



康和綜合證券
CONCORD Concord Securities Co., Ltd.



2021 Sustainability Report

永續報告書

CONTENTS

ABOUT THIS REPORT	4
MESSAGE FROM THE CHAIRMAN	6
2021 SUSTAINABILITY PERFORMANCE	9
SUSTAINABLE DEVELOPMENT STRATEGY	12
STAKEHOLDER COMMUNICATION AND NEGOTIATION	13
STAKEHOLDER COMMUNICATION	13
IDENTIFICATION OF MATERIAL TOPICS AND ORGANIZATIONAL BOUNDARIES	17
VISION AND GOALS OF MATERIAL TOPICS	19
RESPONSES TO COVID-19	23
1. SUSTAINABLE GOVERNANCE	27
1.1 COMPANY PROFILE	27
1.2 OPERATIONAL PERFORMANCE	32
1.3 CORPORATE GOVERNANCE	34
1.4 RISK MANAGEMENT	49
1.5 INFORMATION SECURITY	53
1.6 LEGAL COMPLIANCE	59
1.7 AUDIT	60
1.8 INTEGRITY AND ETHICS	65
2. FINANCIAL SUSTAINABILITY	68
2.1 SUSTAINABLE RESPONSIBLE INVESTMENT	68
2.2 FINANCIAL INNOVATION AND SERVICES	71
2.3 INCLUSIVE FINANCE	78
2.4 CLIENT RELATIONSHIP MANAGEMENT	80
2.5 FINANCIAL PRODUCTS OR SERVICES THAT CREATE SOCIAL AND ENVIRONMENTAL BENEFITS	82
3. EMPLOYEE CARE	84
3.1 WORKFORCE STRUCTURE	85
3.2 TALENT CULTIVATION AND DEVELOPMENT	88
3.3 COMPENSATION, BENEFITS, AND EMPLOYEE CARE	91
3.4 WORKPLACE SAFETY AND HEALTH MEASURES	97

4. ENVIRONMENTAL SUSTAINABILITY	104
4.1 SUSTAINABLE ENVIRONMENT OUTLOOK	108
4.2 ENERGY CONSERVATION AND CARBON REDUCTION DIGITALIZATION POLICY	109
4.3 GREENHOUSE GAS AND ENERGY MANAGEMENT	111
4.4 SUPPLIER MANAGEMENT	113
5. SOCIAL CO-PROSPERITY	115
5.1 ACADEMIC EDUCATION	115
5.2 CHARITY CARE	116
6. APPENDIX	120
BSI GRI CODE INDEPENDENT ASSURANCE STATEMENT	120
GRI STANDARDS INDEX COMPARISON TABLE	124
ASSURANCE ITEM SUMMARY SHEET	127
TAIPEI EXCHANGE RULES GOVERNING THE PREPARATION AND FILING OF SUSTAINABILITY REPORTS BY TPEX LISTED COMPANIES ARTICLE 4 COMPARISON TABLE	128

About this Report

Concord Securities Co., Ltd. (hereafter "Concord Securities") was established in 1990 with its headquarters in Taipei City, Taiwan. Its business philosophy is:

- I. Strengthen company competitiveness, increase profitability, and improve employee well-being. Make "Concord" a diversified financial product provider and synonymous with the go-to investment bank.
- II. We have deployed in Taiwan and developed into the "investment bank that can best achieve client value" by extending client services, guiding clients to increase the value of their assets, and realizing the value of an investment bank.
- III. Our mission is to provide clients with comprehensive financial management services, pursue stable profit returns, implement corporate governance, and become a high-quality service team worthy of trust and confidence from clients!

Reporting Period

Concord Securities regularly issues non-financial information reports every year. Concord Securities will issue its "Concord Securities 2021 Sustainability Report" (hereafter "the Report") in June 2022 and publish it in the "Corporate Sustainable Development" area of Concord Securities' website. The contents cover Concord Securities' performance in the governance, society, and environmental aspects from January 1 to December 31, 2021, as well as the management and response measures to material topics.

Report Drafting Basis

Compliance Standard

- Core provisions provided by the Global Reporting Initiative (GRI) Standards.
- Taipei Exchange Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies.
- United Nations Sustainable Development Goals SDGs.

Boundary and Scope of the Report

This report's organizational boundaries were set according to the principle of consolidated statements. Parts of this report cover Concord Securities and its four subsidiaries (Concord Futures, Concord Capital Management, Concord Asset Management, and Concord Insurance Agent). In case of information restatement or special disclosure requirements, the scope and calculation methods are noted in the relevant data and paragraphs.

All financial figures in this report are calculated in New Taiwan Dollars (NT\$), and all statistical figures are based on internationally accepted indicators.

Report Management Quality

This report's data and text content were provided by each department and unit, reviewed and approved by the department head of each department, and then handed over to the Corporate Social Responsibility Promotion Affairs Team of the Chairman's Office. The data has been checked and written with reference to the suggestions of external experts. After all data content was completed, it was reviewed by the managers and supervisors of various departments and then underwent third-party verification by an external verification agency. The content was then submitted to the president and

chairman for review and published.

External Verification and Assurance of the Report

- Verified by BSI Taiwan according to the AA1000AS v3 first verification type medium assurance level.
- PwC Taiwan implemented the limited independent assurance for the performance figures in this report according to the ROC Assurance Standards Bulletin No. 1 "Assurance Cases for Audits or Reviews of Non-historical Financial Information." The assurance report is attached to the appendix of this report.

Issuance Overview

Previous report issue date: June 2021

Current report issue date: June 2022

Next report issue date: June 2023

We will continue to compile and issue sustainability reports every year. The full report contents are published in the Corporate Sustainability Development area of Concord Securities' official website for the public to download and browse.

<https://www.concords.com.tw/about/csr/csr-report.htm?mnu=04>

Contact Information

For any inquiries, comments, or suggestions related to this report, please contact:

Concord Securities Co., Ltd.

Address: 15F., No. 176, Section 1, Keelung Rd, Xinyi District, Taipei City

Tel.: +886 2 87871888 Ext. 871 Fax: +886 2 87871131

Website: www.concords.com.tw Email: service@6016.com

Message from the Chairman

The global economy recovered as COVID-19 slowed down in 2021. However, the mutated virus Omicron set off another wave of epidemic peaks between May and the end of 2021, which stagnated the global economy. Under the Company's prudent and steady operating principles, we have responded to external changes and maintained steady profit growth despite the impact of COVID-19. The consolidated net profit after tax was NT\$1,390,101,000, EPS was NT\$2.33 and the profit reached a new record high. In terms of credit rating, our domestic long-term credit rating is A- (twn), and our domestic short-term credit rating is F2 (twn) from Fitch Ratings, and the outlook remains stable.



Concord Securities has launched an emergency COVID-19 response plan according to the elevated epidemic prevention measures and the government's "uninterrupted financial services" policy to appropriately protect employees and clients. In addition to strictly abiding by the epidemic prevention regulations of the Central Epidemic Command Center, the Company also launched relevant epidemic prevention measures such as partitioned backup offices, video conferences, transparent partitions at business counters, and implemented client appointments to manage and control traffic flows, assure social safety distances, ensure uninterrupted business continuity, and reduce the impacts on clients and business operations. I am sincerely grateful for all colleagues' efforts to maintain the Company's uninterrupted financial services and protect clients' health throughout the COVID-19 crisis.

In terms of client services, we have continued to strengthen R&D in the FinTech field and actively recruited professional information and technology talent. The proportion of FinTech-related personnel in the Company has exceeded 6%, which is much higher than the average of financial peers. This showcases our efforts to enhance information security, FinTech systems, and information innovation. Between 2020 and 2022, our proprietary "Transaction Distribution Device and Method," "Material Information Risk Early Warning Device and Method," and "Risk Control Device and Method" have received patents from the Intellectual Property Office, Ministry of Economic Affairs. Moreover, we have also developed an innovative Client Risk Early Warning System and High-speed Ordering System to provide fast and safe financial services to clients. We have optimized the digital trading platform by effectively using artificial intelligence (AI) technology and constructing smart investment strategy platforms, financial information analysis, and other trading systems. We have also adopted the Online to Offline (O2O) method to ensure clients can effectively and instantly use Concord Securities' online services using different devices and in a variety of environments. In addition to the innovative proprietary "Concord New Diamond" derivative financial product platform, we have also launched "King Con," "Time Trading," and "Dr. Zheng Smart Order." We also launched the "Thousand Dollar Share Deposit" fixed share deposit platform to offer inclusive financial services.

In terms of corporate governance, the Company has complied with "Corporate Governance 3.0 – Blueprint for Sustainable Development" to continuously strengthen the functions of the board of directors and enhance the sustainable value of the enterprise. The Company has provided diversified training programs for directors, appointed a corporate governance director, and strengthened the functions of the corporate governance. The average attendance rate of the Company's board of directors meetings has reached 99%. The Company will continue to focus on the promotion of corporate governance and promote the implementation of sustainable development. Our goal is to shape Environment, Social, and Governance (ESG) into corporate culture. The board of directors made a resolution in 2022 to approve the Sustainable Development Committee Organizational Charter and set up a "Sustainable Development Committee." This committee comprises a Responsible Investment Team, Green Product Team, Sustainable Governance Team, Green Operations Team, Social Welfare Team, Employee Welfare Team, and other task preparation teams. Its objective is to integrate sustainable development into the Company's operations, promote sustainable governance, and create a sustainable environment and sustainable value. In 2021, the Company's Corporate Social Responsibility (CSR) report was verified by the third-party "British Standards Institute" (BSI) for the first time. We also participated in the Taiwan Corporate Sustainability Award (TCSA) for the first time and won the Silver Award in the "Corporate Sustainability Report Category" – Finance and Insurance Industry. We are one of the very few securities companies to have won the award.

In terms of employee care, employees are the most important assets of the Company's operations. The Company can only achieve sustainable and steady development and progress through employees with good competence, ability, and performance. Therefore, we have strived to provide a better workplace environment and paid attention to the healthy life of employees. The Company was awarded the 2021 "Workplace Health Promotion Certification" by the Health Promotion Administration, Ministry of Health and Welfare. Moreover, in response to the Environmental Protection Administration's advocacy of eating more vegetables and less meat, and developing a habit of energy conservation and carbon reduction, the Company has provided a free vegetable meal to employees on the monthly "Healthy Vegetable Day" for 5 consecutive years. The goal is to promote a corporate culture of eating vegetables to reduce carbon emissions and contribute to alleviating global climate change together.

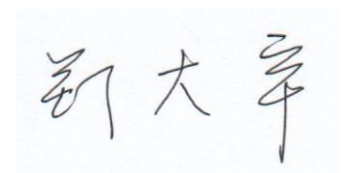
Our Company has incorporated the concept of environmental protection into its business policies at all levels by continuously promoting paperless administrative procedures, electronic billing, and electronic order placement to reduce paper consumption. Other actions include energy, power, and water conservation, and replacing old equipment with high energy consumption. As a result, the Company's electricity consumption and carbon emissions have decreased by 0.35% compared to the previous year. In the future, we will continue to promote digitalization and low-carbon transformation, implement the concept of environmental protection, and strive for the sustainable development of the enterprise and the environment.

