initiated surveys on the business demands of different departments and helped them carry out off-site office operations.

##### (2) Practiced WFH Measures:

TDCC handed out WFH questionnaire survey and calculated the daily number of employees practicing WFH. TDCC also consistently improved related software, hardware and management measures. It also urgently purchased 198 notebook PCs to cover up the shortage of notebook PCs needed to practice WFH.

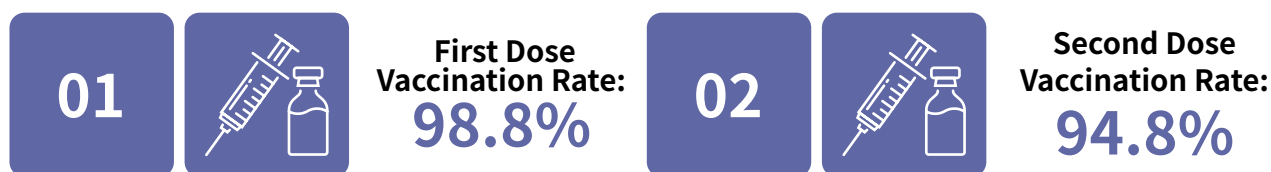
## B. Adjusted and Established Related Epidemic Fighting Measures

In accordance to announcements from the Centers for Disease Control and epidemic development, TDCC consistently amended related measures and irregularly strengthened its promotion on related epidemic fighting measures.

## C. Edited Epidemic Fighting Related Documents

TDCC completed the amendment of epidemic fighting measures, off-site office operation regulations, WFH administration and management supporting measures (including WFH diary and others), the establishment of 1922 name-based measure, actual training on epidemic fighting measures and others.

- D. TDCC irregularly practiced surveys on employee vaccination rate. TDCC provided assistance on questions from employees regarding vaccination and encouraged them to get vaccinated as soon as possible to achieve community immunity. By the end of 2021, the vaccination rate of COVID-19 vaccines was as the following:



**E. Prepared Epidemic Fighting Related Materials:** TDCC successively purchased epidemic fighting materials, including 15 infrared thermometers, 115 buckets of alcohol, 100 pairs of goggles, 700 sets of epidemic fighting packs, gloves, 4 UV cases, 32500 pieces of face masks, 50 pieces of protective clothing, rubbing alcohols, and 8 hand sanitizers. The amount of these items is being checked regularly.

## Practiced Epidemic Fighting Related Measures

### (1) Measures on Preventing Cluster Infection

- 1 For the second stage of new employee recruitment interviews in 2021, due to harsh epidemic and to ensure the health of interviewing executives and interviewees, the interviews were held by video conference.
- 2 To prevent further contact, all physical courses were suspended between May 18 and October 6. The courses were all switched into online training courses. Students could take these online courses by watching video records of courses that were uploaded to e-Training or watch the live streaming of these courses online.
3. In response to the epidemic slowdown, TDCC stipulated actual education and training epidemic fighting measures on October 6 and announced it for the practice of all TDCC internal trainings and related events. Under the practice of personal protection measures, trainings can be held through video conference, in person, or in hybrid measures. Including business promotion explanatory sessions, education and training courses, audit businesses, external & internal society activities and others all have to adhere to the related epidemic fighting measures of TDCC.

4. TDCC helped on the investigation of society activities and planned related pandemic fighting measures for society activities. According to the status of the epidemic, TDCC has consistently amended related measures, such as suspending employees from taking part in external and internal society activities, suspending employees from using the fitness room, and demanding employees to enhance epidemic fighting measures. Employees could take off their mask when exercising, but still need to carry or prepare masks at all time. Employees should still wear a face mask if they bear symptoms or cannot maintain social distancing with unspecified people. They also need to cooperate with the epidemic fighting measures of different venues and ensure their own health and safety.
5. During the harsh epidemic, TDCC purchased and installed partitions for conference rooms and told all departments that when holding actual meetings, all participants must wear face mask at all time, maintain social distancing and refrain from eating & drinking (excluding drinking water). Partitions should still be used and social distancing should continue to be maintained even when foreign guests attend meetings.

## (2) Employee Caring and Protecting Measures

1. TDCC has practiced autonomous temperature measuring and hand cleaning measures. It told those whose body temperature is above 37.5 degrees Celsius to wear a face mask the whole day, actively contacts the department's person-on-duty and re-measure their ear temperature. If their ear temperature is above 38 degrees Celsius, they should quickly seek medical treatment, rest at home, and contact nurses for further tracking.
2. Between May and July when the epidemic was harsh, TDCC investigated the attendance of all departments every day and cared about the health conditions of employees who felt physically discomfort or were absent. Appropriate health instructions were given to them and their conditions were immediately reported to executives and heads of the Management Department. Nurses will then further track their body conditions.
- 3 TDCC practiced weekly investigations on employees who went abroad and employees whose inmates are under self-quarantine / isolation. TDCC pledged cares on the health of these employees.

## (3) Practiced Access Control Measures

Established 1922 name-based measure and measures the body temperature of all visitors

- (4) Practiced environment disinfection measures twice every week. Disinfection frequencies were adjusted according to the epidemic.





