

# CHAPTER 4

## PROSPERING WITH COMMUNITY

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### 4-1 Social Engagement

#### 4-1-1 Social Innovation

Social innovation denotes using technology to transform the relationship between social groups and to solve social problems with new means. TPEX hopes to stimulate innovative momentum into the market, thereby gradually achieving the United Nations Sustainable Development Goals.



### Driving Startup Development

TPEX established the "Go Incubation Board for Startup and Acceleration" (GISA) to provide innovative and creative enterprises with "Entrepreneurship Guidance" and "Financing Channels" services, helping startups to consolidate resources and overcome challenges. TPEX also organizes matchmaking activities connecting investors to accelerate the development of promising enterprises.

To drive social innovation, TPEX collaborated with KPMG Taiwan and KPMG Sustainability Consulting Co., Ltd. to organize the "2020 GISA Pitch for Social Innovation Enterprise" on October 7, 2020, helping startups establish partnerships with larger companies.

The event gathered eight influential social innovation enterprises to conduct fundraising briefings, and hosted meetings with the representatives of other enterprises and investors. Such activity could expedite mutual understanding and facilitating further collaboration.

In addition to the established mode of joint exhibition participation, TPEX further provided subsidies to 15 GISA companies participating in professional exhibitions in 2020, which assisted them in overcoming challenges such as low visibility and funding difficulties in the initial stages.

#### Sharing by GISA-Registered Companies . . .



**Digibionic Lifestyle Co., Ltd. Chairman Wu Shaohui shared**

that by participating in TPEX's matchmaking activities, he was able to establish a partnership with domestic chain pharmacy MK Co., Ltd., which has 30 proprietary stores and 19 franchisees across Taiwan. Following the formulation of this partnership, Digibionic's hearing aid products will be sold at Mecome pharmacy throughout Taiwan starting from June 30, 2021. Chairman Wu is extremely grateful to TPEX for the establishment of GISA and the assistance in networking as these efforts have accelerated the company's marketing and the establishment of distribution channels.



**Chen Yanjiu, Chairman of Senyue Co., Ltd.,**

also shared that, by taking part in the TPEX matchmaking activities, he had the opportunity of being introduced to the Great Tree Pharmacy Co., Ltd. to develop a partnership for products such as dried shiitake mushrooms and dried fungus. Thanks to the assistance provided by TPEX, the partnership was made just in time for Great Tree's launch of two new specialty food stores. This has enabled Senyue to sell its products at an established chain store, and looking very much forward to future collaboration. Through recommendations made by TPEX, Senyue has furthermore been able to supply organic, non-toxic dried shiitake mushrooms to the chefs at renowned domestic catering group, Hi-Lai Foods Co., Ltd.



TPEX held "2020 GISA Pitch for Social Innovation Enterprise" on October 7, 2020.

TPEX also supports social innovation enterprises by directly procuring their products. Since the launch of "Buying Power Social Innovation Product and Service Procurement Incentive Mechanism" in 2017, the Small and Medium Enterprise Administration (SMEA) of the Ministry of Economic Affairs has been encouraging central and local government agencies, state-owned enterprises, private enterprises and organizations to take the lead in purchasing products or services from social innovation organizations.

TPEX has been a recipient of the Buying Power Award for 4 consecutive years since the the mechanism's launch in 2017. We have been continually investing and assisting social innovation organizations in obtaining resources and exploring market opportunities, thus supporting responsible consumption and production in Taiwan.

### 4-1-2 Engagement and Empowerment

TPEX upholds the spirit of "giving back to the society from which it benefits." Specifically, TPEX's Articles of Incorporation stipulate that a certain percentage of the previous year's after-tax surplus must be allocated as donations for social welfare. Furthermore, TPEX has formulated the "Management Measures for Charitable Donations" that stipulates the implementing principles and mechanisms. In addition, TPEX has appointed a cross-departmental corporate social responsibility team, headed by the Deputy CEO, to be responsible for the overall planning.