In terms of social care, the Company has provided public welfare leave every year to encourage employees to actively participate in public welfare. The Company has participated in the "1919 Bikeathon - Emergency Families Relief Program" bicycling round-the-island charity fundraising event for 4 consecutive years, which I have led many colleagues to attend. We have also jointly held blood donation activities with the Rotary Club of Taipei Chung Shin, provided care to the residents of Pumen Home for the elderly, donated to the Daojiang Youth Baseball Team which is mainly composed of Indigenous youth, and participated in other philanthropic events to send love and care to all corners of Taiwan. In recent

years, we have also attached great importance to financial education and industry–university cooperation with universities and colleges and held summer internship courses for 11 consecutive years. Our goal is to help students understand the field's inner workings by offering internship observations, teaching interactions, special research, etc., to cultivate the next generation of financial talent.

In the future, Concord Securities will continue to adhere to the business principles of "integrity, stability, service, and sustainability" while fulfilling its corporate sustainability responsibilities by endeavoring to improve the environment, society, and corporate governance. This year 2022 is the "First Year of ESG for Concord Securities." We will take all efforts to inject the ESG DNA into every employee so the practice will become part of their daily lives. Our goal is to plant the ESG seeds within the enterprise, inspire all colleagues to follow in the footsteps of the Group, and exert a positive influence to move toward sustainable development.

Chairman of Concord Securities

Handwritten signature in Chinese characters, reading "靳大年" (Jin Dadian).

2021 Sustainability Performance



Governance

★ **EPS NT\$2.33**

The Company's profit reached a record high again in 2021. The annual operating income was NT\$4,298,845 thousand, the after-tax net profit was NT\$1,390,102 thousand and the after-tax net profit per share was NT\$2.33.

★ **Corporate Governance Evaluation Rating 21–35%**

Obtained a rating of 21–35% in the 8th "Governance Evaluation" conducted by the Taiwan Stock Exchange in 2021. (To be announced)

★ **Won the first Taiwan Corporate Sustainability Award (TCSA), Silver Prize**

Participated in the TCSA for the first time and won the Silver Award in the "Corporate Sustainability Report Category" – Finance and Insurance Industry.

★ **Received the first BSI International Certification**

Concord Securities' CSR report passed the British Standards Institution (BSI) certification for the first time.

★ **Won two 2021 "Excellence Magazine Securities Ratings" awards**

Concord Securities won the "Best Corporate Social Responsibility" and "Best Digital Financial Services" awards in the non-financial holding securities category of the "2021 Outstanding Securities Competition."

★ **Risk Management Assessment Level 2 for 9 consecutive years**

From 2013–2021, rank level 2 (good grade) for 9 consecutive years.

★ **Selected as a constituent stock of the "TPEX 200 Index" for 3 consecutive years**

Concord Securities (6016) has been included as a constituent stock of the "TPEX 200 Index" for 3 consecutive years.



Society

★ **Awarded the Outstanding Convenor of the Taiwan Securities Association**

Chairman Ta-Yu Cheng was awarded the outstanding convenor of the Taiwan Securities Association for 2020.

★ **Obtained 3 patents from the Intellectual Property Office, Ministry of Economic Affairs.**

The proprietary "Transaction Distribution Device and Method" developed in 2020 to improve order placement speed and high usability obtained an invention patent (invention No. I706361) from the Intellectual Property Office, Ministry of Economic Affairs.

The proprietary "Material Information Risk Early Warning Device and Method" developed in 2021 obtained an invention patent (invention No. I716172) from the Intellectual Property Office, Ministry of Economic Affairs.

The proprietary "Risk Control Device and Method" developed in 2022 obtained an invention patent (invention No. 109120377) from the Intellectual Property Office, Ministry of Economic Affairs.

★ **Won the "Pioneer Stock Board Transaction" award**

Concord Securities won the "Liquidity Provider Best Participation Award" and "Liquidity Provider Best Quote Award" of the Pioneer Stock Board Transaction award event held by the Taipei Exchange from August to November 2021.

★ **Awarded the "Health Promotion Badge" honor by the Health Promotion Administration, Ministry of Health and Welfare**

Awarded the 2021 Healthy Workplace "Health Promotion Badge" accreditation honor by the Health Promotion Administration, Ministry of Health and Welfare.

★ **The only company in the financial industry to win the "Excellent R&D Substitute Service Personnel Unit" from the Ministry of the Interior!**

Won the 9th place in the 2021 "Excellent R&D Substitute Service Personnel Unit" of the Ministry of the Interior, the only company in the financial industry to win the award.

★ **Obtained a bronze medal in TTQS assessment**

Won a bronze medal in the TTQS assessment results from 2014–2020.

★ **Obtained the excellent performance company award for the Labor Condition Counseling Promotion Program**

Won the "2020 Labor Condition Counseling Promotion Program" excellent performance company award, granted by Taipei City Labor Inspection Office.

★ **Won the High-performing Agency for Employment of Persons with Disabilities excellence award**

The Nankan Branch won the High-performing Agency for Employment of Persons with Disabilities excellence award from the Taoyuan City Government.

★ **Public welfare activities**

The total public welfare expenditure in 2021 was NT\$1.75 million; the "1919 Bikeathon" public welfare fundraiser raised NT\$2.89 million.

Participated in a blood donation event and solicited 120 bags in blood donations.



Environment

★ **Reduced electricity consumption by 45,181 kilowatt**

The regular maintenance of air conditioners and electrical and mechanical equipment resulted in a significant reduction of electricity consumption by 45,181 kilowatt.

★ **Reduced CO2 emissions by 0.05%**

Implemented the "Digitalization for Energy Conservation and Carbon Reduction" policy and promoted the use of environmentally-friendly equipment in the office.

★ **Decreased gasoline usage by 2,668 liters**

Encouraged internal colleagues to take more public transportation, reduced the use of internal vehicles, and significantly decreased gasoline consumption.

★ **Reduced 362 kg of carbon emissions through vegan day**

For 5 consecutive years, the Company has provided 1 "Healthy Vegetable Day" for free every month to enhance carbon reduction awareness and achieve energy saving and carbon reduction.

★ **Developed 5 proprietary administrative forms to promote the digitalization policy**

To reduce paper wastage, the Company's administrative forms have one by one become fully digitized, and we have developed 5 digital forms in 2021 to reduce carbon emissions.

★ **Promoted the digitalization policy and encouraged clients to place orders online**

Encouraged clients to place orders online, increased digitalization within the Company, and reduced physical resource consumption.

A total of 684 online accounts were opened in 2021, which was an increase of 3.58 times compared to the 191 online accounts opened in 2020.

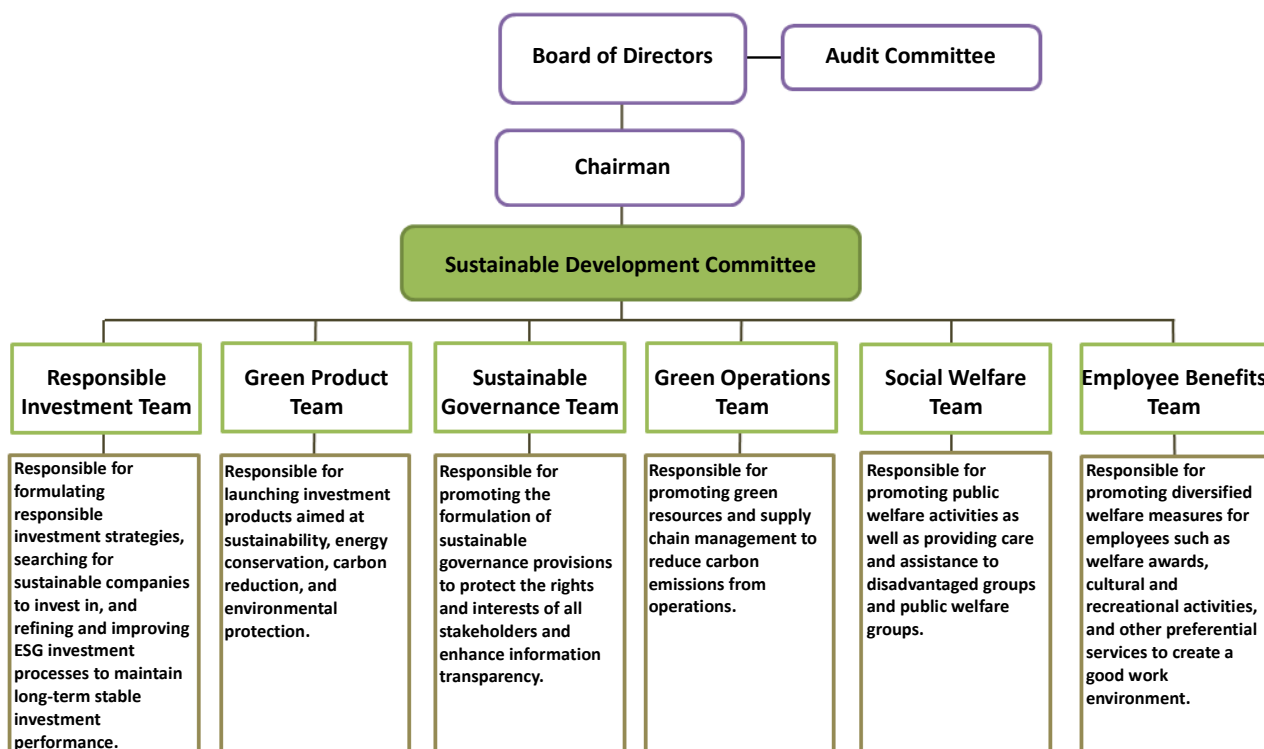
Sustainable Development Strategy

To fulfill the vision of sustainable corporate development, the Company has established the Sustainable Development Best Practice Principles to provide guidelines for the Company's sustainable development and set the "Sustainable Development Committee" in March 2022. The chairman serves as the chair, the president serves as the deputy chair, and the convener of each team is an ex-officio member. The committee also has subordinate task preparation teams. They include the "Responsible Investment Team," "Green Product Team," "Sustainable Governance Team," "Green Operations Team," "Social Welfare Team," and "Employee Benefits Team." These teams hold meetings at least once a year and may hold ad hoc meetings when necessary. The "Sustainable Development Committee" plans to implement the annual sustainable development plan and project performance tracking and review from top to bottom and implement the annual ESG goals.

Main duties:

- (I) Set sustainable development-related environmental, social, and governance (ESG) strategies as well as annual plans and project plans.
- (II) Track and review the implementation performance of annual sustainable development and project plans.
- (III) Decisions on other matters related to sustainable development.

Sustainable Governance Organizational Structure



Stakeholder Communication and Negotiation

Stakeholder Communication

To make the information disclosed in the report more in line with the stakeholders' expectations, we have communicated with 7 stakeholders through multiple communication channels to understand the sustainability issues of concern and respond to them through the communication channels listed in the table below and this report. The status of communication between the board of directors and various stakeholders is regularly reported each year.