## Social Engagement

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

## Social Engagement

✓ The total amount of public welfare donations reached **NT\$121.15 million** in 2021

✓ A total of **157,125** people visited the Taiwan Stock Museum

✓ A total of **175 thousand** people visited the Taiwan Securities and Futures Virtual Museum

✓ Blood donation activities have been held for the past **12** years, with an accumulated donation of over **120 thousand** blood bags to the Taipei Blood Donation Center, which worth **NT\$10.24 million**, and the amount of donated blood reached **590,000 cc.**

✓ "Retirement Preparation Platform of Public Welfare Donation to Help Community Care Point Program", donated to **78** community care points with a total of **NT\$25.88 million**

✓ The total amount of medical equipment donation reached **NT\$15 million**; joined hands with medical staff to fight pandemic

✓ Promoted education in remote areas and sports activities totaling **NT\$10.32 million**

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 TDC

1

**Financial Talents Cultivation**



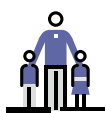
3

**Providing Underprivileged Groups with Love and Care**



2

**Promotion of Rural Area Education**



4

**Sponsorship of Arts and Culture Activities**



TDCC Charity Event Announcement

## 6.1 Cultivate Future Talents in the Financial Sector

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

### Financial Literacy for Youth (FLY) Courses

TDCC have been involved in public welfare activities for a long time. During our contact with young students from families in straitened circumstances, we found that having a job which they can apply what have learned in school is the main way to improve family financial situation. However, most students have to work part-time to make money for their house or for their own tuition fees, which affects their academic performance and future career choices. Therefore, TDCC invited peripheral units of the financial, securities and futures sector to jointly arrange the "Financial Literacy for Youth (FLY) Courses" in 2015. The program supports students from families in straitened circumstances, provides them with a series of financial professional course training and assists them in securing professional certificates to enhance their employment competitiveness. Upon accomplishing the relevant training, the program helps the students with job matching allowing them to quickly integrate with the industry.

On September 25, 2021, the "Seventh Financial Literacy for Youth (FLY) Courses" was held simultaneously at 9 universities in Taiwan, and 526 fresh graduates from 45 universities across the country enrolled in the program. Course content ranges from professional knowledge to practical operation, including securities, futures, trust, investment advisory, banking and courses on financial practice, which accumulates to a total of 170 hours. In addition, students were provided with lunch, book handouts, living allowance and registration fee for certificate examination, enabling them to concentrate on participating in the course.

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

Tien-Mu Huang, chairperson of the FSC delivered a speech at the 7th Financial Literacy for Youth (FLY) Courses Opening Ceremony



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

	2018-2019(academic year 2018)4th session	2019-2020(academic year 2019)5th session	2020-2021(academic year 2020)6th session
Number of admissions	149	193	234
Rate of admission	84.18%	67.48%	76.97%

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

## Taiwan Stock Museum

### Purpose of Establishment

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

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

To expand the promotion of financial knowledge, TDCC has strengthened its promotion on digital financial education by dedicating in the promotion of e-Museum to enrich contents on the official website of Taiwan Stock Museum, such as "Online Museum", "Online Financial Education", and "Online Interaction". Taiwan Stock Museum has also connected itself with friendly external websites, such as Taiwan Securities Association, Securities and Futures Institute, Taiwan Academy of Banking and Finance, FINLEA, Chinese Association of Museums. The Facebook fan page of Taiwan Stock Museum is also under operation and continues to post information regarding visiting the Stock Museum and financial knowledge to expand digital viewers.

In response to the epidemic and prevent the chances of making the museum a source of infection, Taiwan Stock Museum was closed from May 12 to November 30, 2021 and was re-opened on December 1. Measures such as demanding visitors to wear a face mask at all time, maintain social distancing, name registration (by scanning QR code or in paper), measuring forehead temperature, alcohol disinfection and other measures were practiced. In 2021, there were a total of 410 visits with 5,398 visitors. Since the opening of the museum to the end of 2021, the museum had accumulated 12,045 visits with 157,125 visitors.



## Category of visitors to the Taiwan Stock Museum in 2021

Category	Percentage
Competent authority, surrounding units, training institutions	1%
Teachers and students from schools	87%
Securities-related business personnel	3%
Corporate and other	9%



The exhibition hall of Taiwan Stock Museum is updated irregularly every year to present visitors with new contents. In 2021, the face scanning facility of the exhibition hall was updated, enabling visitors to have a more high-tech experience and resulted in a more outstanding and more precise face scanning before entering the vault. Besides the previously mentioned update, a model on the internal special structure of the “Rock Steady” vault can also be seen by its entrance. Docents would use this model to explain the impenetrability of its vault.



## ● Industry-Academy Collaboration: Taiwan Stock Museum Docent

Up until April 23, 2021, TDCC has admitted 14 students from 7 schools. On the other hand, although Taiwan Stock Museum was closed between May 11 and December 1 due to COVID-19 epidemic, education and training sessions were still held for docents. For the 12 weeks between June 10 and August 31, senior TDCC employees, who served as lecturers, gave lectures to trainees on the capital market of Taiwan, actual stock market practices and other finance related knowledge. Later on, trainees were arranged to the museum for orientation and actual docent training.