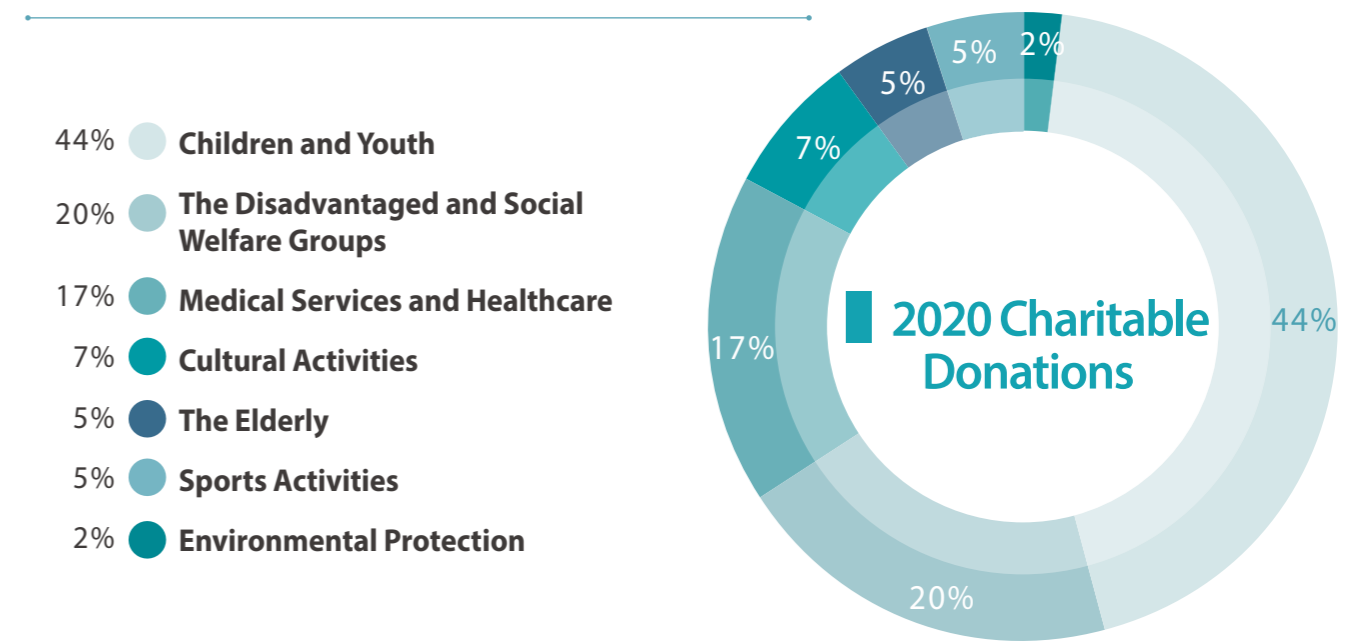
#### TPEX Social Investment Policy

Phase 1 Budget Planning	Phase 2 Investigate and Survey	Phase 3 Pre-Investment Evaluation	Phase 4 Resolve and Connect	Phase 5 Post-Investment Evaluation
The Board passes the resolution on budget available for charitable donations	Diverse communication channels with stakeholders	Assessing the financial conditions of potential donees	The Sustainability Committee passed the resolution on investment plans	Assessing the diversity of investments
	Ministry of Health and Welfare	Assessing the executive capacities of potential donees	Connecting TPEX employees	Assessing the continuity of demands
	Ministry of Education	Assessing the social impacts of investments	Connecting TPEX-listed companies	Assessing the social impacts of investments

### All-Inclusive Social Care

TPEX categorized charitable donations into seven dimensions: the elderly, children and youth, disadvantaged and social welfare groups, sports activities, cultural activities, environmental protection, and medical services and healthcare. We regularly assess the specific needs, direct related resources, and connect demands of different dimensions to amplify the impacts.

TPEX also encourages employees to participate in volunteering activities, and invites all listed companies to partake in charitable donations, in the hope of motivating more enterprises to answer the call.



### Donating to 1919 Food Bank with Listed Companies to Support Families in Need

For nine consecutive years since 2013, TPEX has continuously supported the charitable activities of the 1919 Food Bank, supporting economically disadvantaged and troubled families. TPEX also leveraged our influence further by inviting listed companies to join this charitable initiative for six consecutive years since 2015.

Despite the unfavorable industry outlook and economic conditions caused by the COVID-19 pandemic in 2020, TPEX still succeeded in urging 16 listed companies to support it. The total donations comprised more than NT\$1.32 million of funds, 8,850 kg of rice, and other supplies.



#### Beneficiary Feedback

Deputy Secretary-General Sujun Zhen of the Chinese Christian Relief Association stated that the 1919 Food Bank was established to connect the people with the strength of the Christian Church to carry out social assistance and charitable activities. Although the epidemic has affected the economy, it has also inspired more kindness and love. Ms. Zhen also emphasizes that stable supplies are more important than quantity. Therefore, she is particularly grateful to TPEX and listed companies for their support in helping the beneficiaries overcome their difficulties.



TPEX held "The 1919 Food Bank Donation Ceremony" on October 12, 2020.

### Supporting Organic Farms and Donating Organic Rice to Disadvantaged Families

Xingjian Village in Sanxing Township, Yilan County, is known for its commitment to non-toxic, pesticide-free, and chemical-free organic farming methods. Local farmers have formed the "Xingjian Organic Production Cooperative" to market premium organic products grown and processed locally. TPEX strongly identifies with the residents' idea, and has thus been purchasing organic rice produced in Xingjian Village since 2016. We further donate the rice to disadvantaged families in collaboration with social welfare agencies.

In addition, every year since 2017, TPEX has been calling on employees and their families to visit Xingjian Village to experience the local eco-friendly farming practices. Despite the pandemic, more than 70 TPEX colleagues and their families still made the routine visit with all appropriate epidemic-prevention measures. Through guided tours given by local farmers, actually setting feet in the fields has enabled all participants to gain a better understanding of organic agriculture and environmental conservation.

## 19 Charitable Organizations

received the organic rice produced in Xingjian Village



#### TPEX Colleagues Feedback:

I have participated several times in the rice planting activities in Xingjian Village and brought my children to the fields to experience. Apart from giving him a glimpse of life outside the city and away from 3C products, the activity allows him to walk on the land with his bare feet. I hope that he will understand the farmers' hardship. TPEX has also sponsored the organic rice fields here at Xingjian Village and donates the harvest to social welfare agencies, a gesture that makes this activity even more meaningful.

