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# Sustainable Governance

## CHAPTER 2

## 2.1.1 Corporate Governance Evaluation

Since the launch of the Corporate Governance Evaluation in 2014, TPEX has been progressively promoting the best practices among TWSE / TPEX listed companies with different institutional indicators. By commending the outstanding companies, the Corporate Governance Evaluation helps create benchmarks for industry peers and raise market-wide awareness of corporate governance and corporate social responsibility.

TPEX has cooperated with TWSE to prepare the “2022 Corporate Governance Evaluation Educational Online Programs” and uploaded it on the business promotion website of TPEX for public viewing since March 2, 2022, which guided Main Board companies to plan and handle relevant indicators of corporate governance evaluation in advance to improve the evaluation results.

Due to the severe pandemic situation in 2022, the results of the 8th Corporate Governance Evaluation were announced by video to commend companies with excellent corporate governance. In addition, the top 20% Main board companies ranked in the evaluation results were listed in the “TPEX Corporate Governance Index” .

Compared with the 7th evaluation, a total of 28 companies were newly included in the top 20% of the ranking list of the 8th evaluation of the Main Board companies, while 9 companies were newly included in the top 36 companies of the top 5% and 6 of them were newly included in the list for the first time, demonstrating the importance that Main Board companies attached to corporate governance evaluation and were competing to improve corporate governance.

**TOP 5% of the Corporate Governance Evaluation for Eight Consecutive Years**

Main Board companies

- 3105 WIN SEMICONDUCTORS CORP.
- 4126 PACIFIC HOSPITAL SUPPLY CO., LTD.
- 5209 CTCI Advanced Systems Inc.
- 5347 Vanguard International Semiconductor Co.
- 5371 Coretronic Corporation
- 5483 Sino-American Silicon Products Inc.
- 5530 LUNGYEN LIFE SERVICE CORPORATION
- 6023 Yuanta Futures Co., Ltd.
- 6147 CHIPBOND TECHNOLOGY CORPORATION
- 6803 ECOVE Environment Corp.

The revised corporate governance evaluation indicators in 2022 are as follows:

Project items	Point-adding items (included in 2023 indicators)
<p><b>Protecting shareholder rights and interests and treating shareholders equitably</b></p>	<ul style="list-style-type: none"> <li>• Whether a written specification on finance and business-related operations between the stakeholders has been created</li> <li>• Whether material transactions between related parties are proposed to the Board for approval and proposed to the shareholders meeting for approval or reporting</li> <li>• Whether the important contents of shareholders' questions and the company's replies are recorded in the minutes of the regular shareholders meeting</li> <li>• Whether the shareholders meeting adopts the way of online live streaming or uploads uninterrupted audio recordings and videos after the shareholders meeting</li> </ul>
<p><b>Increasing information transparency</b></p>	<ul style="list-style-type: none"> <li>• Whether to upload the changes in shareholding of insider in the previous month to the Market Observation Post System (MOPS) before the 10th day of each month (inclusive)</li> </ul>
<p><b>Promoting sustainable development</b></p>	<ul style="list-style-type: none"> <li>• Whether to develop policies to promote workplace diversity or gender equality and disclose implementations</li> <li>• Whether to assess risks or opportunities to the community and take corresponding measures</li> <li>• Whether to invest resources to support domestic cultural development</li> <li>• Whether to invest in energy-saving or green energy-related environmental and sustainable machinery and equipment, green energy industry in Taiwan, issue or invest in green projects or social projects and sustainable financial products with substantial benefits</li> </ul>

Since the implementation of corporate governance evaluation, Main Board companies have made significant progress in various corporate governance statistics, including the establishment of audit committee, provision of English information, preparation of sustainability reports, etc., and the number of companies has grown year by year. In the future, TPEX will continue to conduct corporate governance evaluation, and expect to optimize the corporate governance evaluation indicators every year to strengthen the effectiveness of corporate governance evaluation and improve the identification, gradually guide TPEX to adopt various good corporate governance measures, guide the healthy competition of enterprises, and continuously promote the sound development of corporate governance.