### Reflection and Experiences on Being Museum Docent in 2021

#### Fu Jen Catholic University Wu Hsin-yen

First of all, I have to thank the museum for accepting me to become a member of Taiwan Stock Museum in 2019. I have learned way more than what I have expected during this period of time. It helped me achieve a lot of major personal milestones. Taiwan Stock Museum has played a major role in different periods of my life and has always given me the most appropriate assistances. My time in Taiwan Stock Museum can be divided into 3 phases. The first phase was when I first entered the museum, in which I learned the importance of demeanor. Maintaining a good demeanor makes me look more confident when speaking, thus enabling me to more comprehensively convey messages to the listeners, won't panic when facing them, and could always demonstrate the best part of me. This is really helped when I work as a docent or even on my school reports. The second phase was when I started to memorize English introductions. Before, I did not have many chances to speak in English, so I tend to choose to duck out. After careful instructions from the seniors in TDCC, I started to speak more fluently in English. This experience was extremely helpful when I later applied for overseas graduate schools, because speaking in English became the subject I had to worry least about. The third phase was during the COVID-19 epidemic and the museum transformed itself into online learning. Seniors prepared a series of financial market lessons starting with fundamental concepts to professional contents. This had great impact on me as I realized that I still lack much knowledge on the stock market. This series of lessons also enabled me to have deeper



understanding on analyzing / choosing stocks and stock risk assessments. It also gave me different perspectives when investing in the stock market.

Finally, during my service at Taiwan Stock Museum, I acquainted many outstanding colleagues. Although we had different professionals and interests, we were able to learn together and share our thoughts with one another. The process of overcoming problems and developing with them is the precious experience I mostly want to remember for the rest of my life.

### ● Seed Teacher Training

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

### ● Online Experience of Taiwan Securities and Futures Virtual Museum

In order to comply with the trend of financial technology, the official website of the Taiwan Securities and Futures Virtual Museum has been set up, using AR technology to embed brief descriptions of animated characters, AR photo-taking activities, and 360-degree surroundings photography, allowing users to browse the Taiwan Stock Museum online at any time regardless of the environment and time restrictions. It also added information such as "Tips on Funding your Funds, TDCC Stockvote, TDCC ePASSBOOK", and through AR interactive games and animated videos, it increases the interactivity and immediacy of the website, combining the physical collection and the digital presentation to create a brand-new technology experience. By the end of 2021, it has accumulated more than 175,000 views.

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






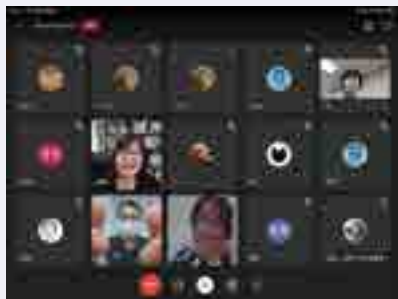

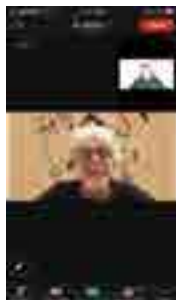

## Digitalization of Financial Education

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

## International Exchange

The Stock Museum is a member of the International Council of Museums (ICOM), and participates in ICOM's International Committee for Museum Management, International Committee for Money and Banking Museums, and International Committee for Marketing and Public Relations. In 2021, museum staffs have still improved and learned knowledge about international museums through communicating with international museum experts.

### 2021 The Stock Museum Exchange Conference

Date	Title
4/16	<div> <div>Museum practitioners Level-Up Program_ physical courses</div> <div>   </div> </div>
7/30	<div> <div>2021 Muse consensus camp -podcast online workshop_online courses</div> <div>   </div> </div>
9/16~9/19	<div> <div>Moscow held a dual-track (online and offline) video annual conference</div> <div>    </div> </div>

## Industry-Academia Internship Program

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

Year/Session	2019 4th Session	2020 5th Session	2021 6th Session
Internship opportunities	289	987	725
Successful job matched	201	801	590
Success rate	70%	81%	81%

### Financial Services Public Fund for Education

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

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



## Ministry of Education - School Education Savings Common Welfare Donation

Taiwan Stock Exchange Corporation (TWSE) combined with 8 securities financial peripheral units including TDCC to plan and promote the campus charity donation project "Finance Care for the Disadvantaged Students". Through the Education Savings Account set up by the Ministry of Education, we support the basic needs of high school, junior high school, elementary school and other economically disadvantaged students on meals, after-school tutoring, transportation, accommodation, tuition, etc. Many schools in 21 counties in Taiwan have been registered with savings accounts of the Ministry of Education and benefited up to 2,000 students.

In the past, TDCC donated NT\$3 million and in 2021 TDCC increase the amount of money to NT\$5 million to respond to the combined efforts of the academic and industry funds, non-governmental organizations, the common public, and the local government to jointly provide the needs of the economically disadvantaged students so that they can complete their education and realize the social care for the weak groups.