#### Xingjian Villager's Feedback:

Xingjian Village is a typical rural village with an average age of 65. To maintain the sustainability of countryside farmland and recover the simplicity and purity, we insist on adopting non-toxic, pesticide-free, and non-chemical fertilizer organic farming methods, so that everyone can enjoy 100% naturally grown rice that's conducive to health. You are always welcome to come experience farming here in our village, and we thank you for adopting the organic rice fields here in Xingjian Village. In the future, we hope to see you again every year.



TPEX has had a subscription to the organic rice produced by Xingjian Village, Sanxin Township of Ilan County since 2016 and donates the rice to disadvantaged families through social welfare agencies.

### Improving Rural Education and Medical Care

While pursuing economic growth, Taiwan's social structure has also changed dramatically. The gap between urban and rural areas has widened, resulting in the uneven distribution of resources. TPEX strives to reduce inequality in accordance with the United Nations' SDG 10. Every year, we join the Taiwan Financial Services Roundtable and offer scholarships to disadvantaged students with the "Financial Services Education Charity Fund." Scholarships and bursaries have been distributed to nearly 10,000 underprivileged students in the past six years. Meanwhile, we have long supported the "College Student Financial Employment Charity Class" held by TDCC to help disadvantaged students who wish to develop their careers in the financial industry to strengthen their professional abilities.



**1,431**  
Underprivileged Students

were sponsored by the Financial Service Industry Education Charity Fund in 2020

**602**  
Underprivileged Students

were sponsored to attend the College Student Financial Employment Charity Class and obtain certification in 2020

To provide children in rural regions the opportunities familiarizing with music, art, and popular science, TPEX has been a longtime sponsor of the Paper Windmill Theatre's "368 Children's Art Project," the National Theater & Concert Hall's "Zero Distance Art Realization Project," and the National Taiwan Science Education Center's "Thomas Edison's Adventure" learning activities. TPEX is furthermore a benefactor of the Global Views Educational Foundation's "Sowing the seeds of reading: Giving children a big future" project by sponsoring rural primary schools monthly subscriptions of informative magazines.



TPEX sponsored "Art without Distance" held by the National Theater & Concert Hall for children in rural areas to participate in art and cultural events.

**100** Elementary School Students

were invited to the National Theater & Concert Hall's "Art Zero Distance - Dream Project," enjoying Organ and Brass Quintet

**2,500** Spectators

were attracted by the Paper Windmill Theatre's "Arts for Children in 368 Townships" project, enjoying drama at Linluo Elementary School

**24** Datong Elementary School Baseball Team Members

were sponsored with gears and coach funds, supporting them to win in regional little league games

### Supporting the Paper Windmill Theatre to Promote Arts and Drama in Every Township

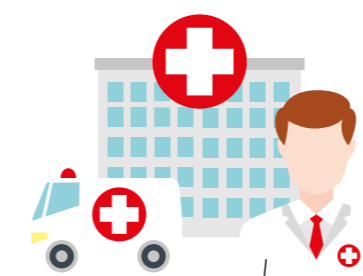
TPEX has joined hands with the Paper Windmill Theatre since 2014, providing supports from its 69th session at Jiaoxi Elementary School in Yilan County to the most recent 325th session at Linluo Elementary School in Pingtung County. The project has promoted arts across 256 townships in Taiwan in 7 years, with an average of more than 2,000 spectators participating in each show.

The 325th performance at Linluo Elementary School in Pingtung County is the Paper Windmill Theatre's first show in 2021. Through dance, music, lighting, artworks, and creative choreography, the Theatre made interesting themes in daily life artistic and entertaining drama for children. This single show attracted approximately 2,500 spectators, allowing spectators of all ages experience the wonder and beauty of art performances.



TPEX sponsored a charity show by Paper Windmill Theatre in Pingtung

In terms of medical care, TPEX has also been improving the accessibility and quality of medical resources in rural areas. In 2020, we sponsored the Apollo telehealth project conducted by Yunlin Branch of National Taiwan University Hospital, the Penghu Huimin Hospital reconstruction fundraising project, as well as Puli Christian Hospital and Heng Chun Christian Hospital, etc. TPEX furthermore extended gestures of care toward the elderly in rural regions through the Hualien County Elderly and Family Care Association, the Yunlin Elderly Long-term Care Association, and the Bjorgaas Social Welfare Foundation in Pingtung.



### Heng Chun Christian Hospital's Reconstruction for Enhanced Medical Service Capacity

The Hengchun Peninsula is located at the southernmost of Taiwan and is a famous tourist attraction while being remote and lacking medical resources. The Heng Chun Christian Hospital has continuously provided medical services to the Hengchun area for a long time against multiple severe typhoons and damages.

After the Heng Chun Christian Hospital plans to build a new building in 2018 to enhance its capacity, TPEX has been donating funds for the reconstruction for four consecutive years between 2018 and 2021. By the end of April 2021, the reconstruction was 95% completed, which is expected to provide more comprehensive medical services and resources to the Hengchun area.