## 2.1.2 Driving Corporate Action

In 2014, TPEX formulated the “Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies” (hereinafter as the sustainability report rules) to require listed companies shall prepare a sustainability report with the GRI standards, enhance environmental, social, and corporate governance (ESG) risk assessments, and disclose climate-related issues. On September 26, 2022, TPEX announced the amendments to the sustainability report rules, with reference to international standards such as the TCFD and SASB, to strengthen the disclosure of sustainability reports, which were compliance with the trend of international capital market and the demand of information users for ESG information.

On September 26, 2022, TPEX announced the amendments to the sustainability report rules. The main amendments are as follows:

Addition of the indicators to be disclosed in the food, chemical and financial industries, which have to obtain the opinion of the accountants on the sustainability indicators.

New industries such as cement, plastic, steel, oil and gas, semi-conductor, computer and peripheral equipment, optoelectronics, communication networks, electronic parts, electronic access and other electronics industries shall be disclosed according to the category of industries. (For any enterprise whose paid-in capital is less than 5 billion, it will be applied from 2024)

To enhance corporate exposure to climate-related risks and opportunities, Main Board companies that are forced to disclose climate-related information in a dedicated chapter. In addition, the disclosure and assurance of Scope 1 and Scope 2 greenhouse gas emissions shall be handled according to the “Sustainable Development Roadmap” .

The certified public accountants and their affiliated firms that handle the sustainable indicators, as well as the certified personnel and their affiliated institutions that handle the greenhouse gasses shall comply with the relevant provisions of “Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies” (applicable from 2024).

TPEX also encouraged listed companies to voluntarily compile sustainability reports through promotional events, company visits, and corporate governance evaluations. In recent years, the voluntary compilation of sustainability reports has grown significantly, exceeded the number of compulsory preparations.

## Number of listed companies that have compiled sustainability reports in the last 4 years

Year of the report	2018	2019	2020	2021
Mandatory	46	46	48	51
Voluntary	72	80	108	145
Total number of preparing companies	118	126	156	196
Percentage of total number of listed companies	15.23%	16.11%	19.80%	24.26%

## Securities firms' climate change risk management and sustainability report preparation

Regarding climate change issues, the table of “Assessment of Securities Firms’ Risk Management System” and the correction table of “Self-inspection Form for the Risk Management Mechanism of Securities Firms” published by TPEX in July 2022. The securities firms shall disclose climate risk management information for the first time by the end of June 2023, which will be published regularly by the end of June each year. TPEX will review the enterprises' compliance with climate risk management regulations and information disclosure when handling the annual securities firms' risk management assessment. Furthermore, to promote the sustainable development of the securities and futures industry, the competent authority plans to gradually promote the preparation and announcement of the sustainability report.

## Timeline for Securities Firms' Sustainability Report Release

2023	2024	2025
<ul style="list-style-type: none"> <li>• TWSE/TPEX listed groups' securities or futures subsidiaries</li> <li>• Securities firms with a share capital of more than 2 billion</li> <li>• Securities investment trust businesses with an asset under management of over 600 billion</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated securities firms with a share capital of less than 2 billion</li> <li>• Securities investment trust businesses with an asset under management of 300~600 billion</li> </ul>	<ul style="list-style-type: none"> <li>• Non-integrated securities firms or futures dealers with a share capital of less than 2 billion</li> <li>• For securities investment trust businesses with an asset under management of less than 300 billion, those with an asset under management of less than 100 billion, simplified disclosure is applicable</li> </ul>

## 2.2.1 Integrity Governance of TPEX

### The Board of Directors is the highest governance body

The Board of Directors is the highest governance body of TPEX, and the selection of Directors is subject to the provisions of the Donation of Association of Taipei Exchange. The Board of Directors consists of 15 members. In addition to being appointed by the competent authority in accordance with the relevant regulations, the directors are selected from the donors, experts and scholars and securities traders. The relevant term and the proportion of directors of the donors are clearly defined. The selection of directors shall also take into account their professional qualifications and other conditions, so that the relevant decisions can better meet the characteristics of the industry in the capital market and the needs of future development.