Stakeholders	Issues of Concern	Communication Channels	Communication Frequency
Clients	<ul style="list-style-type: none"> Client privacy protection and information security Risk control/audit Sustainable finance 	• Client 0800 service hotline, mailbox, etc.	Regularly
		• Permanent Know Your Client (KYC) mechanism.	Regularly
		• Hold financial management and investment seminars.	Irregularly
		• Develop online and mobile ordering systems, and run special events.	Irregularly
		• Monthly statement	Monthly
Employees	<ul style="list-style-type: none"> Human resource development Talent attraction and retention Human rights and gender equality Workplace safety and hygiene 	• The internal website and official website have a suggestions area and whistleblowing mailbox.	Regularly
		• The Employee Welfare Committee provides irregular employee-exclusive preferential events.	Irregularly
		• The internal website provides an Enterprise Learning Network platform.	Regularly
		• The internal website provides attendance management system inquiries and online learning.	Regularly
		• Arrange regular physical exams for employees.	Annually
		• Arrange department meetings and supervisor meetings for communication.	Monthly
		• Hire full-time nurses.	Regularly
		• Provide employee health care information and health consultation services.	Irregularly
Investors	<ul style="list-style-type: none"> Corporate governance Code of conduct Legal compliance Risk control/audit Operational performance 	• Disclose company information on the official website and Market Observation Post System.	Irregularly
		• Disclose monthly, quarterly, and annual financial operational performance reports.	Monthly/quarterly/annually
		• Establish a special area for spokespersons, media public relations,	Regularly

	<ul style="list-style-type: none"> Maintenance of financial and capital market functions 	<ul style="list-style-type: none"> and stakeholders on the official website to provide two-way communication channels. Whistleblowing mailbox. Establish an investor area on the official website to provide investors with transparent and open information. Publish material information in both Chinese and English. Accept credit ratings, actively participate in corporate governance evaluations, and issue annual reports and sustainability reports. 	<p>Regularly</p> <p>Irregularly</p> <p>Irregularly</p> <p>Annually</p>
Competent authority	<ul style="list-style-type: none"> Corporate governance Code of conduct Legal compliance Risk control/audit 	<ul style="list-style-type: none"> Participate in government-organized courses and seminars. Cooperate with the competent authority on general business and special inspections. Cooperate with the competent authority on supervisions and audits, and provide relevant information. Proactively analyze changes in company-related changes laws, regulations, and published cases. Sign the "Stewardship Principles for Institutional Investors" compliance statements and evaluations on time. Complete the "Treating Customer Fairly Principle (TCFP)" assessment on time. 	<p>Irregularly</p> <p>Irregularly</p> <p>Irregularly</p> <p>Irregularly</p> <p>Annually</p> <p>Annually</p>
Suppliers	<ul style="list-style-type: none"> Climate change and environmental protection 	<ul style="list-style-type: none"> Prioritize procurement of environmentally and socially friendly products. Actively invite suppliers to sign the "Human Rights and Environmental Sustainability Clause Commitment." 	<p>Regularly</p> <p>Regularly</p>
Communities	<ul style="list-style-type: none"> Social welfare Climate change and environmental protection 	<ul style="list-style-type: none"> Provide care and donate to public welfare organizations. Implement electricity, water, and paper conservation and practice good garbage sorting and recycling. 	<p>Irregularly</p> <p>Regularly</p>
Media	<ul style="list-style-type: none"> Brand image 	<ul style="list-style-type: none"> Provide honest reports of the Company's operations to the public. Media publicity, press conferences, and advertisements. 	<p>Irregularly</p> <p>Irregularly</p>

Identification of Material Topics

Concord Securities has referenced the 4 major principles of the GRI Standards: materiality, stakeholder inclusiveness, sustainability context and integrity, and international sustainability trends. The Company has also reviewed the material topics of global benchmarking companies and domestic peers to conduct material topic analysis through the 4 steps of identification, sorting, confirmation, and inspection.

Material topic identification procedure:

1. Identification

After the sustainable development team dispatched a questionnaire within the Company for statistical verification according to the AA1000SES Stakeholder Engagement Standard, 7 types of stakeholders were classified according to their importance. The sustainable development team referenced the impacts that the sustainable development topics have on the Company's internal and the external economy, environment, and society (ESG), as well as the reports of industry peers, to compile 16 topics.
(Note)

2. Sorting

Questionnaires were designed for the 16 material topics and published on the official website. The degrees of interest from stakeholders for each topic were collected and sorted in an open manner. A total of 74 questionnaires were recovered, and a material topic matrix was drafted according to the analysis results.

3. Confirmation

The material topic ranking was used to identify 7 key material issues. The sustainable development team then verified and further assessed the boundaries of consideration for the material topics within and outside the organization. To ensure sustainability information is fully disclosed in the report.

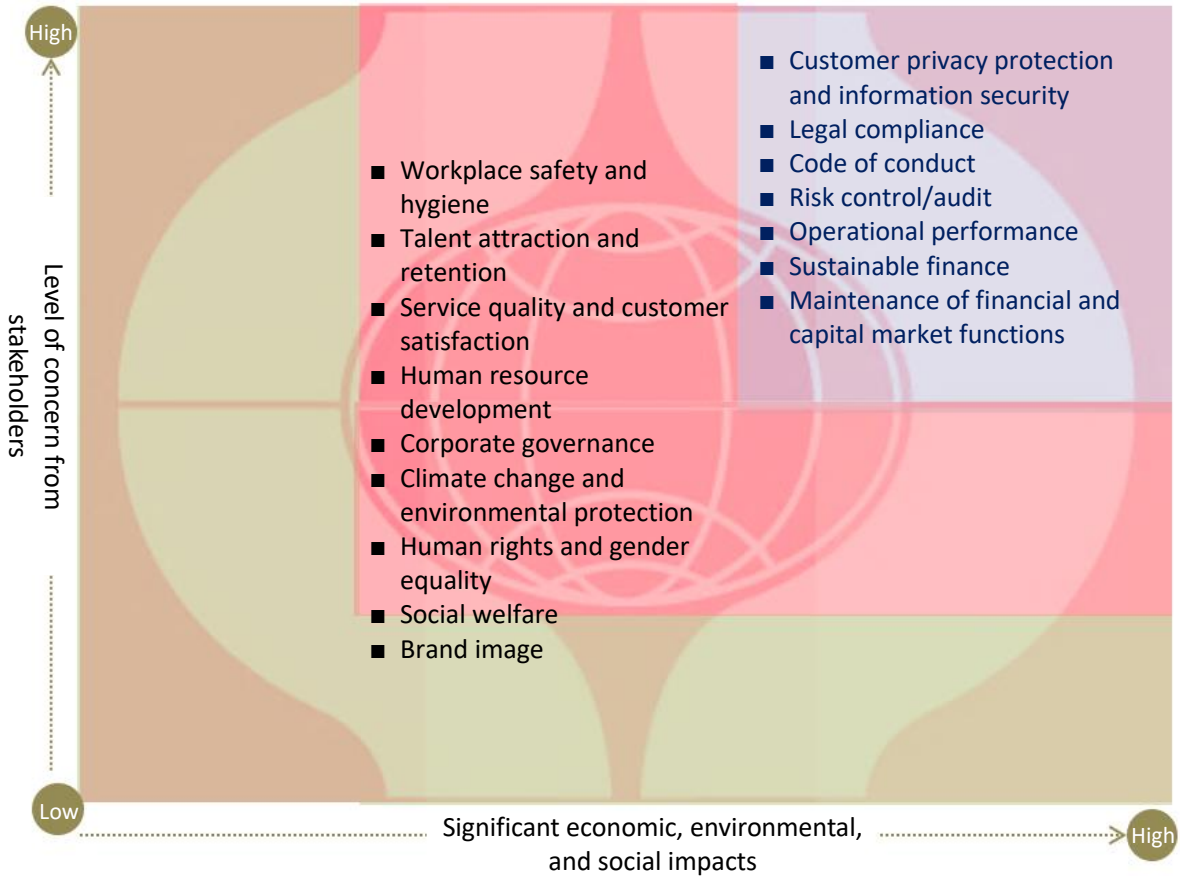
4. Inspection

After preparing this report, the sustainable development team submitted it to the chairman for review to ensure that the information in the report was fully disclosed and faithfully expressed. The material topic identification results and stakeholder feedback will also be a key reference for the next annual report.

Note 1: A total of 7 items were added as stakeholders including media in 2021.

Note 2. The sustainable development team coordinated the material topics identified in 2021. The "Sustainable Development Committee" will be responsible for the overall planning starting in 2022.

Material Topic Matrix



16 Issues for 2021

- | | | |
|--|--|--|
| <div style="background-color: #00838f; color: white; padding: 5px; text-align: center; width: fit-content; margin: 0 auto;">Governance Aspect</div> <ul style="list-style-type: none"> ■ Corporate governance ■ Code of conduct ■ Legal compliance ■ Risk control/audit ■ Operational performance ■ Maintenance of financial and capital market functions ■ Sustainable finance | <div style="background-color: #6a3d9a; color: white; padding: 5px; text-align: center; width: fit-content; margin: 0 auto;">Social Aspect</div> <ul style="list-style-type: none"> ■ Client privacy protection and information security ■ Brand image ■ Service quality and client satisfaction ■ Human resources development ■ Talent attraction and retention ■ Human rights and gender equality ■ Workplace safety and hygiene ■ Social welfare | <div style="background-color: #70ad47; color: white; padding: 5px; text-align: center; width: fit-content; margin: 0 auto;">Environmental Aspect</div> <ul style="list-style-type: none"> ■ Climate change and environmental protection |
|--|--|--|

Description of material topic changes between 2020 and 2021:

1. Changed digital finance to "sustainable finance" and incorporated financial inclusion into "sustainable finance." Integrated sustainable value into daily operations and business development and jointly focused on sustainable issues with clients.

2. Changed human resources to "human resources development" to promote various goals and policies for employee career development and inspire employees and the Company to work together.
3. Changed workplace safety to "workplace safety and hygiene." The Company attaches great importance to employee workplace safety and has taken relevant actions to promote employees' physical and mental health.

Identification of Material Topics and Organizational Boundaries

Material Topics	Aspects	Corresponding GRI Specific Topics	Corresponding Chapters	Impact Boundaries and Degree of Involvement					
				Securities and Subsidiaries	Clients	Investors	Competent authority	Communities	Suppliers
Client privacy protection and information security  	Society	GRI 418: Client Privacy	1.5 Information Security	Direct Impact	Business Relation				
Legal compliance  	Society	GRI 419: Socioeconomic Compliance	1.6 Legal Compliance 1.7. Audit	Direct Impact	Direct Impact	Contributive Impact	Contributive Impact	Contributive Impact	Business Relation
Code of conduct  	Governance	GRI 205: Anti-corruption	1.3 Corporate Governance 1.8 Ethics and Integrity	Direct Impact	Direct Impact	Contributive Impact	Contributive Impact	Contributive Impact	Business Relation
Risk control/audit	Governance	No corresponding GRI Specific Topics	1.4 Risk Management	Direct Impact	Business Relation	Business Relation	Contributive Impact		

										
Operational performance 	Governance	GRI 201: Economic Performance	1.2 Operational Performance	Direct Impact	Business Relation	Business Relation	Contributive Impact			
Sustainable finance     	Governance Environment Society	GRI 203: Indirect Economic Impacts	2. Financial Sustainability 4. Environmental Sustainability	Direct Impact	Business Relation					
Maintenance of financial and capital market functions 	Governance	GRI 419: Socioeconomic Compliance	1.6 Legal Compliance	Direct Impact	Direct Impact	Contributive Impact	Contributive Impact	Contributive Impact	Contributive Impact	Business Relation

Climate change response issues:

There are issues related to climate change countermeasures in response to the global warming phenomenon. Concord Securities' involvement in this regard is limited since it is a securities financial company. Therefore, the Company currently uses Chapter 4, "Environmental Sustainability," as the response guideline. The Company has introduced ISO 14001 Environmental Management Systems as well as ISO 45001 Occupational Health and Safety Management Systems in 2022 and actively participated in environmental protection and occupational safety laws and regulations and strictly complied with the regulations and obligations to meet the challenge of climate change.