## 4-2 Workplace Wellbeing

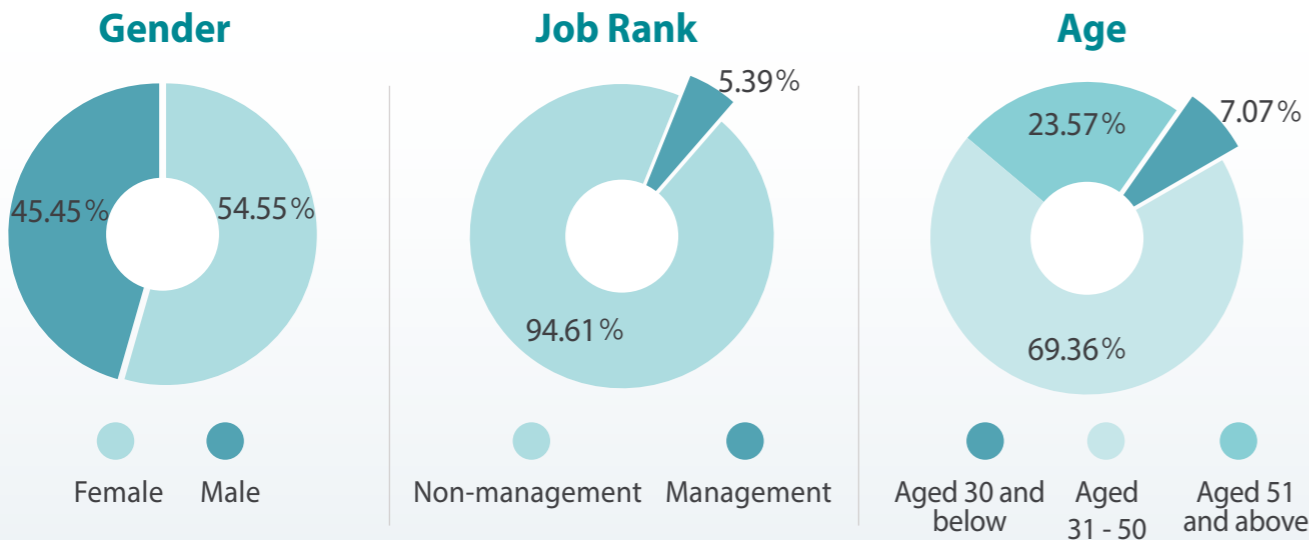
### 4-2-1 People-Oriented Philosophy

#### Our People-Oriented Approach

TPEX believes that "people" are the most important asset of an organization, and is therefore committed to ensuring that every employee can work with peace of mind and give full play to their expertise.

TPEX offers stable salaries, excellent welfare, and a high-quality working environment to attract outstanding talents and to maintain favorable employee relations over the long term. With a comprehensive salary, welfare and education and training system, we engage in employee retention and training by assisting employees to continuously improve their professional skills and provide proper care.

At the end of 2020, 297 full-time staff were employed at TPEX, 1 less compared to the end of 2019. All of our employees (including senior management) are citizens of Taiwan. The following charts indicate the composition of employees by gender, rank, and age, aptly demonstrating workplace diversity and equity.

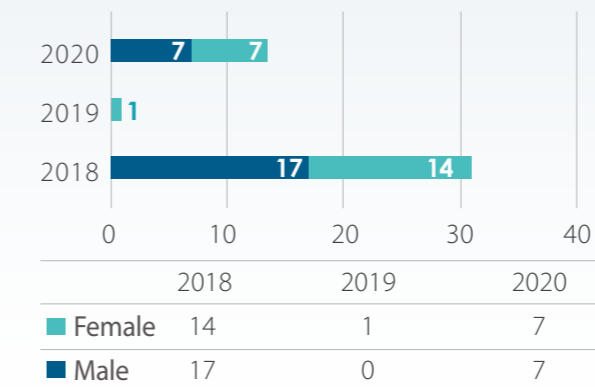


Note: Management refers to staff above department manager (inclusive)

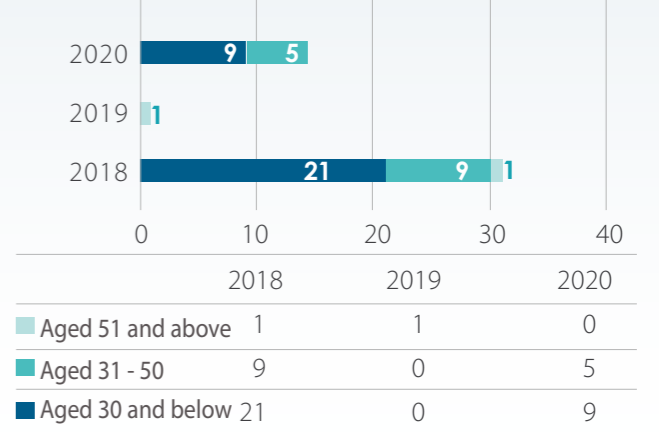
#### Employment Equality

In terms of recruitment, appointment, training, rewards, promotion, and retirement, TPEX does not discriminate or practice unequal treatment on the basis of race, religion, nationality, gender, sexual orientation, or physical and mental disabilities. Salaries for all new recruits are determined based on their academic experience and professional certificates held. Employees' salary increases and promotions are also handled fairly and equally. Those of the same rank receive the same salaries in accordance with the policy of equal pay for equal work.