## 6.2

## Promote Rural Education and Sports Activities

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

In 2021, due to the pandemic, we have not been able to visit the sponsored schools throughout the country as we did in previous years. However, this only makes us more eager to help out next year.

The annual total amount invested is NT\$ 10.32 million.

#### Caring Activities for Rural Education:

- ① **Caring activities:** at New Taipei City Pingxi Elementary School and He Ping Elementary School
- ② **Talent Development Program:** Xikou Elementary School, Bei Chang Elementary School and Tai Chang Elementary School in Hualien County and Chung Hua Elementary School in Hualien City
- ③ **Cultural and Creative Talents Program:** New Taipei City Shiding Elementary School
- ④ **After-school tutoring:** Taichung City Tung Shing Junior High School



Hualien County Tai Chang Elementary School students presented learning result of ukulele on Mother's Day



Teachers cultivate children's self-confidence, positive and optimistic attitude towards life through after-school horticultural therapy

#### Caring Activities for Sports Activities:

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



### Soccer Dream Project for Rural Youth

Since 2014, TDCC and Taiwan Stock Exchange, Taiwan Futures Exchange and Pou Chen Group have separately donated the junior high school soccer teams of Junior High School of Donggang Senior High School, Junior High School of Laiyi Senior High School, Majia Junior High School and Changji Junior High School of Pingtung County. By investing in resources, TDCC hoped that children in remote regions can also receive appropriate trainings, nurture self-confidence and discipline through soccer, learn how to work together with teammates, and obtain better honor for the team and themselves.

In 2021, TDCC hosted the “7th Taiwan Juvenile Soccer Friendship Tournament” from November 20 to 21 at Donggang Senior High School, Pingtung County. Chairman Lin reminded the athletes that the core of this tournament is still “friendship” and encouraged them to seize the opportunity to interact with athletes from other schools while exercising and fighting for trophies.

The 4 sponsors take turns hosting the tournament every year, enabling young students to cooperate on the field with their teammates. They are opponents on the field and friends after the matches. TDCC hopes that the children can nurture self-confidence and discipline through soccer, learn how to work together with teammates, and obtain better honor for the team and themselves.



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

## 6.3

## Enhance Social Charity

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



## Aging Well Public Welfare Project

Facing the approaching of a super-aged society, enabling young adults to learn the wisdom of aging well as soon as possible and seniors to enjoy the process of aging are essential lessons for the whole society. In coordination with the “Retire Well Preparation Platform”, TDCC released the “Aging Well” public welfare donation project, hoping that by donating resources to social welfare groups and community caregiving spots throughout Taiwan, it can create a friendlier and safer environment for providing services to seniors.

### ● Imputing Funds as the Backing Force of Seniors

TDCC has provided a total of NT\$12 million donations to Hondao Senior Citizen’s Welfare Foundation, Old Five Old Foundation and Mennonite Welfare Foundation and advocated corporations to aggressively invest themselves in the caregiving of seniors and physical disabled people. Through the physical and mental changes of the seniors, we would learn to respect them and enable seniors to demonstrate their values through generational exchanges. By enhancing the willingness of the younger generation to interact with seniors, we could gradually create a senior-friendly social atmosphere and achieve the goal of generational integration.

### ● Sound Local Caregiving

Community caregiving spots invite local citizens as volunteers to provide services such as senior caring visits, meal delivery and health promotion. Through localized community caregiving, it enables seniors to live in environments they are familiar with and demonstrate the self-aid and mutual-aid functions of the community. TDCC collaborated with MOHW Social and Family Affairs Administration in organizing the “Retirement Preparation Platform Public Welfare Donation to Aid Community Caregiving Spots Program” and provided donations to 78 community caregiving sports including “Lanyu-Fisherman”, Lan An Cultural and Educational Foundation from Taitung County. Total donation reached NT\$25,870,000. TDCC hopes that with the resources imputed by the corporations, it could further promote the psychical and mental health of community seniors, demonstrate the self-aid and mutual-aid caregiving function of communities, establish community autonomous operation model, and make local hospice possible.

### ● Recognition and Honors

To encourage citizens to prepare for their retirement in advance through long-term investment, TDCC has separately released “Enjoy Retirement: National Retirement Autonomous Investment Experimental Project” and “Enjoy Retirement: Project on Welcoming Retiring Life” education projects combining public welfare with retirement finance management on 2018 and 2019. In 2021, TDCC released the “Retirement Preparation Project”. The “Enjoy Retirement: National Retirement Autonomous Investment Experimental Project” won the 11th Asia Responsible Entrepreneurship Award (AREA) and Social Public Welfare Award from Enterprise Asia. These recognition and honors have imputed new motivations for TDCC



## Epidemic Fighting and Taking Part in Social Relief Together

### ● Donating to Medical Institutions to Fight the Epidemic

Due to the harsh epidemic in 2021, hospitals in Taipei City and New City were overloaded. TDCC donated NT\$8 million to the Central Epidemic Command Center. TDCC also purchased built-type negative-pressure isolation units, which could be assembled quickly, and could also meet the emergency demands of home quarantine and home isolation. This effectively protects medical personnel from the risks of being infected and provides them with a safe place to practice medical treatments.