Vision and Goals of Material Topics

Material Topics	Development Strategies	Performance Indicators	2021 Results (Items Achieved)	Mid- & Long-term Goals (3–5 years)
Client privacy protection and information security	Provide comprehensive information security protection, create a reliable financial transaction environment, ensure a complete information security system, and strengthen information security defense.	<ul style="list-style-type: none"> Information security management system verification Establish a security information and event management (SIEM) mechanism Complete regular material system vulnerability scanning and patching. 0 information security incidents. 	<ul style="list-style-type: none"> Passed ISO 27001 Information Security Management System verification. Completed the core system information security health check and improvement. Completed system vulnerability scanning and patching twice a year. Completed external website penetration testing and patching. Completed the incident collection and analysis platform construction and recorded core system incidents for analysis. Maintain 0 information security incidents. 	<ul style="list-style-type: none"> Continue to introduce ISO 27001 certification. Introduce information security and incident management system. Continue to strengthen the prevention of information security threats arising from emerging technologies. Improve the information security personnel's capacity to analyze and identify incidents. Maintain 0 information security incidents.
Legal compliance	Complying with the laws and regulations of competent authorities and financial institutions is the basic requirement for sound operation. It is a key operation standard for the Company to ensure compliance with the relevant laws and regulations to protect the rights and interests of stakeholders.	<ul style="list-style-type: none"> Implement legal compliance efficiency and mechanism. Continue to optimize the anti-money laundering system and the system for countering the financing of terrorism. 	<ul style="list-style-type: none"> Conducted the 2021 legal compliance assessment. Reported the legal compliance status to the board of directors. 	<ul style="list-style-type: none"> Ongoing legal compliance assessments are the management and monitoring system.
Code of conduct	Establish a relevant code of conduct to inspect the	<ul style="list-style-type: none"> Integrity management 	<ul style="list-style-type: none"> In 2021, 6,932 people received training on the 	<ul style="list-style-type: none"> The participation rate for integrity

	<p>Company's stakeholders. The goal is to prevent the Company from directly or indirectly providing, promising, requesting, or accepting any illegitimate benefits, or performing other dishonest acts that violate good faith, are illegal, or breach fiduciary obligations.</p>	<p>education and training for directors.</p>	<p>code of conduct for employees.</p> <ul style="list-style-type: none"> ♦ (Include courses related to the Personal Data Protection Act, Money Laundering Control Act, information security promotion, internal promotion, and dishonest practice prevention code of conduct.) 	<p>management education and training by directors is 2 times per year.</p>
		<ul style="list-style-type: none"> ♦ Employee code of conduct education and training ♦ Stewardship Principles for Institutional Investors Compliance Statement. 	<ul style="list-style-type: none"> ♦ Formulated the "COVID-19 High-risk Personnel Epidemic Prevention Provisions and Handling Procedures" in response to the pandemic. ♦ Implemented various epidemic prevention management measures, such as tracking the daily temperature measurement of personnel and vaccination status. 	<ul style="list-style-type: none"> ♦ Continue to strengthen the concept of employee ethics and legal compliance and improve client satisfaction.
Risk control/audit	<p>The Company's internal designs, implementation status, and the correctness of the information produced from risk identification, assessment, treatment, and monitoring are evaluated by independent personnel using a systematic process to ensure the Company's operations are not affected by the impacts.</p>	<ul style="list-style-type: none"> ♦ Risk management assessment level 2 (good level). ♦ Establish the TCFD climate-related financial disclosures. 	<ul style="list-style-type: none"> ♦ Maintain risk management assessment level 2 (good level). ♦ Assessed the establishment of TCFD climate-related financial disclosures. 	<ul style="list-style-type: none"> ♦ Maintain risk management assessment level 2 (good level). ♦ Complete the TCFD climate-related financial disclosures.

Operational performance	The financial performance of the Company's profitability, operating ability, etc., meet the stakeholders' expectations.	<ul style="list-style-type: none"> Business profitability performance. Financial information disclosure. 	<ul style="list-style-type: none"> 2021 annual surplus after-tax is NT\$1.3 billion. Financial reporting, presentation, and disclosure are reliable, timely, transparent, and in compliance with relevant provisions. 	<ul style="list-style-type: none"> Maintain stable long-term profit and dividend distribution.
Sustainable finance	Integrate sustainable value into daily operations and business development, bring sustainable benefits to society and the environment, and achieve the sustainable finance vision. Provide clients with diversified financial services and jointly focus on sustainable issues, integrate the ESG spirit into business processes and strategies, and guide and encourage clients to pay attention to green environmental protection and social issues.	<ul style="list-style-type: none"> Establish a sustainable development committee. 	<ul style="list-style-type: none"> Formulated the Sustainable Development Committee Organizational Charter in 2022. Introduced the ISO 14001 Environmental Management System and ISO 45001 Occupational Safety and Health Management Systems standard verification in 2022. 	<ul style="list-style-type: none"> The ISO 14064-1:2018 greenhouse gas inventory will be introduced in 2023.
		<ul style="list-style-type: none"> Stewardship Principles for Institutional Investors. Responsible Investment Management Measures. 	<ul style="list-style-type: none"> Complied with the voluntary green investment and (Principles for Responsible Investment [PRI]). 	<ul style="list-style-type: none"> Enhance ESG information and climate finance quantification.
		<ul style="list-style-type: none"> Digital finance and innovation. 	<ul style="list-style-type: none"> Developed the proprietary "Material Information Risk Early Warning Device and Method" and obtained an invention patent (invention No. I716172) from the Intellectual Property Office, Ministry 	<ul style="list-style-type: none"> Continue R&D to provide online clients with deeper and wider investment and financial services.

			of Economic Affairs.	
Maintenance of financial and capital market functions	Complying with the laws and regulations, ensuring compliance with the relevant laws and regulations, and protecting stakeholders' rights and interests.	<ul style="list-style-type: none"> ◆ Strengthened financial education, and all statutory training had a 100% completion rate. 	<ul style="list-style-type: none"> ◆ In 2021, 1304 persons participated in the "Anti-money Laundering and Countering of the Financing of Terrorism Education and Training," 634 persons participated in the "Insider Trading Prevention Education and Training," and 648 persons participated in the "Personal Data Protection Education and Training." 	<ul style="list-style-type: none"> ◆ Continue to promote education and training on insider trading and material information, personal data protection law, anti-money laundering, and countering the financing of terrorism. The statutory training sessions required by the Financial Consumer Protection Act have reached 100%.
		<ul style="list-style-type: none"> ◆ Strengthen the protection of consumer rights and interests. 	<ul style="list-style-type: none"> ◆ Strengthen the fair hospitality evaluation according to the "Equitable and Fair Treatment of Clients." 	<ul style="list-style-type: none"> ◆ Provide education and training related to " Treating Customer Fairly Principle (TCFP)"

Responses to COVID-19

From May to the end of 2021, the Omicron variant virus set off another wave of epidemic peaks. Concord Securities has implemented various epidemic prevention and contingency measures to ensure uninterrupted operations and comply with the competent authority's regulations for securities firms to refer to the provisions of the Central Epidemic Command Center in response to the COVID-19 epidemic. The Company formulated the "Severe Special Infectious Pneumonia (COVID-19) Epidemic Emergency Response Plan," "Work from Home Policy During the COVID-19 Prevention Period," and started off-site and separate floor office protocols to reduce staff contact. We also complied with the provisions of the Central Epidemic Command Center to prevent community infection, public gatherings, large-scale business premises, and reduce the impact of COVID-19 on the Company. The Company will continue to monitor the COVID-19 situation closely and take measures to protect the health and safety of employees and clients.

The Company's Key Epidemic Prevention Measures:

I. Established the "COVID-19 Response Team"

The chairman is the convener, and the president is the commander-in-chief. The team's objectives are to lead each unit to implement various epidemic prevention work and backup office plans, adapt to the COVID-19 development situation, and discuss countermeasures such as enriching epidemic prevention materials and planning for branch offices, business units, and logistics units to work at different locations.

II. Epidemic Prevention Work and Personnel Health Management

1. Measure the staff's body temperatures at the entrances of all office buildings and branches, and prohibit those with high fever temperatures from entering.
2. During the epidemic prevention period, express or delivery personnel are strictly prohibited from entering the Company's office floors.
3. All colleagues are required to abide by the following preventive measures:
 - (1) Take body temperature in the morning and afternoon in the office every day, fill in the temperature record form, and report it regularly.
 - (2) Implement independent health management. Employees with cold and cough symptoms must wear masks in the office or are recommended to take leave and return home to rest. Those who need to face clients directly at work must wear masks, and staff must wear masks during meetings.
 - (3) Suspend overseas business trips and non-essential domestic business trips, and persuade colleagues not to travel abroad as much as possible.
 - (4) Implement various epidemic prevention measures such as frequent hand washing and minimizing physical contact.
4. Conduct online education and training courses and meetings.
5. Suspend large-scale events such as family days and other large gatherings, and switch the year-end party to a live online lottery for leisure fun with colleagues.
6. Report the COVID-19 situation survey to the competent authority every week.

III. Epidemic Prevention Measures for Business Premises

1. When clients come to our Company for business, they must first measure their body temperature and disinfect their hands with alcohol. If the body temperature is too high, the client is forbidden to enter the business hall for safety. Disinfectant alcohol dispensers are placed at the business counter, antibacterial hand sanitizers are provided at each washbasin, clients are advised and employees are required to wash their hands frequently.

2. Disinfectant alcohol dispensers are placed on the counters at the entrance of each office floor, antibacterial hand sanitizer is placed on the washbasins in the restrooms, and employees are required to wash their hands frequently.
3. The shared equipment of each office and the elevators in the office buildings are cleaned and disinfected regularly.
4. During the epidemic prevention period, visitors are encouraged not to visit the Company in principle. Visitors must measure their body temperature, disinfect their hands with alcohol, and wear a mask if necessary.
5. Open windows as much as possible in the office to maintain external ventilation.
6. All office floors are regularly disinfected.

IV. Initiated the Off-site (Office) Backup Mechanism

Uninterrupted Operations

The Company has established a list of departments and personnel for off-site backup support to "ensure the clients' investment rights and maintain normal operations." In 2021, a total of 30 units and 368 employees were arranged to work at different sites of the Company; 21 colleagues were arranged to work at different sites and 347 colleagues took turns to work from home.

V. Specific implementation of various epidemic prevention measures:



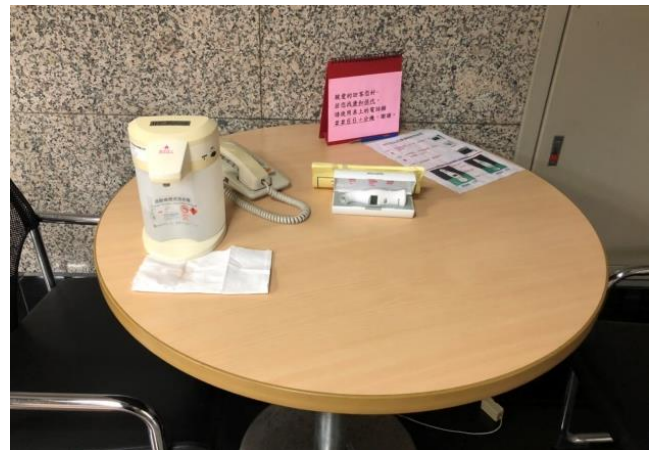
1. Precautions for epidemic prevention and personnel control operations are announced and posted at the building entrances. Body temperatures are measured at the entrance, and people with fever or high body temperature are prohibited from entering the building.