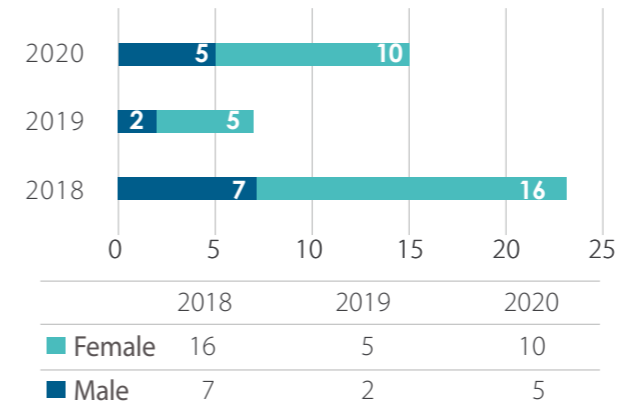
#### Number of New Recruits (2018-2020, by gender)



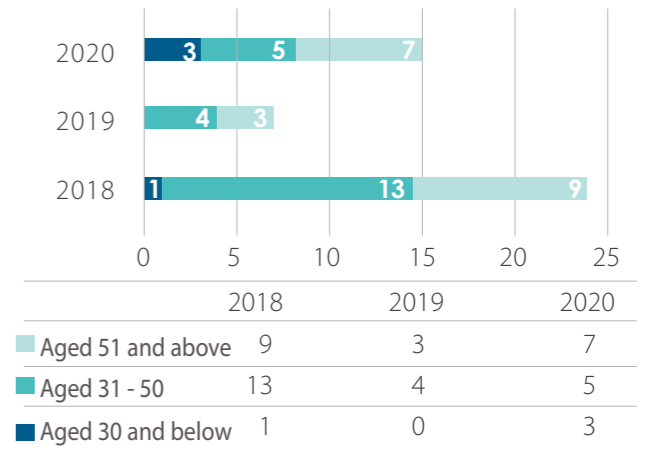
#### Number of New Recruits (2018-2020, by age)



#### Number of Resignations (2018-2020, by gender)



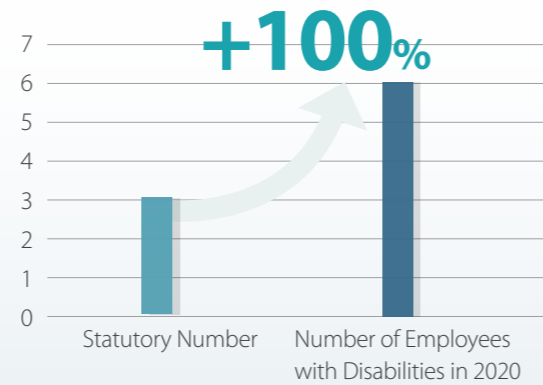
#### Number of Resignations (2018-2020, by age)



Regarding employee care, TPEX offers every employee the following welfare provision aside from the statutory rights, including labor insurance, health insurance, secured parental leave, etc.

	<b>Health Protection</b>	Group insurance, health examination subsidies
	<b>Family Care</b>	Children's education subsidies, wedding and funeral subsidies, pension benefits superior to the basic protection guaranteed by the law
	<b>Leisure and Recreation</b>	Travel subsidies, birthday gifts, and club activity subsidies
	<b>Encouragement of Continuing studies</b>	Subsidies for further studies, special leave superior to the basic protection guaranteed by the law

TPEX's recruitment and appointment policies provide the physically and mentally challenged equal treatment, which also applies to their training, reward, and promotion. At year-end from 2018 to 2020, TPEX employed around 6-8 employees with disabilities, ensuring an inclusive workplace beyond the requirements of the People with Disabilities Rights Protection Act.



## 4-2-2 Remuneration and Welfare

### Labor-Management Meetings

The members of TPEX Labor-Management Meetings comprise ten labor representatives and ten management representatives. The labor representatives are elected by all employees from among candidates with the highest votes in each department to fully incorporate each department's opinions. Meetings are convened every quarter to coordinate relations, promote cooperation, and improve operational efficiency. In 2020, TPEX held four labor-management meetings, raising issues including the application for leave and attendance clock-in with no significant concern.

### Employee Compensation

TPEX offers employees stable salaries while giving employees equal opportunities for salary increases and promotions. TPEX provides higher remuneration compared with the basic wage, thus enhancing employee job satisfaction.