TPEX regularly reports to the Board of Directors on the financial operations of the business. The Board of Directors shall convene at least once a month to receive the reports about operating performance and financial position. When the agenda working group of the Board of Directors provides each proposal and report information to the directors, the agenda working group shall review in advance whether the report is related to the stakeholders, the directors or the supervisors, and issue corresponding reminders in advance.

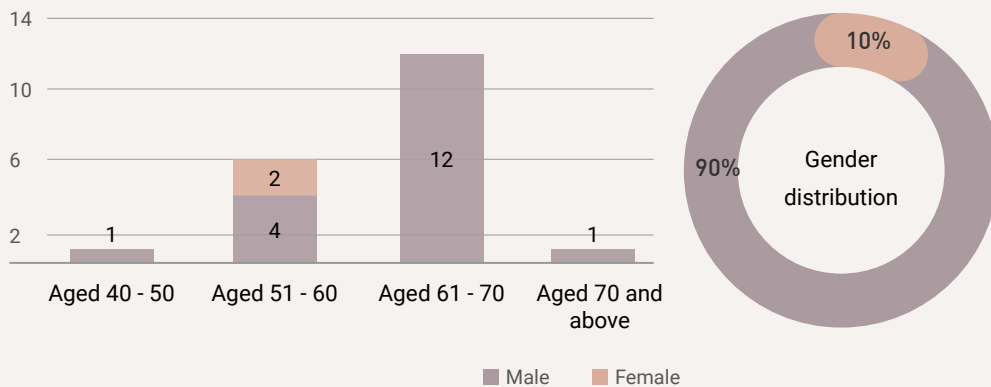
The directors of the current session acted as the representative of stakeholders of TPEX as follows:

Name of Director	Representative of Stakeholders
Chien-yi Chang	Dean of Taiwan Institute of Economic Research
Han-Chiang Chu	Chairman of the Taiwan Depository & Clearing Corporation
Lih-Chung Chien	Managing Director & CEO of TWSE
Chun-Hong Chen	Chairman of Master Link Securities
Jerry Guo	Chairman of Taishin Securities
Huang Bing Jing	Chairman of Grand Fortune Securities
Jiunn-Chih Wang	Chairman of Capital Securities
Leo Cheng	Chairman of Fubon Securities

In addition to carrying out business in accordance with the Donation of Association, the work plan of TPEX, the annual financial report, the evaluation of the effectiveness of the internal control system, the appointment (dismissal) of accountants and the appointment and removal of managers shall be approved by the Board of Directors. The Board of Directors delegates the authority to the Chairman to deal with economic, environmental and social issues related to corporate governance at least once a month through regular and irregular meetings, or assign relevant units, which have to report to the Chairman or the Board of Directors based on the materiality and necessity of the issues.

With expertise in finance, accounting, law, and public finance, the directors of TPEX are all outstanding talents in the industry and academia with the commitments of being independent and upholding the public interest. Among them, there are 2 female directors and 10 directors delegated by the competent authority. The term of the Directors of TPEX is three years. The term of the current (10th) Board of Directors is from August 10, 2021 to August 9, 2024. The average attendance rate of the Board of Directors in 2022 is 96%, showing TPEX's emphasis on corporate governance and its determination to lead by example.

### Information on age and gender distribution of the 10th directors and supervisors



In addition, TPEX has 5 supervisors who are responsible for supervising the performance of the duties of the Board of Directors and reviewing the annual income and expenditure, budget and final accounts, etc. The term of the supervisors is three years. They are also experts and scholars with expertise in accounting and finance and other areas.

Every year, the Board of Directors considers the interests of all stakeholders and formulates major strategies to provide important guidelines for all aspects of operation and management. Under the guidance of the policies of the competent authorities, the long-term sustainable development direction of TPEX is to “actively create multi-functional and multi-tiered all-round exchanges, continuously improve the market system, and provide diversified needs of enterprises and investors”, and to convey the vision and concept to the leadership. The Chairman, the Managing Director & CEO, the Directors and the senior management will jointly transform the long-term vision into a medium-term plan and annual work plan, set short-term goals and implementation guidelines, and regularly review the implementation of relevant plans. Each year, the directors and supervisors of TPEX are required to assess their own performance contribution to the organization and report to the competent authorities.