At the same time, TDCC donated a total of NT\$7 million to NTU Hospital, Taipei Veterans General Hospital, Taipei City Hospital and Tri-Service General Hospital. All these donations were given to medical institutions to fight the epidemic, including the emergency purchasing of medical appliances and equipment, medical expenditures on patient caregiving, and consolation money for first-line staffs. Donations from TDCC has provided more medical resources and enabled doctors and nurses to practice epidemic fighting without concerns.

### ● Finding Hope: Sprout Thriving Fund Raising Project

Besides fighting the epidemic, TDCC also expects to contribute its corporate strength on aiding the improvement of overall medical service quality. Shuang Ho Hospital has dedicated its effort in the communities for a long time. It has provided comprehensive medical services and has endeavored itself in improving its quality of medical service, which has been recognized by domestic and oversea assessments numerous times. TDCC has provided resources to support the “Finding Hope: Sprout Thriving Fund Raising Project” advocated Shuang Ho Hospital. By providing assistance to optimize Shuang Ho Hospital’s medical quality on critical diseases of newborn infants, TDCC and Shuang Ho Hospital jointly protects future hopes.



TDCC General Manager Chu was invited to participate in the initiation ceremony of “Finding Hope: Sprout Thriving Fund Raising Project” Medical Appliances for Newborn Infants with Critical Diseases and served as the sign unveiling guest.

### ● Supporting Polices and Fire Fighters with Action

In appreciation of polices and fire fighters’ contributions on protecting the lives, properties and safety of the citizens and their hard works on maintaining social security, TDCC has donated firefighting equipment to Taipei City Fire Department and operation related resources to Taipei City Police Department and Taichung City Fire Department on 2021 to ensure that polices and fire fighters have sufficient equipment when practicing their duties and carry out TDCC’s ideas of caring for the neighborhood and taking part in social participation.

## ● Social Emergency Donation

On 2021, severe traffic accident and public safety accident, including the Taroko train derailment and the Kaohsiung Cheng Chung Cheng Building fire, caused great casualty. Upholding the spirit of “treat other people as you would treat yourself”, TDCC separately donated NT\$6 million and NT\$3 million to the accident relief accounts of Taroko derailment and Kaohsiung Cheng Chung Cheng Building fire. These donations would assist the government to provide consequent medical treatments to the wounded and life & social reconstruction. TDCC fulfilled its corporate social responsibility through these donations.

### Food Bank for Charity Plan

According to the statistics of the Ministry of Health and Welfare of the Executive Yuan, among the 23 million people in the country, there are about 630 thousand low-income households and many disadvantaged families waiting to receive assistance. Therefore, we continue to collaborate with financial institutions to participate in the "Food Bank for Charity Plan"; in 2021, we donated NT\$6 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.

### Care for the Elderly

Since 2015, TDCC has been continuously sponsoring the Eden Social Welfare Foundation. In 2021, we continue to support the "Yilan Toucheng Day Care Service Project" with NT\$500 thousand, which includes "day care", "recreational and leisure activities", "nutritional meal service", "relief for family caregivers" and "social welfare consultation", etc., so that the disadvantaged elderly can enjoy "local aging" and a quality of life with proper care.

### "Happy Train" Charitable Donation

Since 2011, we have been organizing "Happy Train" parent-child care activities with numerous family support centers every year. In 2021, we sent our love to Chiayi, donating NT\$550 thousand to the Chiayi Family Support Center to hold the "2021 Chiayi Family Support Year-end Warm Winter and Parent-Child Carnival" event. TDCC rented two booths in happy market and our volunteers interacted with the families on site and spent a warm time together.



TDCC's volunteers participated in 2021 Chiayi Family Support Year-end Warm Winter and Parent-Child Carnival

## Book Donation - Enriching Knowledge and Reading Style

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

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

## Sponsorship of Arts and Culture Activities

### ● Special Performance to Promote Art Education

TDCC has promoted education to remote regions and has embraced ideas such as caring for underprivileged people and sponsoring art & culture events. The education promotion ideas of TDCC resemble to those of Cloud Gate Foundation and TDCC has collaborated with the latter on promoting aesthetic education to schools in remote regions from 2020.



In 2021, TDCC continues to sponsor "Cloud Gate <13 Tongues> Special Performance for Art Education Promotion", enabling junior and senior high school students from remote regions to know about performing art, experience drama performing for the first time, and actually feel the charms of drama and dancing. Through the actual sponsorship of TDCC on promoting art and culture education at schools in remote regions of Taiwan, it supports the government's policy on promote art events in remote regions.