2. Electronic signboards are used in the lobby and elevators to promote the concepts of epidemic prevention and hygiene.



3. Business premises and office floors: Clients entering the business hall must have their body temperature measured, and alcohol disinfectant is available at the business counter for clients to use.



4. Alcohol disinfectant and forehead thermometers are provided at the entrances of each office floor. Employees must measure their body temperature once in the morning and once in the afternoon and record it for future reference.



5. In response to changes in the COVID-19 situation, the headquarters and branch offices have implemented epidemic prevention and disinfection to prevent infection caused by crowd clustering when the epidemic intensifies and maintain and ensure normal operations.

1. Sustainable Governance



1.1 Company Profile

Since its establishment, Concord Securities has followed the business philosophy of "integrity," planning to achieve maximum profits for clients. We know that we can achieve long-term comprehensive investment planning and provide financial services for clients by treating each other with sincerity.

Concord Securities was founded in 1990 and started its business operations on December 4 of the same year. The Company is a comprehensive securities firm approved by the government and is headquartered at **15F.**, No. 176, Section 1, Keelung Rd, Xinyi District, Taipei City. The Company's main business items include conducting securities transactions on behalf of itself or others on a centralized exchange market or its business premises, underwriting of securities, securities trading margin purchase and short sale operations, handling stock affairs matters for others, futures trading assistance, and other business approved by the competent authority. The Company has also been authorized to set up an offshore securities unit (OSU) in March 2014.

The Company's shares have been approved for trading on the Taipei Exchange since December 1996. The current paid-in capital is NT\$5.94 billion (as of March 31, 2022). Concord Securities has 16 securities business offices and 3 futures business offices located in northern, central, and southern Taiwan and the outlying islands. As of the end of 2021, Concord Securities and its subsidiaries have a total of 825 employees (as of 2021/12/31).

Concord Securities Group consists of the parent company and Concord Futures, Concord Capital Management, Concord Asset Management, Concord Insurance Agent, etc. The Company and its subsidiaries have performed well in different financial fields for over 30 years, provided clients with complete and comprehensive products and services, and won the trust and praise of investors!

Concord Securities Basic Information

Company name: Concord Securities Co., Ltd.

Stock code: 6016

Main business items: Brokerage, dealer, underwriting, bonds, new financial products, etc.

Establishment date: 1990/07/25

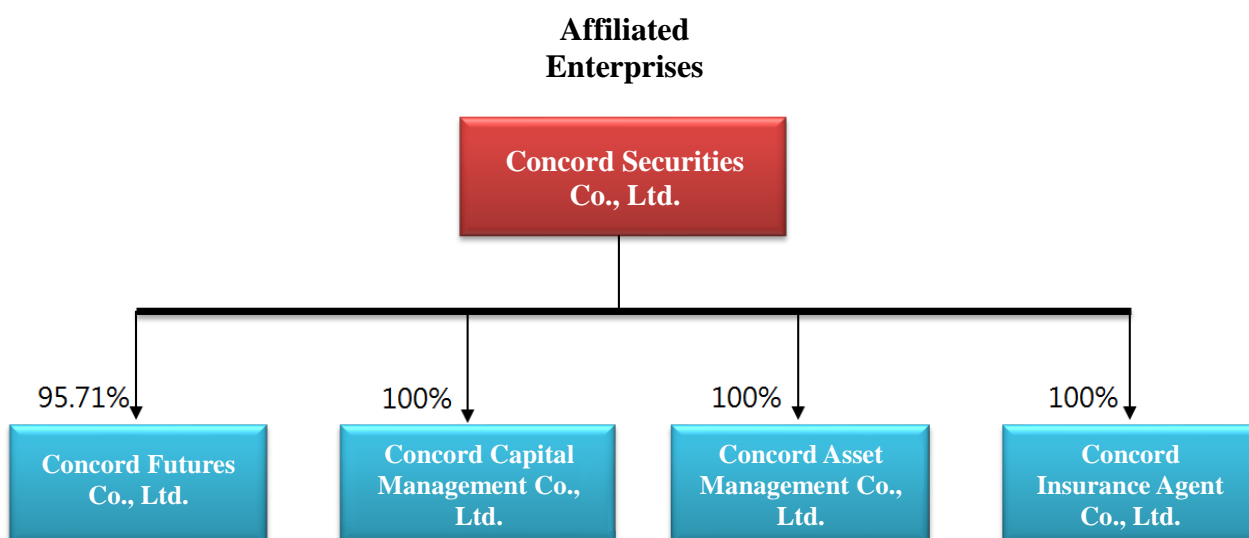
Listing date: 1996/12

Capital: NT\$5.94 billion (as of March 31, 2022)

Number of employees: 825 (as of 2021/12/31)

Chairman: Ta-Yu Cheng

Company headquarters: 15F., No. 176, Keelung Road, Section 1, Xinyi District, Taipei



Business Philosophy and Core Values

Since its establishment, Concord Securities has always adhered to the concept of honesty and hospitality, stable operations, in-depth service, sustainable commitment, and continuously optimized products, services, and efficiency. The Company has achieved stable development of its brokerage, dealer, underwriting, new financial products, stock agency, futures, investment consultation, insurance agency, wealth management, and other businesses. In the advent of digitalization and the FinTech era, Concord Securities will fulfill its pledge to the clients by improving and innovating, providing convenient, diversified, and competitive products and services, and becoming a strong and trustworthy backing for clients.

康和證券集團的經營導向

康和證券集團自成立以來，本著「誠信」的經營理念，為客戶規劃及爭取最大的獲利，因為我們深刻的體認到，唯有以誠相待，才能長遠的為客戶作整體完善的投資規劃與提供理財服務。



Main Brands, Products, Services, and the Company's Operating Locations

Concord Securities has 16 securities business offices and 3 futures business offices located in northern, central, and southern Taiwan and the outlying islands. We are committed to pursuing the balanced development of all businesses, enhancing the professional ability of our employees, and providing clients with diversified and professional services in order to enable our channel bases to satisfy the investors.

The main products, services, and operating locations of the Company are listed as follows:

Business Categories	Operating Locations	Product and Service Items
Brokerage	Taiwan	<ul style="list-style-type: none"> ◆ Accept orders to trade securities on a centralized exchange market ◆ Accept orders to trade securities on business premises ◆ Securities borrowing and lending ◆ Conduct margin purchase and short sale ◆ Accept orders to trade foreign securities ◆ Futures trading assistant ◆ Sales of offshore funds
Underwriting Department	Taiwan	<ul style="list-style-type: none"> ◆ Enterprise listing planning and counseling services ◆ Securities agency or underwriting services ◆ Plan and evaluate the offering and issuing of securities, and underwrite securities ◆ Corporate financial strategic planning and consultation services ◆ Corporate mergers and acquisitions matters ◆ Emerging stock recommendation business ◆ GISA business ◆ Other underwriting related business
Dealer Department	Taiwan	<ul style="list-style-type: none"> ◆ Conduct securities trades on a centralized exchange market ◆ Conduct securities trades on business premises ◆ Futures hedging operations
Bond Department	Taiwan	<ul style="list-style-type: none"> ◆ Bond Outright Purchase, Outright Sale Trading ◆ Bond Re-purchase/Reverse Re-purchase Service ◆ Bond investment consultation services
Financial Derivatives Department	Taiwan	<ul style="list-style-type: none"> ◆ Issue call (put) warrants, and hedge position operations ◆ Issue structured products (Principal Guaranteed Note and Equity Linked Note), and hedge position operations ◆ Provide diversified investment tools and hedging channels in response to investors' diverse needs ◆ Derivative financial product development and trading
Wealth Management Department	Taiwan	<ul style="list-style-type: none"> ◆ Professional financial consultation services for wealth management clients ◆ Provide clients with asset allocation and financial planning services

The service items and operating locations of the affiliated enterprises are listed as follows:

Affiliated Enterprises	Operating Locations	Product and Service Items
Concord Futures Co., Ltd.	Taiwan	Domestic and foreign futures dealer, brokerage, and consulting businesses
Concord Capital Management Co., Ltd.	Taiwan	Securities investment advisory business
Concord Insurance Agent Co., Ltd.	Taiwan	Life insurance agency business
Concord Asset Management Co., Ltd.	Taiwan	Enterprise business management consultation and asset management businesses

■ The company does not have any prohibited products or services.

Participation in Domestic and Foreign Organizations

According to various business attributes, Concord Securities and its subsidiaries have actively participated in the securities and financial industry associations and other relevant external organizations. By joining relevant organizations, we can receive the latest economic and financial information and obtain membership to enjoy membership rights, share information with peers, and communicate with each other. Concord Securities participates in the following domestic and foreign organizations:

Taiwan Securities Association, Chinese National Futures Association, Securities Investment Trust & Consulting Association of the R.O.C., Taiwan Futures Exchange Corporation Disciplinary Committee, Securities Analysts Association-Chinese Taipei, Council for Industrial and Commercial Development R.O.C., Corporate Equity Investment Association R.O.C., Information Management Association R.O.C., Chinese Society of Information Management, Taiwan Chamber of Commerce & Industry, Taiwan Financial Services Roundtable, and Taiwan Listed Company Association.



1.2 Operational performance

Despite the impact of COVID-19 in 2021, Concord Securities was able to go against the trend and make dazzling profits with a record high after-tax consolidated net profit of NT\$1,390,101,000 and after-tax earnings per share of NT\$2.33. In terms of credit ratings, Fitch Ratings issued a domestic long-term credit rating of A- (tw) and a domestic short-term credit rating of F2 (tw). Concord Securities aims to maintain stable growth and continue to create maximum operating value for shareholders, employees, and clients. For more detailed financial information, please refer to the financial reporting area on Concord Securities' official website.

<https://www.concords.com.tw/about/financial/index.htm?mnu=02&submnu=01>

Concord Securities' 2021 Operating and Profit Status:

Financial Performance Unit:

NT\$ thousand

Year/Item	2020	2021	Increase (decrease) amount	Change ratio (%)
Earnings	3,338,989	4,298,845	959,856	28.75
Operating costs and expenses	2,362,327	2,828,617	466,290	19.74
Operating profits	976,662	1,470,228	493,566	50.54
Non-operating expenses and losses	165,192	98,119	-67,073	-40.60
Net income before tax	1,141,854	1,568,347	426,493	37.35
Income tax expenses	52,040	178,245	126,205	242.52
Current period net income	1,089,814	1,390,102	300,288	27.55

Analysis and description of changes in the ratio of increase and decrease:

1. Operating profit: The increase in operating profit was mainly due to the increase in brokerage fee income and profit from securities selling compared to the same period last year.
2. Net profit before tax: The increase in net profit before tax was mainly due to increased brokerage fee income and profit from securities selling compared to the same period last year.