According to the Donation of Association of TPEX, directors and supervisors are not remunerated, but the chairman is a special person and his remuneration is determined by the Board of Directors. TPEX reviews the revenue and expenditure budget of the following year including the remuneration of the senior management in the first two months every year, and submits the same to the competent authorities for approval after the approval of the Board of Directors. The overall remuneration of the key management is disclosed in the annual financial report, which is also reported to the Board of Directors.

There are functional committees and an internal audit team at TPEX. Their main roles and operations are as follows:

Committee	Main responsibilities	Members	Operations
<b>Sustainable Development Committee</b>	Coordinate and promote the sustainability strategies of TPEX, and make decisions, track and review related sustainability work, so as to implement the promotion goals of the sustainability strategies.	The Managing Director & CEO of TPEX serves as the chairperson, the Deputy CEO and the Chief Administrative Officer serve as the vice chairpersons, and the heads of various departments serve as members.	Meetings are convened at least twice a year.
<b>Risk Management Committee</b>	Review the effectiveness of the promotion and implementation of risk management policies and crisis management operations of TPEX.	The Managing Director & CEO of TPEX serves as the chairperson, the Deputy CEO, Chief Administrative Officer, heads of various departments and commissioners serve as the committee members.	<ul style="list-style-type: none"> <li>Meetings are convened at least once a year.</li> <li>Review the implementation of risk management policies, clarify major risks, and strengthen the risk management mechanism to facilitate the sustainable growth of the organization.</li> </ul>
<b>Business Continuity Committee</b>	Coordinate and supervise the business continuity management system of TPEX to ensure the appropriateness and effectiveness of the system and the coordination between departments.	The Managing Director & CEO of TPEX serves as the chairperson, the Deputy CEO, Chief Administrative Officer, heads of various departments and commissioners serve as the committee members.	<ul style="list-style-type: none"> <li>Meetings are convened at least once a year.</li> <li>Responsible for business continuity plans and crisis management related matters, and implement relevant handling procedures for prevention, drills and recovery of emergency and abnormal incidents in advance.</li> </ul>
<b>Personal Data Protection Management Committee</b>	Strengthen the implementation of various personal data protection mechanisms and resolve opinions on personal data management review.	The Managing Director & CEO of TPEX serves as the chairperson, the Deputy CEO and the Chief Administrative Officer serve as the vice chairpersons, and the heads of various departments serve as members.	Hold 2 personal information management review meetings every year, and conduct contingency training and simulation drills for personal data infringement incidents.
<b>Internal audit team</b>	Ensure the effectiveness of risk management.	Chief auditor, a team leader and 2 coordinators.	<ul style="list-style-type: none"> <li>Meetings are convened at least once a year.</li> <li>Risk items are identified by each department.</li> </ul>

### Ethics and integrity management

Being an important participant in Taiwan's capital market, TPEX aims to promote economic development and assist companies in raising funds. Ethics and integrity management is the cornerstone of sustainable development. In order to ensure that businesses can be implemented fairly and objectively, TPEX has established a complete legal compliance system and implemented the “Ethical Corporate Management Best Practice Principles” since June, 2019 (<https://www.tpex.org.tw/web/about/introduction/honest.php?l=en-us>). The implementation situation is reported to the Board of Directors every six months. In 2022, TPEX has not been involved in any action that may affect the order of the capital market, such as fraud, insider trading, antitrust, anti-competitive practices, market manipulation, discrimination incidents, human rights infringement incidents and related drawbacks.

In order to implement the ethics and integrity management of TPEX, and for the purpose of sustainable development, TPEX has formulated various codes of conduct and regularly conducts ethical education and training. In addition, when issuing companies apply for listing on Main Board or registering on Emerging Stock Market or GISA, TPEX will notify the colleagues by email to remind them of the compliance with the relevant discipline regulations of TPEX, so that the colleagues can have a clearer direction for each stakeholder.