#### Ratio of TPEX Minimum Starting Salary to Minimum Wage Stipulated by the Labor Standards Act (2018-2020)

Year	Minimum Starting Salary	Minimum Wage
2018	2.13	1
2019	2.02	1
2020	1.97	1

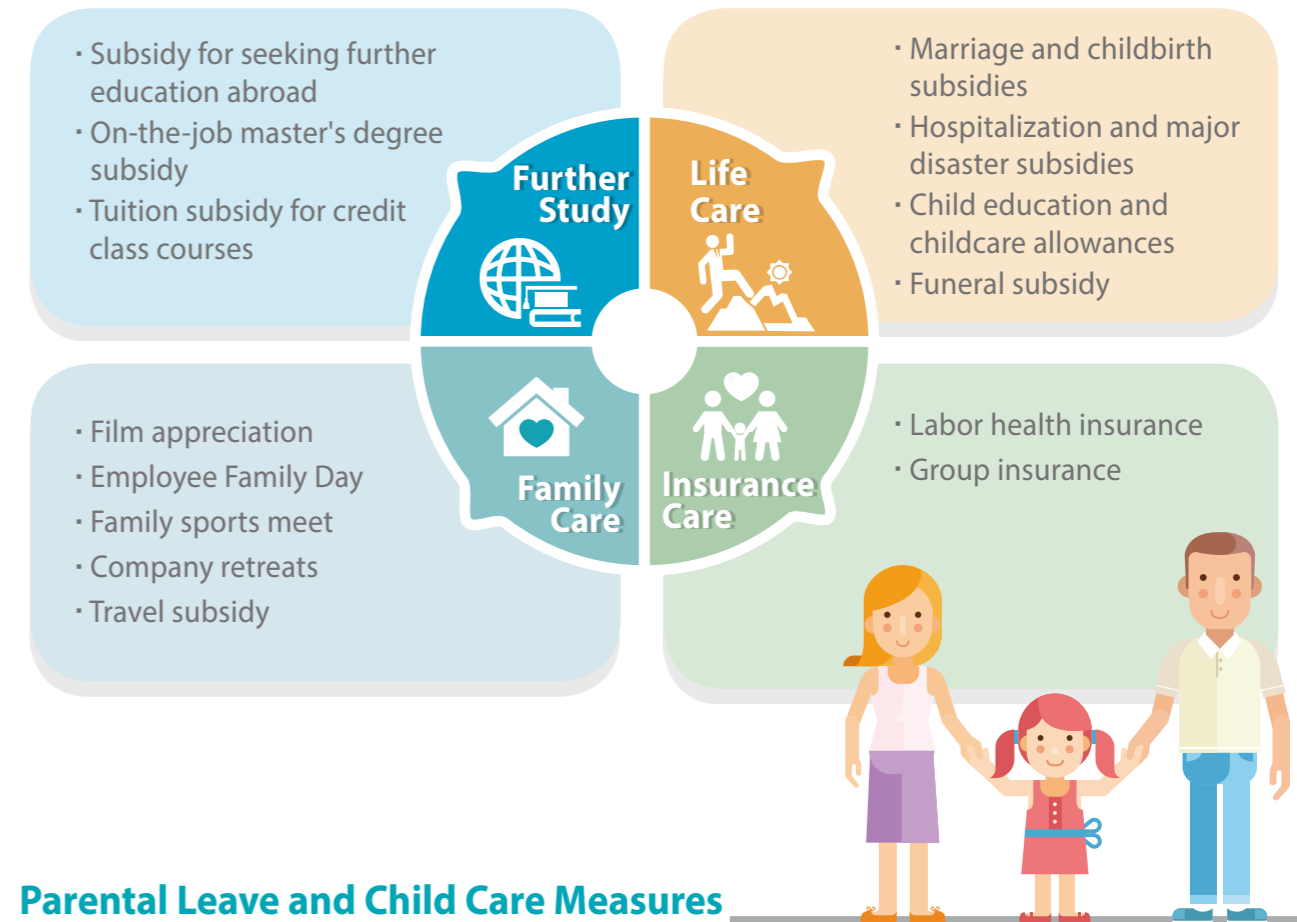
#### Salary by Employees' Categories (2018-2020)

Year	Category	Female	Male
2018	Management	0.93	1.00
	Non-management	1.14	1.00
2019	Management	0.96	1.00
	Non-management	1.15	1.00
2020	Management	0.92	1.00
	Non-management	1.14	1.00

Note: Proportional conversion is based on the salary of male employees as 1 unit.

### Employee Benefits

TPEX offers a comprehensive welfare scheme throughout every employees' life journey, so that each highly committed employee can receive proper benefits supporting both personal and family wellbeing.



### Parental Leave and Child Care Measures

Women account for 54.5% of TPEX colleagues, and many are of childbearing age. To support female employees achieving work-family balance, we provide considerate benefits for all stages of parenthood, from pregnancy, childbirth, breastfeeding, to childcare.

Prenatal leave provides female colleagues who experience pregnancy discomforts with time for recuperation and prenatal checkups. At childbirth, we provide maternity bonuses, maternity leave, and paternity leave for spouses. Upon postpartum, employees can use breastfeeding rooms and bottle sterilizers placed in the office, and all full-time TPEX employees are also entitled to unpaid parental leave according to the law. Family care leave and flexible commuting further enable colleagues to attend to both family and work. In addition, the employees' children enjoy tuition subsidies during their schooling stage.