### ● Project of Academy of Taiwan Strings Going to Remote Elementary Schools

The purpose of "Children Far Away: Building Forests with Music" project promoted by the Academy of Taiwan Strings was to allow children from remote regions, who lack the opportunities to enjoy music performances, to enjoy the same happiness that children from urban areas do. Starting off from remote elementary schools, this project passes on classical music step by step to remote regions, allowing these neglected students from remote regions to enjoy the elegance and beauty of classical music.

TDCC sponsored the "Children Far Away: Building Forests with Music" of Academy of Taiwan Strings in 2021. This enabled beautiful music to enter the lives of students from remote regions.



### ● Vox Nativ School - Indigenous People Education Service Program

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

We continue to donate to the Vox Nativ School - Indigenous People Education Service Program, hoping to contribute to allowing more indigenous students to join the Vox Nativ and receive a complete education.

### ● A-Gou Kids A Cappella Vocal Band Sponsorship Project

The magic of music is not just its sound; it is a force that changes one's inner self. The A-Gou Kids A Cappella Vocal Band of Hsinyi Elementary School in Pingtung City has given the children in the rural areas a chance to find their own energy and unprecedented freedom and liberty. In order to help out children in remote areas, in 2021, we continue to sponsor the filming of a documentary film on the "A-Gou Kids A Cappella Vocal Band Sponsorship Project."

#### Gained 15th Arts & Business Awards

TDCC promotes the development of art and literature, combines the support of artistic creation and corporate responsibility, plant aesthetic seeds, and improves the cultural environment. It is recognized and won the 15th Arts & Business Awards.

General Manager Zhu represented TDCC to receive the 15th Arts & Business Awards





## 6.4

## Love from All Members: Charity Club

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

### Christmas Charity Day

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

For the 12th year, TDCC has held a blood donation campaign with over 200 bags of blood donated in a single day. So far, more than 1,745 people have participated in the blood donation campaign, and the cumulative amount of blood donated has reached 590,000cc, with the cumulative amount of blood bags donated reaching NT\$10 million. Every year, the Blood Donation Center presents a Special Contribution Unit award to TDCC. On the same day, we invited organizations such as the Down Syndrome Foundation, the Kanner Foundation of Taiwan, the Syin-Lu Social Welfare Foundation, the Garden of Hope Foundation, the Taipei Autism Children Social Welfare Foundation, the Victory Social Welfare Foundation, the Eden Social Welfare Foundation and the Yu-Cheng Social Welfare Foundation to set up booths and donate all proceeds to social welfare organizations.

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



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



## Appendix

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RolesAppendix I. GRI Standards Index

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## Association Members and Roles

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



# Appendix I. GRI Standards Index

## General Standards Disclosure

Categories/ Aspects	No.	GRI Indicators	Corresponding Sections and Chapters	Page
Core	102-1	Name of the Organization	About This Report	03
Core	102-2	Activities, Brands, Products, and Services	1.2 Market and Service Value Chain 4.1 Comprehensive Financial Market Infrastructure and Regulation	12 61
Core	102-3	Location of the organization's headquarter	About This Report	03
Core	102-4	Operational Location	About This Report	03
Core	102-5	Ownership and Legal Form	1.3 About Us	18
Core	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	18 57
Core	102-8	Information on employees and other workers	5.1 Human Resources	95
Core	102-9	Supply Chain	1.2 Market and Service Value Chain	12
Core	102-10	Significant changes to the organization and its supply chain	There was no significant change during the reporting period	-
Core	102-11	Precautionary principle or approach	Risk management organization of TDCC regularly reports the operation risk environment, risk management highlights, risk assessment and responding measures the corporate is facing on Risk Monitoring Committee meetings. TDCC guarantees to practice aggressive and cost-effective methods to integrate and manage all kinds of potential strategic, management, financial and environmental risks that may affect business operations and profiting. For details on practicing risk management, please refer to 3.2 Risk Control	-
Core	102-12	External initiatives	3.1 Implement Corporate Governance	35
Core	102-13	Membership of associations	1.3 About Us	18
Core	102-14	Statement from senior decision-maker	Message from the Chairman & CEO	04

Categories/ Aspects	No.	GRI Indicators	Corresponding Sections and Chapters	Page
Core	102-16	Values, principles, standards and norms of behavior	3.1 Implement Corporate Governance	35
Core	102-18	Governance structure	1.1 Sustainability Strategies 3.1 Corporate Governance Implementation  Note: The board of directors has not yet divided the topics on economy, environment and society; there is a separate Sustainable Development Committee established by TDC.	08 35
Core	102-40	Stakeholder groups	2.1 Identification of Material Issues and Communication with Stakeholders	22
Core	102-41	Collective bargaining agreements	Explanation: TDC 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	22
Core	102-43	Approach to stakeholder engagement	2.1 Identification of Material Issues and Communication with Stakeholders	22
Core	102-44	Key topics and concerns raised	2.2 Management Approach Towards Material Issues	25
Core	102-45	Entities included in the consolidated financial statements	1.3 About Us	18
Core	102-46	Defining report content and topic boundaries	About This Report CH2 Material Issues in Sustainability	03 21
Core	102-47	List of major topics	2.2 Management Approach Towards Material Issues	25
Core	102-48	Restatements of information	No reorganization of information this year	-
Core	102-49	Changes in reporting	About This Report	03
Core	102-50	Reporting period	About This Report	03
Core	102-51	Date of most recent report	About This Report	03
Core	102-52	Reporting cycle	About This Report	03
Core	102-53	Contact point for questions regarding the report and its contents	About This Report	03
Core	102-54	Declaration in Accordance with the GRI guidelines	About This Report	03
Core	102-55	GRI Content Index	Appendix 1. GRI Standards Index	137
Core	102-56	External assurance	Appendix 2. Independent Assurance Statement	141