### Codes of Conduct

All employees	• “Employee Confidentiality Measures”
	• “Guidelines for Employee Ethical Conduct”
	• “Precautions for Employees Acquiring or Disposing of TPEX-traded Securities and GISA Stocks”
Reviewers and supervisors	• “Disciplinary Standards for Securities Listing and Registration Examiners and GISA Counselors”
	• “Securities Supervisors' Discipline Regulations”
Personnel performing company audits	• “Statement of the Person Performing the Audit”

Furthermore, TPEX has set up the “Implementation Measures for the Whistleblower System.” Anyone who suspects TPEX employees of committing crimes, fraud, or violating laws and regulations can file a report. It can strengthen integrity and accountability through internal and external oversight mechanisms. In 2022, there were no incidents of employee corruption, violation of the law, or internal complaints.

In order to strengthen the awareness of integrity, TPEX regularly organizes education and training courses for all employees to widely publicize the importance of ethical management. In 2022, TPEX held 3 sessions courses entitled “Corporate Integrity and Whistleblowing System” , with a total of 293 participants, accounting for 100% of all employees.

### Complaint-filing Channel





### Regulatory compliance

To ensure compliance with laws and regulations, TPEX has set up legal personnel under the Administration Department responsible for legal compliance and regulatory amendments. TPEX makes necessary amendments to relevant internal rules, which will be available in the Law Inquiries section on the official website of TPEX, so as to ensure that TPEX can abide the latest laws and regulations.

To ensure effective legal compliance and internal control system, each TPEX department performs legal compliance self-evaluations every six months, and submits the results to the internal audit team for review. The internal audit team further performed annual legal compliance audits and the audit results showed no anomaly in 2022.

## 2.2.2 Risk Management

### Risk management policy

TPEX has built an appropriate risk management mechanism considering the overall operation strategies and the business and legal environment. By integrating risk management into the decision-making process, and requiring each department to effectively identify, measure, monitor, prevent and control various risks when engaging in business planning and promotion, TPEX is capable of keeping potential risks within tolerable levels.

In order to implement integrated risk management and crisis management, prevent the occurrence of risks and minimize the possible impacts to achieve the business objectives and enhance the performance, TPEX has formulated the “Taipei Exchange Risk Management Policy and Crisis Management Operating Guidelines” .

### Risk Management Committee

TPEX established a risk management committee chaired by the Managing Director & CEO, with the Deputy CEO, Chief Administrative Officer, heads of all departments, and commissioners as the committee members. The Risk Management Committee supervises the implementation

of TPEX’s Risk Management Policy, reviews major risks and response mechanisms, and incorporates risk and crisis managements into TPEX’s decision-making considerations to strengthen the risk management culture. In principle, meetings are held once a year or when necessary. There were no adjustments regarding organization and procedures in 2022.

### Risk response measures

All TPEX departments are responsible for improving risk management mechanisms according to their respective functions. Through the process of risk identification, analysis and assessment, various business risks are comprehensively evaluated and responded to with risk management countermeasures. TPEX’s Risk Management Committee convened on November 4, 2022, and announced the relevant revision on November 14 for internal compliance.

### Risk Management Process and Implementation Results in 2022



### Business continuity plan

To ensure that critical businesses can immediately respond and resume within the expected time after disruptions, TPEX established Business Continuity Committee. All the departments of TPEX update business continuity plans and emergency and abnormal situation handling manuals every year based on its business status. On November 4, 2022, the Business Continuity Committee held an annual meeting to approve the updates of relevant plan and manual; on December 16, TPEX conducted a paper simulation drill for abnormal communication equipment and data lines, and the failure of computer system abnormal operations to continue. The activation of the off-site backup system was required, and the computer emergency situation affected the normal operation of the computer trading system and the notification of information security incidents. The scenario was “a 5-level severe earthquake occurred in Taipei during business hours, the external network of the Banqiao Server Room was completely disrupted, and all the information systems including the Global Information Network of TPEX could not provide services, and the trading system of TPEX could not operate normally, and it was required to switch to the off-site backup system”.

In addition, in response to the COVID-19 pandemic, TPEX cooperated with the Central Epidemic Command Center to implement relevant epidemic prevention measures to ensure the health of all employees. Besides, to maintain normal market operations amidst the COVID-19 pandemic, TPEX further adopted the backup plan with splitting and distancing, and implemented the work-from-home and rotation plan. The intercommunications and gatherings of the capital market are conducted through video conferencing and a comprehensive response mechanism was established.