Important Financial Ratios

Year/Item		2020	2021
Financial structure (%)	Debt-to-asset ratio	76.78	77.33
	Ratio of long term capital to real estate and equipment	835.64	938.85
Solvency (%)	Current ratio	112.70	113.06
	Quick ratio	112.67	113.03
Profitability	Return on assets (%)	3.56	3.71
	Return on equity (%)	14.00	16.17
	The ratio of net profit (loss) before tax to paid-in capital (%)	19.21	26.38
	Net profit margin (%)	32.64	32.34
	Basic earnings per share (NT\$)	1.83	2.33

Revenue from each department Unit: NT\$ thousand

Department	2020		2021	
	Amount	Ratio %	Amount	Ratio %
Brokerage Department	1,844,109	55.23	2,500,335	58.16
Dealer Department	1,401,316	41.97	1,686,784	39.24
Underwriting Department	64,182	1.92	89,201	2.08
Others	29,382	0.88	22,525	0.52
Total	3,338,989	100.00	4,298,845	100.00

Operating Performance of Subsidiaries

Unit: NT\$ thousand

Enterprise name	2021			
	Operating income	Net operating profit (loss)	Current period profit (loss) (after tax)	Earnings (loss) per share (NT\$) (after tax)
Concord Capital Management	22,710	-6,102	-6,333	-0.90
Concord Futures	694,484	86,423	97,888	1.20
Concord Asset Management	0	-3,186	-10,228	-0.19
Concord Insurance Agent	7,977	-3,598	-3,257	-1.30

Shareholder Structure

December 31, 2021

Shareholder Structure	Number of people	Number of shares held	(Thousand shares) Shareholding ratio (%)
Government agencies and financial institutions	0	0	0
Other juridical persons	197	157,218,272	26.44
Individuals	53,943	429,726,412	72.29
Foreign institutions and foreigners	89	7,510,302	1.26
Total	38,255	594,454,986	100.00

Credit Rating

Credit Rating Agency	Domestic long-term credit rating	Domestic short-term credit rating	Foreign currency long-term IDR	Foreign currency short-term IDR	Outlook	Credit rating date
Fitch Ratings	A- (tw)	F2 (tw)	BB+	B	Negative	2020/4
Fitch Ratings	A- (tw)	F2 (tw)	BB+	B	Stable	2020/11

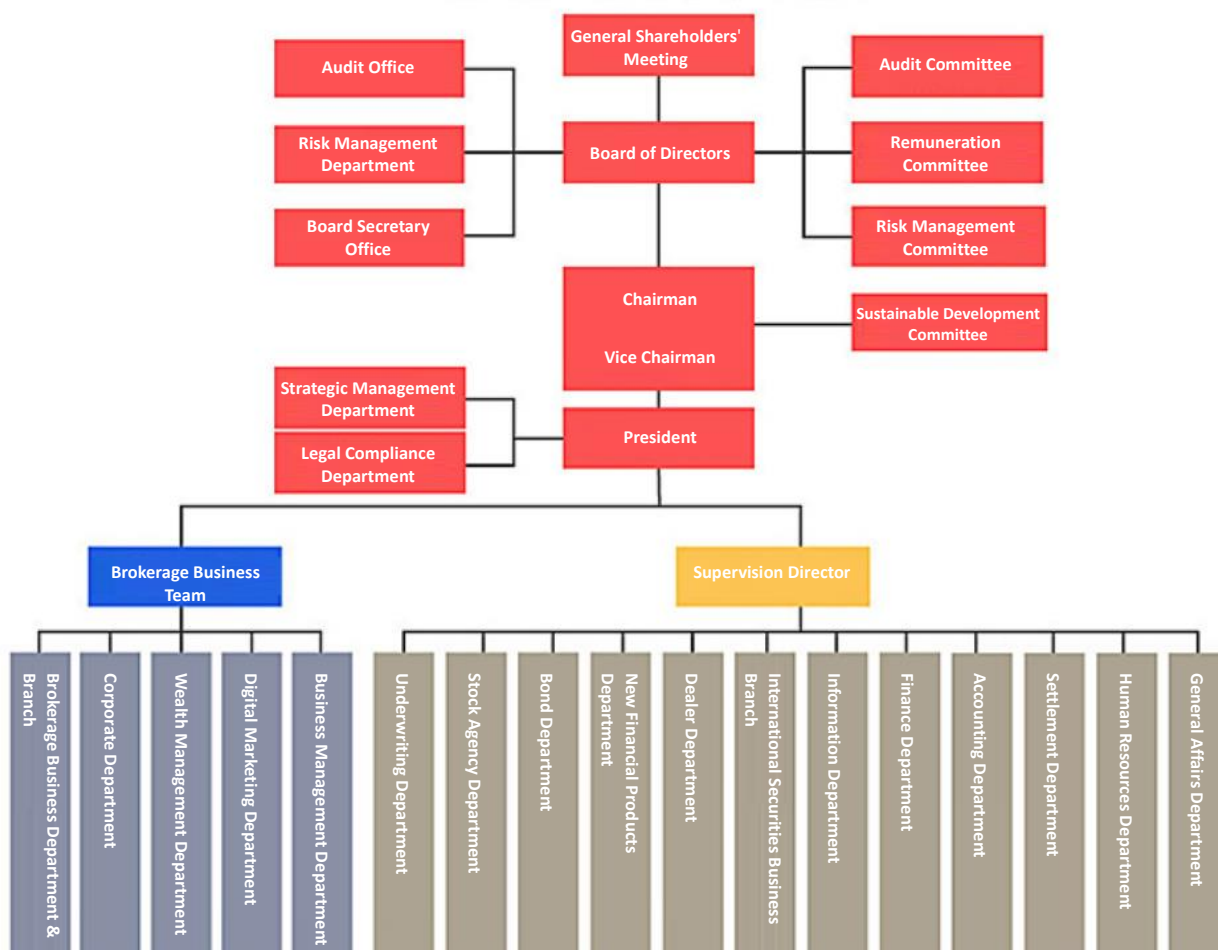
* Due to the COVID-19 epidemic in 2020, Fitch Ratings adjusted the outlook of all securities companies to negative at the beginning of the year. However, the financial market rebounded sharply due to the global capital injection to rescue the market, and the Company's profit turned from loss to profit. In the second half of the year, the domestic long-term credit rating from Fitch Ratings was A- (tw), and the domestic short-term credit rating was F2 (tw). The outlook was raised from negative to stable.

1.3 Corporate governance

Since its establishment, Concord Securities has continuously improved its corporate governance effectiveness and implemented the corporate governance system at all levels. The Company has endeavored to safeguard the rights and interests of shareholders, strengthen the board of directors' operations, enhance internal risk management, and improve information transparency to operate sustainably and share the prosperity with society. The Company has established a corporate governance supervisor on May 8, 2019, to implement corporate governance specifications. The 8th "Governance Evaluation" conducted by the Taiwan Stock Exchange in 2021 ranked the Company at 21–35% (to be announced), and we will continue to improve the corporate governance quality. Moreover, the Taipei Exchange's quarterly audit results from January 2020 have included Concord Securities (6016) as a constituent stock of the "TPEX 200 Index," making it a high-quality investment indicator for the Taipei Exchange.

Corporate Governance Structure

Concord Securities Group Organization Chart



Shareholder Structure

Organizational Structure of the Board of Directors

The Company has established three functional committees under the board of directors to implement corporate governance and strengthen the management functions of the board of directors: the Audit Committee, the Remuneration Committee, and the Risk Management Committee. We aim to improve the organization and responsibilities of each functional committee to ensure the strategic guidance of the board of directors to the Company and the effective supervision of the management department.

The board of directors is composed under the consideration of gender equality and according to the Company's "Corporate Governance Best Practice Principles." The capabilities of the overall board members are disclosed in the "Board Diversity Policy and Implementation" area on the Company's official website.

Board of Directors' System

The Company's "Rules of Procedure for Board of Directors Meetings" are formulated for compliance according to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to establish a good board of directors governance system, improve their supervision function, and strengthen their management function for the Company. Matters that the Company's Board of Directors should discuss are disclosed in the "Corporate Governance" area on the Company's official website.

The rules of procedure also provide provisions on the convening procedures, contents, operating procedures, matters to be included in the minutes, announcements, and other issues that the board of directors must comply with. We have also established recusal provisions for conflicts of interest. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter. According to the law, all relevant information has been disclosed in the 2021 annual report of Concord Securities Co., Ltd.

The Company's board of directors consists of 11 directors (including 3 independent directors) with rich expertise and experience in business, law, finance, accounting, etc. There are 8 male members and 3 female members, who were elected via the candidate nomination system to serve a three-year term from July 12, 2021, to July 11, 2024.

Directors' main academic backgrounds:

as of January 31, 2022

Title	Educational background	Experience	Positions held concurrently in the Company and others companies
Chairman Zhong Yang Investment Co., Ltd. Representative: Ta-Yu Cheng	Fairleigh Dickinson University Master of Information Management	Chairman of Concord Securities Co., Ltd. Chairman of Concord Futures Co., Ltd.	Director of Concord Futures Co., Ltd. Director of Concord Insurance Agent Co., Ltd. Director of Corporate Equity Investment Association R.O.C. Deputy convener of the R&D Committee, Taiwan Securities Association

			Convener of the Education and Training Committee, Taiwan Securities Association
Director Zhong Yang Investment Co., Ltd. Representative: Chin-Te Chang	Ph.D. in Accounting, U.S. Federal State International University National Chung Cheng University Doctor of Law	Superintendent of CROWN & Co., CPAs President of the National Federation of CPA Associations of ROC Director of the Department of Accountancy, Chinese Culture University Dean and chair professor of the College of Management, Chaoyang University of Technology Chair professor of the Department of Accounting & Information Systems, Asia University Independent director of Concord Securities Co., Ltd.	Superintendent of CROWN & Co., CPAs Adjunct professor of the Department of Law, National Chung Hsing University Arbitrator of the Chinese Arbitration Association, Taipei, and Taiwan Construction Arbitration Association Chairman of the Taiwan Institute of Business Director of the National Chung Cheng University Academic Foundation Independent director of PharmaEssentia Corp. Independent director of Hua Eng Wire & Cable Co., Ltd. Independent director of JUKAO ENGINEERING CORP. Chairman of Guanbao International Consulting Co., Ltd.
Director Zhong Yang Investment Co., Ltd. Representative: Chin-Shen Lee	Ph.D. (Finance), Department of Management Science, National Yang Ming Chiao Tung University	Associate professor and dean, Department of Finance, Ming Chuan University Adjunct professor of the Department of Banking and Finance, Tamkang University Associate professor of the Department of Management Science, National Chiao Tung University Independent director of Concord Securities Co., Ltd.	Dean of the School of Financial Technology, Min Chuan University Professor of the Department of Finance, Ming Chuan University Supervisor of Moai Green Power Corp. Supervisor of YAPP MARKETING CO., LTD. Director of Hongbao Asset Management Consulting Co., Ltd. Director of YUNGCHIY INTERNATIONAL DEVELOPMENT CO., LTD. Supervisor of Ultimate Image Co., Ltd. Director of Pinbao Construction Co., Ltd.