No colleagues applied for parental leave in 2020; however, in 2020 and 2019, the rates of reinstatement from parental leave were as high as 100% and 75%, and the proportion of people still employed one year after reinstatement is 100%. All of the above applicants for parental leave and reinstatement are female.

The high reinstatement rate and high retention rate demonstrates that TPEX takes care of colleagues and their families while facilitating work-family balance. In view of the declining birth rate, TPEX will increase the maternity bonuses in 2021.

### Subsidies for Continuing Education

To enhance employees' competencies, TPEX provide in-house training courses and also seminars or training courses offered by professional institutions. Moreover, we provide tuition subsidies to employees enrolled in on-the-job master's degrees or above and credit courses in law or accounting. We also offer a special salary increase to employees who obtain professional licenses such as attorneys, accountants, or analysts during their employment.

### Subsidies for Club Activities

TPEX has issued the Club Management Measures and subsidizes club activities to encourage employees to engage in leisure activities and thereby improving their physical and mental health. These clubs can be categorized into ball games, sports and leisure, arts and culture, and religious groups. At present, 15 clubs have been established, including the golf club, billiard club, badminton club, tennis club, basketball club, baseball club, physical fitness club, Tai Chi club, swimming club, yoga club, mountaineering club, photography club, music singing club, Yuanzhi club, and Lutheran club.

### Table of Important Competitive Activities of TPEX Clubs

Activity	Date	Place
The 10th Securities and Futures Cup Basketball Tournament	2020/12/13	National Taiwan Normal University Gymnasium
The 13th Securities and Futures Cup Slow Pitch Softball Tournament	2020/12/26、12/27	Taipei Rainbow Softball Field
The 34th Securities Cup Snooker Championship	2020/10/31	National Taiwan Normal University Gymnasium
The 19th Securities and Futures Peripheral Institutions Badminton Friendship Tournament	2020/12/5	Taipei Daan Sports Center



The 13<sup>th</sup> Securities and Futures Cup Slow Pitch Softball Tournament (TPEX baseball club)

## 4-2-3 Training and Development

### Talent Development Framework

Regarding employees as the most valuable assets, TPEX actively carries out talent training to enhance employees' professionalism, stimulate enthusiasm, creativity, and a global vision. TPEX formulates a diversified annual education and training plan each year according to the yearly talent development demand. The 2020 plan focused on the three major dimensions of "professional training," "foreign language proficiency," and "general education."

### Talent Development

Due to the impact of the COVID-19 pandemic in 2020, training courses were appropriately reduced to prevent unnecessary clustering. Where appropriate, TPEX also utilized video-based approaches to continue employees' training as possible. In addition, selected employees also participated in seminars or training courses offered by professional institutions via different means, thus strengthening their core and interdisciplinary competencies.

To understand the results, TPEX conducts the employee survey on training every year as the reference for future training arrangements. According to the 2020 questionnaire results, 100% of colleagues agreed that TPEX has provided sufficient core and general education training hours.

#### Professional Training

- Practical applications of business secret protection, infringement relief and non-compete clauses
- Case studies of patent infringement and business secret protection
- Development trends of Taiwan's startup ecosystem
- Corporate fraud cases in mainland China and sharing of audit practices
- Impact of the COVID-19 pandemic on mainland China and its industrial layout
- Signals behind mutual fund and ETF capital flows under the decoupling of the global economy and stock markets
- The Accounting Guidelines of Security Token Offerings
- ISO 22301 Business continuity management systems