For avoiding the high probability of abnormal failure of old equipment, the various host replacement projects have been promoted. In 2022, TPEX had replaced the expired equipment, including transaction hosts, network equipment, database host and virtual host system disk space expansion to maintain the stable operation of the system and business continuity.



### ISO 22301 Business continuity management systems certification

In order to ensure the establishment of a compliant disaster response and recovery mechanism to protect the safety of TPEX market transactions and the rights and interests of the investing public, TPEX was successfully certified according to the ISO 22301 Business Continuity Management Systems in November 2020.

Scope of introduction: Main Board Stock Trading System, Electronic Bond Trading System(EBTS), Emerging Stock Computerized Price Negotiation System, and Click system and Derivatives Trading System.

### Internal Audit

TPEX has formulated an internal control and audit system based on the “Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets”, and each department has developed internal control system regarding its business processes. With details disclosed in the "Internal Control and Audit Section" on TPEX intranet, TPEX operated the internal control system accordingly to ensure the continued effectiveness.

The Internal Audit Team, under the Board of Directors, is responsible for performing audits on each department, making timely suggestions for improvement, monitoring the improvement progress, and submitting monthly results to each supervisor for review. The Team reports to the Joint Meeting of Directors and Supervisors on a quarterly basis, and consequently reports to the competent authority for reference. Suggestions made to each department in 2022 have been improved in 2022.

In response to the changing environments and amendments to laws and regulations, TPEX accordingly amends relevant rules and standard operating procedures. Upon completion, TPEX immediately announces details on the intranet and inform colleagues through emails and internal education and training sessions. In addition to conducting monthly self-assessments in accordance with regulations, all departments also conduct assessments on the effectiveness of the internal control system. After review by the internal audit team, there are no cases of failed implementation.

## 2.2.3 Information Security

### Information Security Management System

TPEX has obtained certification for ISO 9001 on quality management, ISO 27001 on information security, and ISO 20000 on information service, and continues to entrust certifying bodies to perform reviews every six months and re-examinations every three years in accordance with regulations. The certificates have continued to be valid so far. An information security management review meeting chaired by the Supervisory Head of the Information Department is held every six months to regularly review the implementation of the information security management system to ensure its appropriateness and effectiveness. There were no instances of confidential information leakage in 2022.

<p>Complete education and training provided by a full-time responsible unit</p>	<ul style="list-style-type: none"> <li>• TPEX set up a dedicated information security team responsible for information security management. They hold 15 hours of information security professional training for information security supervisors and personnel and 3 hours of information security advocacy training for all colleagues to enhance awareness.</li> </ul>
<p>Information security protection and monitoring</p>	<ul style="list-style-type: none"> <li>• TPEX established an information security protection system and a security operations center (SOC), and has carried out security inspections including diagnostics, server vulnerability scanning, web program vulnerability scanning, program source code and penetration testing in 2022.</li> <li>• TPEX has also introduced ISO 22301, formulated relevant disaster response and recovery mechanisms for events such as natural disasters, active sabotage, system failures, and performed drill tests.</li> <li>• TPEX implements risk identification and management, management review meetings, internal audits, drills and tests, and regular review by certification bodies to continue improving the business continuity management system.</li> </ul>
<p>Information security enhancement</p>	<ul style="list-style-type: none"> <li>• Establish vulnerability analysis and notice system(VANS)</li> <li>• Establish early warning mechanism for the information system</li> <li>• Strengthen the sharing mechanism of information security intelligence to the Financial Security Operation Center (FSOC)</li> </ul>
<p>Information security internal audit</p>	<ul style="list-style-type: none"> <li>• TPEX's internal audit team conducted audits on information security according to the 2022 Audit Plan. The audit results reflect no deficiencies.</li> </ul>
<p>Information security external audit</p>	<ul style="list-style-type: none"> <li>• TPEX established an information security management system (ISMS) according to the ISO 27001 standard.</li> <li>• In 2022, TPEX underwent two audits conducted by the British Standards Institution (BSI) and successfully passed. As a result, the ISO 27001 certification remains valid.</li> </ul>