			Supervisor of Concord Capital Management Corp.
Director Shikai Investment Co., Ltd. Representative: Chiung-Ling Chen	Department of Statistics and Information Science, Fu Jen Catholic University	Senior vice president of Hwang Chang General Contractor Co. Ltd.	Director of Hwang Chang General Contractor Co. Ltd. Supervisor of Ho Chang International Contractor
Director Taiming Development Co., Ltd. Representative: Chuang-Yuan Lee (newly appointed on 2021/08/01)	College of Law, National Taiwan University	Executive vice president, SHINKONG CO., LTD. Executive vice president, SHINKONG TEXTILE CO., LTD. Chairman of KUO CHUAN MACHINERY INDUSTRIAL CO., LTD. Director of China Airlines Chairman of Fortune Information Independent director of IBF Financial Holdings Independent director of IBF Securities Director of BIG SUNSHINE CO., LTD. Supervisor of JKO Asset Management Co., Ltd. Supervisor of JKO Asset Management	Chairman of BioChina Director of Kang-Ning General Hospital Director of JUKAO ENGINEERING CORP. Supervisor of Asia Hepato Gene Co. Director of Daye International Investment Co., Ltd.
Director Yuanlong Construction and Development Co., Ltd. Representative: Pei-Chun Ma	Carnegie Mellon University Economics	Supervisor of Federal Corporation Director of Lohas Social Enterprise Co., Ltd. Director of Federal Corporation Supervisor of Gold Mountain Investment Co., Ltd.	Supervisor of Lohas Social Enterprise Co., Ltd. Director of Yuanlong Construction and Development Co., Ltd. Director of Datian Investment Co., Ltd. Director of Dayuan Construction Co., Ltd. Director of the Chinese Culture Foundation Director of the Happy Life Taiwan Foundation Supervisor of Junteng Asset Management Co., Ltd.
Director	Department of	CEO of Yuanta Financial Holding	Chairman of Heyi Investment Co.,

Deye Investment Co., Ltd. Representative: Ming-Wang Yang	Public Finance, Feng Chia University	Co., Ltd.	Ltd. Chairman of Deye Investment Co., Ltd. Chairman of Dezhan Investment Co., Ltd.
Director JIAYI PROGRESSIVE ENTERPRISES LTD. Representative: Sung-Po Tsai	Insurance Division, Tatung Institute of Technology	Chairman of Minyi Investment Co., Ltd. Chairman of Minzhao Investment Co., Ltd. Chairman of SUN-CHUAN PUBLISHING CO., LTD. Chairman of Zichuan Investment Co., Ltd.	Chairman of Lijin Management Consulting Co., Ltd. Chairman of Taijin Management Consulting Co., Ltd. Chairman of Xinguang Co., Ltd. Chairman of SUN-CHUAN PUBLISHING CO., LTD. Chairman of Minyi Investment Co., Ltd. Chairman of Minzhao Investment Co., Ltd. Chairman of Zichuan Investment Co., Ltd. Director of Donghong Investment Co., Ltd. Director of Hongyuan Investment Co., Ltd. Director of Jinghua Hotel Co., Ltd. Director of KOMPHORT ROYAL LIFE ENTERPRISE CO., LTD. Director of Quanhui Investment Co., Ltd. Director of RIGUAN CO., LTD. Director of JIAYI PROGRESSIVE ENTERPRISES LTD. Supervisor of Shang Lin Investment Co., Ltd. Supervisor of Kang Lin Investment Co., Ltd. Supervisor of Zihui Enterprise Co., Ltd. Supervisor of Sanhuaying Industrial Co., Ltd.
Independent Director Yao-Jen Chang	Department of Civil and Construction Engineering,	Civil servant, Public Housing Office, Taipei City Government President of Baogu Construction	Partner accountant of Yuncheng United Accounting Firm Chief technician of Jingfuxiang

	National Taiwan University of Science and Technology	Co., Ltd. Former president of the Rotary Club of Taichung Chungshin	Construction Co., Ltd.
Independent Director Tien-Chang Huang	Master's degree from the Department of Public Finance, National Chengchi University	Chairman of Taiwan SME Banks President of the Trust Association of R.O.C. Independent director of Mega Securities Executive independent director of Mega Bank Adjunct professor of the Department of Business Administration, National Changhua University of Education	Independent director of HERAN CO., LTD. Independent director of Yi Jinn Industrial Co., Ltd. Director of Concord Capital Management Corp.
Independent Director Hsiu-Hui Huang	Ph.D., Department of Law, National Chung-Cheng University Master of Law, Graduate School of Science and Technology, YunTech Master's degree from the Department of Finance, Chaoyang University of Technology	Legal consultant for the Taichung City Government Adjunct lecturer on mercantile law, Chaoyang University of Technology Adjunct lecturer on securities exchange law and financial regulations, Asia University Audit committee member of the Taichung City Government Labor Rights Fund Audit Team, and member of the labor dispute case external review committee Member of the Gender Equality and Sexual Harassment Investigation Subcommittee for the Taichung Branch of the Taiwan High Prosecutors Office Chairman of the Labor Law Advisory Committee, Taichung City Industrial Association	Chairman of My Color Bar Chief attorney of Yongluke Law Firm Member of the Employment Discrimination Review Committee, Central Taiwan Science Park, National Science Council Member of the Taichung City Election Commission Member of the Gender Equality and Sexual Harassment Investigation Subcommittee for the Taichung Branch of the Customs Administration, Ministry of Finance

Board of Directors Operation Status

A total of 11 meetings were held in 2021, and the attendance status was as follows.

The 11th board of directors held a total of 5 meetings in 2021, and the board members and attendance status were as follows:

Title	Name	Meeting attendance rate in 2021
Chairman	Ta-Yu Cheng	100%
Director	Kuo-Hua Cheng	80%
Director	Pei-Chun Ma	100%
Director	Chiung-Ling Chen	100%
Director	Sung-Po Tsai	80%
Director	Ming-Wang Yang	100%
Director	Kao-Shen Chao	100%
Director	Tang-Sheng Chen	100%
Independent Director	Chin-Shen Lee	100%
Independent Director	Tien-Chang Huang	100%
Independent Director	Hsiu-Hui Huang	100%
Independent Director	Yao-Jen Chang	100%

The 12th board of directors held a total of 6 meetings in 2021, and the board members and attendance status were as follows:

Title	Name	Meeting attendance rate in 2021
Chairman	Ta-Yu Cheng	100%
Director	Pei-Chun Ma	100%
Director	Chiung-Ling Chen	100%
Director	Sung-Po Tsai	100%
Director	Ming-Wang Yang	100%
Director	Chin-Te Chang	100%
Director	Chin-Shen Lee	100%
Director	Chuang-Yuan Lee	75%
Independent Director	Tien-Chang Huang	100%
Independent Director	Hsiu-Hui Huang	100%
Independent Director	Yao-Jen Chang	100%

The average age of directors is 64 years old and the distribution is as follows:

Age range	Number of people
40–49 years old	2
50–59 years old	2
60–69 years old	2
70–79 years old	5

Director Liability Insurance

Considering the importance of directors, supervisors, and key staff in exercising rights and fulfilling obligations, liability insurance is purchased and renewed for all directors and supervisors in order to improve the corporate governance mechanism and effectively reduce the legal and financial risks borne by directors, supervisors, and the Company. The insured amount, coverage, and premium rates for the Company's directors and supervisors' liability insurance are reviewed and approved by the board of directors every year.

Board of Directors Performance Evaluation

The Company has established the "Regulations Governing Performance Assessment for the Board" according to the Company's "Corporate Governance Best Practice Principles" to implement corporate governance, enhance the functions of the board of directors of the Company, and establish performance targets to enhance the board of directors' efficiency. At the end of each year, the members of the board of directors and the board of directors' deliberation unit shall perform internal board performance assessment assignments.

The assessment indicators for the Company's performance evaluation of the board of directors include the following 5 aspects:

- I. Degree of participation in the Company's operations.
- II. Improvement of the quality of the board of directors' decision-making.
- III. Composition and structure of the board of directors.
- IV. Selection and continuing education of directors.
- V. Internal control.

The directors' self-performance assessment items include the following 6 aspects:

- I. Grasp of the Company's goals and tasks.
- II. Awareness of directors' responsibilities.
- III. Degree of participation in the Company's operations.
- IV. Internal relationship management and communication.
- V. Professional and continuing education of directors.
- VI. Internal control.

The functional committee performance assessment items include the following 5 aspects:

- I. Degree of participation in the Company's operations.
- II. Recognition of the functional committee's responsibilities.
- III. Improvement of the decision-making quality of functional committees.

IV. Functional committee composition and member selection.

V. Internal control.

The scoring standard is based on the results of each measurement item, scored in a weighted manner, and the performance assessment results are divided into 5 grades: excellent, very good, good, acceptable, and must be improved.

Assessment Results:

The Company's 2021 director performance evaluation has been completed, and the evaluation results were submitted to the board of directors on March 17, 2022.

The board of directors' internal performance evaluation results in 2021 showed that each assessment item's average score is 4.8, which is between "4 very good and 5 excellent" and is in line with the standard.

The 2021 "Audit Committee Performance Evaluation Self-Assessment Questionnaire" and "Remuneration Committee Performance Evaluation Self-Assessment Questionnaire" were evaluated by the convener and received the score of "excellent," which is in line with the standard.

Continuing Education of the Directors:

The status of the Company's directors' continuing education has been disclosed on the Market Observation Post System. The Company has attached great importance to corporate ESG sustainability In recent years and has designated 2022 as the first year of Concord ESG. The goal is to actively plan courses related to corporate governance, corporate sustainability, ESG development trends, etc., for directors.

The directors' training status in 2021 is as follows:

Title	Name	Organizing Unit	Course Name	Training Hours for the Year
Director	Ta-Yu Cheng	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	9
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taiwan Securities Association	2021 Corporate Governance – Corporate Sustainability and ESG Development Trends	
Director	Chin-Te Chang	CPA Association Specialized Course	IFRS 15	6
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
Director	Chin-Shen Lee	Taipei Exchange	Decoding the DNA of Sustainability for SMEs	7
		Taipei Exchange	Grasping the Key to the Path of Sustainability for SMEs	
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	

Director	Chiung-Ling Chen	Taipei Exchange	Grasping the Key to the Path of Sustainability for SMEs	11
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taiwan Corporate Governance Association	ESG, Sustainable Governance, and Corporate Compliance Trends	
		Taiwan Corporate Governance Association	Audit Committee Advanced Practice Sharing – How to Implement the Effective Operation and Legal Compliance of the Audit Committee	
Director	Pei-Chun Ma	Taipei Exchange	Decoding the DNA of Sustainability for SMEs	8
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taiwan Securities Association	2021 Corporate Governance – Corporate Sustainability and ESG Development Trends	
Director	Sung-Po Tsai	Taipei Exchange	Decoding the DNA of Sustainability for SMEs	10
		Taipei Exchange	Grasping the Key to the Path of Sustainability for SMEs	
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taiwan Securities Association	2021 Corporate Governance – Corporate Sustainability and ESG Development Trends	
Director	Ming-Wang Yang	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	9
		Futures Association	International Trends and Anti-Money Laundering Practice and Control	
Director	Chuang-Yuan Lee	Taipei Exchange	Decoding the DNA of Sustainability for SMEs	10
		Taipei Exchange	Grasping the Key to the Path of Sustainability for SMEs	
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taipei Exchange	Emerging Stock Market/GTSM Company Internal Personnel Shareholding Promotional Instructions	

Independent Director	Yao-Jen Chang	Taipei Exchange	Decoding the DNA of Sustainability for SMEs	8
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taiwan Securities Association	2021 Corporate Governance – Corporate Sustainability and ESG Development Trends	
Independent Director	Tien-Chang Huang	Taipei Exchange	Decoding the DNA of Sustainability for SMEs	10
		Taipei Exchange	Grasping the Key to the Path of Sustainability for SMEs	
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taiwan Securities Association	2021 Corporate Governance – Corporate Sustainability and ESG Development Trends	
Independent Director	Hsiu-Hui Huang	Independent Director Association Taiwan	Board of Directors' Views on Merger and Acquisition Strategies and Enterprise Transformation Recipes	9
		Independent Director Association Taiwan	How Should Directors Analyze the Integrity of Financial Statements and Pay Close Attention to Enterprise Risk Management	
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	

Succession Planning for Board Members and Key Managers

(l) Succession planning for board members:

The candidate nomination system is adopted for the Company's election of directors and Article 20 of the "Code of Corporate Governance" provides that diversity shall be considered for the board of directors. Directors who also serve as company managers shall not exceed one-third of the number of directors and must abide by the requirements for concurrent positions. The directors must formulate appropriate diversification policies based on their operations, business models, and development needs. These include but are not limited to two major aspects: basic conditions and values [gender, age, nationality, culture, etc.] as well as professional knowledge and skills [professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, industry experience, etc.]. The Company has established the "Board of Directors Performance Assessment Method," conducts the board of directors performance assessment every year to confirm the board of directors' performance effectiveness, and evaluates the directors' performances to provide a reference for the directors' nomination for re-appointment.