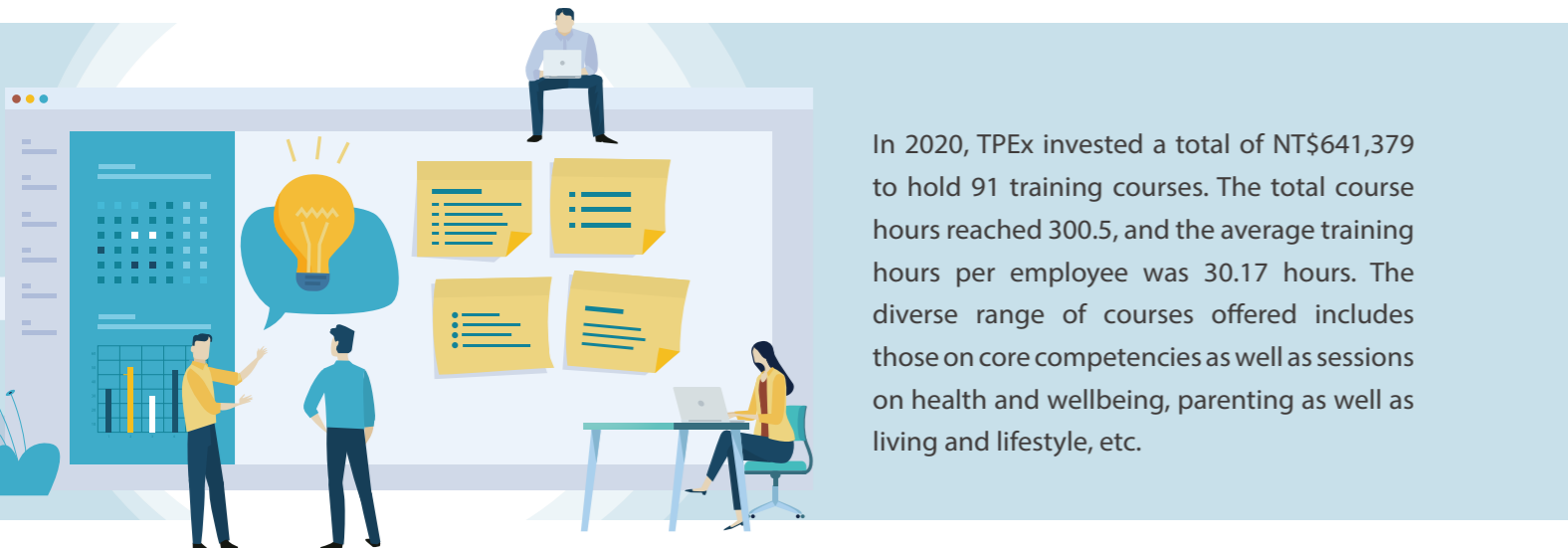
#### Foreign Language Proficiency

- Courses arranged according to employee needs

#### General Education

- Health is easy, food is fun
- Ten types of travel you must try in your lifetime
- Understand the learning styles of your children
- Embracing the green life and gardening to relieve stress





In 2020, TPEX invested a total of NT\$641,379 to hold 91 training courses. The total course hours reached 300.5, and the average training hours per employee was 30.17 hours. The diverse range of courses offered includes those on core competencies as well as sessions on health and wellbeing, parenting as well as living and lifestyle, etc.

### Employee Education and Training Hours (2020)

	Management		Non-Management		Total
	Male	Female	Male	Female	
Training hours received	134	130	3,810.5	4,887	8,961.5
Number of employees	8	8	127	154	297
Average training hours per employee	16.75	16.25	30.00	31.73	30.17

### Employee Education and Training Hours (2018-2020)

	2018	2019	2020
Training hours received	10,610	10,637	8,961.5
Number of employees	304	298	297
Average training hours per employee	34.90	35.69	30.17

### Rotation and Incentives

To invigorate our organizational functions and enable employees to fully exert their competencies, TPEX issued the "Principles for Implementation of Employee Rotation Program." By regularly performing interdepartmental rotations, we assign employees' duties and positions according to their expertise, knowledge, and personal interests. Meanwhile, 100% of employees who have served for six months or more have undergone performance appraisals.

Employees who have made innovative recommendations, engaged in product or business research, undertook projects or activities, or performed tasks that have resulted in notable achievements are also duly rewarded based on the "Employee Incentive Operating Guidelines."

## 4-2-4 Health and Wellbeing

TPEX is deeply aware that only a healthy workplace can bring out the best of our employees. We, therefore, pay particular attention to the physical and mental health of employees, committing to create a safe and comfortable working environment.

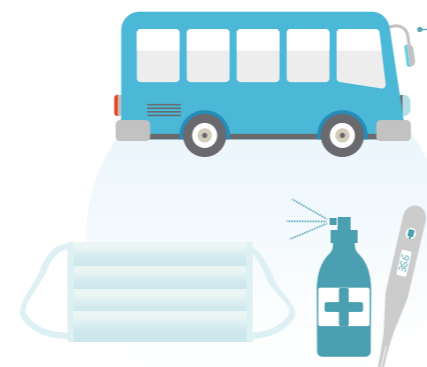
To this end, TPEX has formulated the "Ergonomic Hazards Prevention Program," the "Abnormal Workload-triggered Diseases Prevention Plan" and the "Prevention Plan for Illegal Infringement at Work" in August 2020, and hired dedicated medical personnel to provide on-site services. We furthermore promote annual employee health examinations, implement regular general labor hygiene education, maintain workplace safety and hygiene and conduct work environment testing, etc.

We also plan health promotion activities and lectures as well as provide medical consultation resources, etc., based on the results of health examinations for effectively managing, mitigating, and preventing health and safety risks. Moreover, we continue to offer courses related to stress relief, healthy diets, and lifestyles of health and sustainability (LOHAS) throughout our annual employee education and training programs.



### TPEX's Occupational Health Services

- Providing employees with health checkup subsidies, and providing employees undergoing health checks one day of official leave
- Participating in the "National-wide Earthquake Disaster Drill" in coordination with National Disaster Prevention Day to strengthen employee awareness
- Implementing earthquake and fire prevention drills in annual education and training programs
- Reinforcing the cleaning and disinfection of the office environment, and conducting regular carbon dioxide concentration testing.
- Assigning first-aid personnel certified through occupational safety and health education and training in accordance with Article 9 of the "Regulations for Labor Health Protection"



### Arranging Ecological Tours for Employees and Families with Proper Epidemic-prevention Measures.

Considering that the pandemic has affected employees' family activities and the domestic tourism industry, TPEX organized 15 ecological tours in smaller groups when the pandemic was less severe in 2020. Various options to Taichung, Hsinchu, Taipei, and other places engaged 382 employees and 597 family members, strengthening bonds with colleagues and families while relaxing as the pandemic eases.