### Same-site and Different-site backup system

All TPEX transaction systems have the same-site and different-site backup system. Besides formulating emergency procedures, including “Business Continuity Plan”, “Emergency and Abnormal Situation Handling Manual”, “Computer Trading System Abnormal Incident Handling Procedures” and “Full Backup Maintenance and Handling Procedures”, TPEX conducts 2 same-site and 2 different-site backup system test drills every year. In 2022, no transaction was affected due to the errors of the information system procedures, and no service interruptions due to capacity factors were found with success rate of 100% in the backup system test drills. All information security goals have been met in 2022.

## Protection of Personal Data

TPEX is committed to maintaining personal data security, thus ensuring that the data collection, processing, and utilization comply with confidentiality, integrity, availability, and legal requirements and reducing the risk of personal information breaches. These measures protect the implicated parties' rights and interests and ensure the sound operations of the capital market.

To ensure that the rights of the parties are effectively handled, to respect the parties' rights to their personal data, and to handle complaints about personal data effectively and correctly, TPEX has established channels for complaints and consultations, and will provide the processing results to the parties. There are no personal information breaches in 2022.

TPEX has also introduced a personal information protection management system in accordance with the provisions of the “Personal Data Protection Act”, and has established a personal data protection management manual and various instructions and procedures to provide all colleagues with a unified compliance mechanism in the collection, processing and utilization of personal data. In addition, TPEX reviews business operations related to personal data protection through external and internal audits once every six months.

<p><b>Personal data protection management committee</b></p>	<ul style="list-style-type: none"> <li>• TPEX has set up a “Personal Data Protection Management Committee”, chaired by the Managing Director &amp; CEO, to organize cross-departmental tasks.</li> <li>• In 2022, the committee held two personal data management review meetings: January and June 2022.</li> </ul>
<p><b>Continuing Education for Employees</b></p>	<ul style="list-style-type: none"> <li>• All colleagues participated in the 3-hour “Personal Data Protection Act and Sharing of Information Security Practices” education and training course.</li> <li>• For colleagues in charge of personal data business in each department, conduct “Personal Data Protection Cognition Education and Training” courses.</li> </ul>
<p><b>Internal/External audits</b></p>	<ul style="list-style-type: none"> <li>• The British Standards Institute (BSI) conducts an audit every six months: January and July 2022.</li> <li>• In July 2022, BSI completed the second review every three years. The BS10012:2017 PIMS certification continued to be valid and a new certificate was issued.</li> <li>• The internal audit team conducts an audit every six months: May and November 2022.</li> </ul>
<p><b>Contingency Training for Personal Data Violation Incidents</b></p>	<ul style="list-style-type: none"> <li>• No personal data infringement incidents occurred in 2022.</li> <li>• To strengthen colleagues' ability to respond to personal data infringements and crisis awareness, in September 2022, the deputy of the Personal Data Protection Management Committee selected scenarios for conducting personal data infringement incident response training and simulation exercises.</li> </ul>

## 2.2.4 Supplier Management

The main suppliers of TPEX are divided into 6 categories, including general services, equipment, and engineering services. These categories encompass information services, security services, electronic equipment, telecommunications, furniture, and renovation projects. In addition to the “Property Procurement and Management Guidelines<sup>Note</sup>” as the guiding principle for the procurement procedure, TPEX also regards suppliers as important partners. Since November 2020, TPEX has been requiring suppliers to sign a “Corporate Sustainability Development Commitments” and has urged suppliers in complying with regulations on occupational safety and health, labor human rights, and environmental protection, realizing corporate social responsibility into practice and promoting environmental sustainable development and safeguarding basic human rights. TPEX regularly reviews their services to confirm whether they are consistent with the contract specifications.

Note: Property Procurement and Management Guidelines: Conducting price negotiation, price comparison and bidding procedures based on the purchase items and amounts.

**100%**  
Proportion of local suppliers of TPEX in 2022

**188 letters**  
The percentage of suppliers agreeing to sign the “Corporate Sustainability Development Commitments” was 100% in 2022.