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

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

GRI-Specific Topic	No.	GRI Indicators	Corresponding Sections and Chapters	Page
<b>Environmental aspect</b>				
<b>Emissions</b>	305-1	Direct (Scope 1) GHG Emissions	4.4 Environmental Protection and Green Operations	73
	305-2	Energy Indirect (Scope 2) GHG Emissions	4.4 Environmental Protection and Green Operations	73
	305-3	Other indirect (Scope 3) GHG emissions	4.4 Environmental Protection and Green Operations	73
<b>Social aspect</b>				
<b>Employment and Labor Relations</b>	401-1	New employee hires and employee turnover	5.1 Human Resources	95
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employees Remuneration and Benefits	103
	401-3	Parental leave	5.3 Employees Remuneration and Benefits	103
	Note: GRI 401 indicators do not include FundRich.			
<b>*Labor/Management Relationship (Labor-Management Communication)</b>	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	25
	402-1	Minimum notice periods regarding operational changes	Dealt with in accordance with Paragraph 1, Article 16 of the Labor Standards Act	-
<b>Occupational safety and health</b>	403-1	Occupational Safety and Health Management System	5.4 Employees Health and Safety	108
	403-3	Occupational Health Service	5.4 Employees Health and Safety	108
	403-5	Occupational Safety Training	5.4 Employees Health and Safety	108

GRI-Specific Topic	No.	GRI Indicators	Corresponding Sections and Chapters	Page
*Training and Education (Employee Training and Development)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	21
	404-1	Average hours of training per year per employee	5.2 Talent Development	86
	Note: Average hours of training per employee can not be distinguished by gender due to no access to information.			
*Marketing and Labeling (Customer Relationship Management and Rights Protection)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	21
	417-2	Failure to comply with product and service information and labeling regulations	3.1 Corporate Governance No violation of any such regulations or voluntary regulations in 2021	27
	417-3	Incidents of non-compliance concerning marketing communications	3.1 Corporate Governance No violation of any such regulations or voluntary regulations in 2021	27
*Customer Privacy (Customer Relationship and Rights Protection)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	21
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2 Quality Customer Services	62
*Socioeconomic Compliance (Policy and Regulatory Compliance)	GRI 103	Management approach	2.2 Management Approach Towards Material Issues	21
	419-1	Non-compliance with laws and regulations in the social and economic area	3.1 Corporate Governance	27
Material issues not attributable to the GRI specific topic				
*Corporate Governance and Business Integrity	GRI 103	Management approach	2.2 Management Approach Towards Material Issues 3.1 Corporate Governance Implementation	21 27
*Information Security	GRI103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control	21 27
*Risk Management and Communication	GRI 103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control	21 27
**Internal Control and Internal Auditing	GRI 103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control	21 27
*Healthy Workplace	GRI 103	Management approach	2.2 Management Approach Towards Material Issues 3.2 Risk Control 5.4 Employees Health and Safety	21 27 92

## Appendix 2. Sustainability Accounting Standard Board

According to the results of the industry classification query on the SASB official website, from the 11 sectors and 77 industries in the SASB Materiality Map of SASB Standards, select the applicable industry and metrics to disclose.

Sector : Financials

Industry : Consumer Finance

Disclosure Topics	Code	Accounting Metrics	Category	Report Contents or Explanation	Page
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Quantitative	1. When using customer data, TDCC ensure that all data is obtained with the consent of the user, and that customer data is not used for secondary purposes such as advertising, improving products or services, or providing data to third parties through sales or sharing. 2. TDCC has enacted the "Personal Data Protection and Management Policy Statement" and "Exercise of Personal Data Rights" to implement the personal data protection and management system and protect the personal data rights	Refer to the left column
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Quantitative	In 2021, TDCC did not have any legal proceedings related to customer privacy. The total loss of TDCC in 2021 due to legal lawsuits related to customer privacy was NT\$0.	Refer to the left column
Data Security	FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	There were no data breach incidents in 2021.	Refer to the left column
	FN-CF-230a.2	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	Quantitative	Not applicable. TDCC is a centralization, custody and settlement institution for securities and short-term bills. Our main business are non-physical issuance and registration of securities, centralized custody, book transfer and settlement of short-term bills. We do not issue debit financial cards and credit cards, so this metric does not apply.	Refer to the left column

Disclosure Topics	Code	Accounting Metrics	Category	Report Contents or Explanation	Page
Data Security	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	Discussion and Analysis	1. Through the Data Security Monitoring Center (SOC), TDCC takes a more proactive attitude when hackers attack maliciously access system data, discover hidden malicious behaviors immediately and block possible threats. 2. TDCC implements the "Privacy Protection Policy" and "Information Security Policy", and has passed the regulators and third-party certification (ISO 27001 and ISO22301 certificates are continuously valid). In daily operating activities, we integrate "0 fluke", "0 tolerance", "0 trust" information security thinking to ensure the achievement of information security goals. 3. Please refer to Section 3.2 Risk Control for the risk definition required by the metrics, information security attack events and post-event response mechanisms.	Refer to the left column
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Quantitative	The staff remuneration of is not linked to the amount of the sales volume of products and services.	Refer to the left column
Selling Practices	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 6606	Quantitative	Not applicable. The main business of TDCC is the non-physical issuance and registration of securities, centralized custody, account book transfer and settlement of short-term bills. We do not provide credit business, so this metric is not applicable.	Refer to the left column
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	Quantitative	Not applicable. The main business of TDCC is the non-physical issuance and registration of securities, centralized custody, account book transfer and settlement of short-term bills. We do not provide credit business, so this metric is not applicable.	Refer to the left column

Disclosure Topics	Code	Accounting Metrics	Category	Report Contents or Explanation	Page
Selling Practices	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or non-monetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	Quantitative	<ol style="list-style-type: none"> <li>In 2021, we had a total of 0 customer complaint cases from regulators*.</li> <li>In addition, we have set up a opinion exchange area on our official website. In 2021, there was a total of 312 opinions, including 311 business opinions and suggestions, and 1 customer complaint; all opinions had been solved properly.</li> </ol> <p>*Note : Regulators refer to the Financial Supervisory Commission. TDCC is one of government-licensed industries and a peripheral unit under the Financial Supervisory Commission strict guidance and management.</p>	Refer to the left column
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Quantitative	<ol style="list-style-type: none"> <li>The total loss of TDCC in 2021 due to legal lawsuits related to product sales and services was NT\$0. due to</li> <li>Please refer to Section 3.1 Implementing Corporate Governance.</li> </ol>	Refer to the left column
Activity Metrics	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Quantitative	Not applicable. The main business of TDCC is the non-physical issuance and registration of securities, centralized custody, account book transfer and settlement of short-term bills. We do not provide debit cards and credit cards, so this metric is not applicable.	Refer to the left column
	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Quantitative	Not applicable. The main business of TDCC is the non-physical issuance and registration of securities, centralized custody, account book transfer and settlement of short-term bills. We do not provide debit cards and credit cards, so this metric is not applicable.	Refer to the left column

SASB Materiality Map : <https://materiality.sasb.org/>

SASB Website : <https://www.sasb.org>

## Appendix 3. Independent Assurance Statement



### Independent assurance statement

#### Scope and approach

Taiwan Depository & Clearing Corporation (TDCC or the "Company") commissioned DNV Business Assurance Co., Ltd. ("DNV") to undertake independent assurance of the 2021 ESG Report (the "Report") for the year ended 31 December 2021.

We performed our work using DNV'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.

The Report also incorporated the relevant sustainability reporting guidelines, such as Consumer Finance SASB Standards and TCFD.

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 a "moderate level" of assurance of the reporting principles for defining the sustainability report content and the quality as expressed in the GRI Standards.

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

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

DNV provides a range of other services to TDCC, none of which constitute a conflict of interest with this assurance work. This is the 5<sup>th</sup> year that we have provided assurance.

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

#### Basis of our opinion

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

- Review of the current ESG 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;

<sup>1</sup> The VeriSustain protocol is available on [dnv.com](https://dnv.com)





- Interviews with selected Directors and senior managers responsible for management of ESG issues and review of selected evidence to support issues discussed;
- Site visit to the major site at Taipei HQ to review process and systems for preparing site level ESG data and implementation of ESG strategy;
- Review of supporting evidence for key claims and data in the report. 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 example, checking the data consolidation;
- An independent assessment of TDCC's reporting in accordance with the GRI Standards 'Core' option;
- 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 comparability of the report to establish long-term and short-term specific objectives/ targets for continuous performance improvement;
- Standard process for collecting data/information from operation and conducting audit to verify the accuracy of the data/information to improve the data reliability and accuracy is suggested.

#### 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 ESG issues identified through this process are reflected in the Report.*

#### Sustainability Context

*ESG Report provides an accurate and fair representative of the level of implementation of related ESG policies and meets the context requirements of the GRI Standards.*

#### Materiality

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

#### Completeness

*The Report covers performance data against the GRI Standards core option 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 data flow for capturing and reporting its ESG performance has been organized. In accordance with Moderate level assurance requirements, we conclude that no systematic errors were detected which causes us to believe that the specified ESG data and information presented in the Report is not reliable.*



For and on behalf of DNV Taiwan  
Date: 25 May, 2022

*Nasa Chen*

Nasa Chen  
Lead Verifier  
Business Assurance  
DNV Taiwan  
Statement Number: CS32934-2021-DNV-TWN

*Daniel Hsieh*

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ESG Report