The Company currently has 11 directors (including 3 independent directors), and independent directors account for 27% of all directors. They have expertise and backgrounds in finance, accounting, law, and industry. Two independent directors have served for less than 3 years and one independent director has served for 4-6 years, which conforms to the

statutory ratio for independent directors and the restriction on serving for no more than 3 terms. The board of directors members are diverse with different professional experiences or backgrounds (they have extensive expertise in finance, industry, law, accounting, finance, risk management, etc., and working experience in securities, banking, and other industries), and have the necessary skills to perform their duties. In the future, the Company will continue to strengthen the diversity of the board of directors' structure.

The Company regularly offers various special lectures, seminars, symposiums, or refresher courses to directors covering corporate governance topics related to finance, risk management, business, legal affairs, accounting, or internal control systems. At least 6 hours of refresher courses are arranged annually to enhance the board members' professional knowledge and acquire new knowledge.

Regarding the succession planning for the board of directors, the Company has maintained long-term contacts with domestic colleges and universities such as National Chengchi University, National Yang Ming Chiao Tung University, National Cheng Kung University, National Taipei University, and Ming Chuan University to introduce suitable directors and independent directors. Meanwhile, the Company also seeks professional talent externally in preparation for director succession planning. According to law, independent directors must have work experience in business, legal affairs, finance, accounting, or corporate business. The Company references the "Independent Director Talent Database" provided by the Securities & Futures Institute to search for candidates who can serve as independent directors of the Company.

(II) Succession planning for key managers:

The Company's vision is to become a long-term growth partner for clients. "Talent" is the most critical asset of the company. The main management leadership must have teamwork, ambition, professionalism, enthusiasm, the pursuit of excellence, and the ability to grasp future trends. To cultivate the company's succession and reserve various management level talents, we pass on the business beliefs and conduct regular e-learning courses for legal compliance, integrity management, information security, financial consumer protection, etc., so supervisors can learn and grow at all times.

We also organize various executive training programs for different levels, such as courses or seminars on corporate governance, financial product planning and marketing, legal compliance, anti-money laundering and countering the financing of terrorism, data analysis, FinTech application, and regulatory sandbox so that management can grasp the development trend of the financial market. The Company has also established a key talent training system for the important positions of each department and combined Company development with the career development of various management levels. In addition to designing training plans according to duties, we also provide "job experience training" via position substitution, important meeting participation, project promotion, or work rotation to pass on practical experience. The goal is to train talent promptly through the comprehensive succession training system to ensure smooth operations.

Professionalism is a critical weapon in the financial industry, and the Company has listed "professional learning" as the key annual performance evaluation indicator. In addition to the internal and external education and training, the Company has also established "Employee On-the-job Learning Degree Management Key Points" to encourage supervisors or colleagues to actively obtain higher education. The goal is to combine theory with practice and inspire colleagues to develop the habit of self-enrichment and self-learning so that they may adapt to the Company's future development trends and lay the foundation for the capabilities required at each position.

Remuneration Policy

The Company's remuneration policies and standards shall be implemented according to the Company's Articles of Incorporation, the relevant remuneration provisions, and the various personnel provisions.

Article 21 of the Company's Articles of Incorporation:

The remuneration of all directors shall be determined according to their participation and contribution to Company operations, and the board of directors shall be authorized to set such remuneration according to the standards of the industry.

Article 25 of the Company's Articles of Incorporation:

If the Company makes profit in the year, it shall allocate 1% to 2% as employee remuneration, and the board of directors shall pass a resolution on whether the allocation distribution should be made in stocks or cash. The subject of distribution must be Company employees meeting certain conditions. The board of directors may pass a resolution to allocate no more than 5% of the aforesaid profit as remuneration for the directors and supervisors. Proposals for the distribution of employee and director remuneration shall be submitted to the shareholders' meeting.

However, priority shall be given to reserving funds to cover accumulated losses and then allocate employee and director remuneration according to the preceding ratios.

Unless otherwise stipulated by laws and regulations or the Articles of Incorporation, the remuneration of the Company's directors shall be handled according to the Company's director remuneration guidelines.

The remuneration standards for the Company's president and senior vice president are as follows:

- I. Salary: Determined according to personal educational background, market or peer salary level and the Company's salary standard. Work performance and contributions are regularly reviewed, and salaries are adjusted according to the peer industry salary level.
- II. Performance bonus: To improve the Company's profits, the Company has formulated the annual bonus allocation criteria and various bonus methods according to the yearly operating performance and individual assessment results and contributions, to let employees participate in various bonus distributions and share in the Company's operating results.
- III. Employee remuneration: Employee remuneration is distributed according to the Company's employee remuneration distribution method and with reference to the time invested in each position, the responsibilities undertaken, the performance contribution from the position, and the performance achievement.

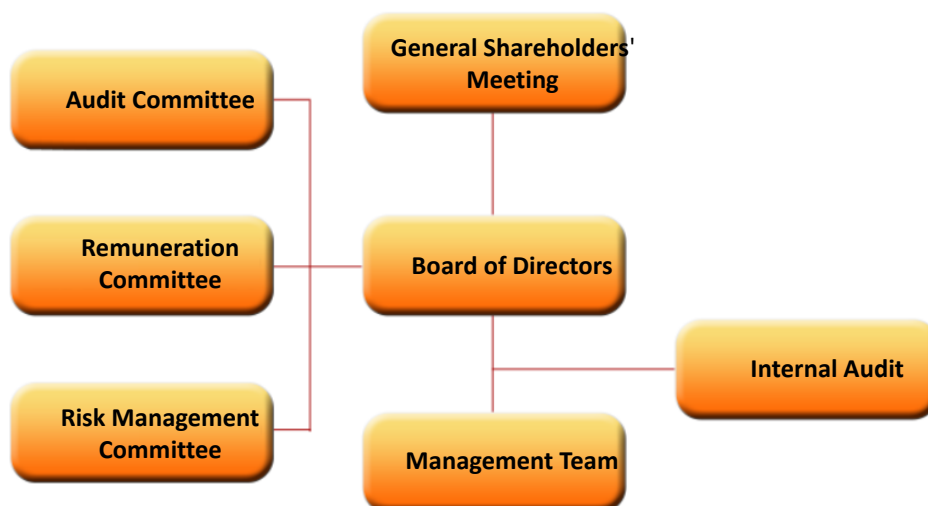
Correlation between operating performance and future risks:

The Company has established a Remuneration Committee according to the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" to improve the remuneration system for the Company's directors and managers. The Remuneration Committee members shall evaluate the remuneration policy and system for the Company's directors and managers professionally and objectively and make recommendations to the board of directors for reference.

According to its powers, the Remuneration Committee shall formulate and regularly review the annual and long-term performance goals and remuneration policies, systems, standards, and structures for the Company's directors and managers. The goal is to regularly evaluate the performance objectives achieved by the Company's directors and managers; reference the industry's payment standards, job performance, internal salary and remuneration levels, achievement of the Company's short-and long-term business goals, and the Company's financial status to assess the reasonableness of the association between individual performance and the Company's operating performance and future risks

Functional Committees

The Company has established three functional committees under the board of directors: the Audit Committee, the Remuneration Committee, and the Risk Management Committee. These committees are composed of or participated in by independent directors to effectively exert an independent supervision mechanism of checks and balances and actively exert the functions of the board of directors.



Audit Committee

The Company established an Audit Committee in June 2015, which consists of all independent directors. Its goal is to improve the supervisory responsibility and strengthen the management mechanism of the board of directors. The functions and powers of this committee have been disclosed on the Company's official website.

Operation status of the Audit Committee:

The members of the 2nd Audit Committee are as follows:

Convened 4 times in 2021.

Title	Name	Meeting attendance rate in 2021
Independent Director	Yao-Jen Chang (Convener)	100%
Independent Director	Chin-Shen Lee	100%
Independent Director	Tien-Chang Huang	100%
Independent Director	Hsiu-Hui Huang	100%

The members of the 3rd Audit Committee are as follows:

Convened 5 times in 2021.

Title	Name	Meeting attendance rate in 2021
Independent Director	Tien-Chang Huang (Convener) (reelected on 2021/07/12)	100%
Independent Director	Yao-Jen Chang (reelected on	100%

	2021/07/12)	
Independent Director	Hsiu-Hui Huang (reelected on 2021/07/12)	100%

Convened 9 meetings in 2021.

Remuneration Committee

The Company established a Remuneration Committee in August 2011. The Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below and submit its recommendations for deliberation by the board of directors.

- I. Regularly review the Sustainable Development Committee Organizational Charter and propose recommendations for amendments.
- II. Formulate and regularly review the policies, systems, standards, and structure for the performance evaluation as well as the remuneration of the directors and managers.
- III. Evaluate and determine the remuneration for the directors and managers.

The members of the Remuneration Committee are as follows:

Title	Name
Independent Director	Hsiu-Hui Huang (Convener)
Independent Director	Yao-Jen Chang
Independent Director	Tien-Chang Huang

Operation status:

Held 8 meetings in 2021.

Held 3 meetings as of March 2022.

Risk Management Committee

The Company established a Risk Management Committee in April 2003 to comply with the risk management policies of the competent authority and the board of directors; fully grasp the Company's short-, medium-, and long-term business risks and supervise their implementation; and strengthen its operating performance and competitive advantage.

The duties and authorities of this committee are as follows:

- I. Formulate risk management policies and structures, and delegate powers and responsibilities to relevant units.
- II. Risks assessment standards.
- III. Manage the overall risk limit of the Company and the risk limit of each unit.
- IV. Formulate the list of commodity types for each business department and allocate new business items.
- V. Set the upper cap of the undertaking amount, loss amount, and risk-related values for the product types of each business department.
- VI. Review underwriting cases where the amounts undertaken by the underwriting business unit have exceeded the authority of the Underwriting Review Committee.
- VII. Review the margin purchase and short sale system and quota.
- VIII. Review the various product operating standards revised by the risk management unit based on the suggestions

from business units, audit units, and related units.

IX. Review the risk management matters proposed by each department and other matters related to the risk management planning and management review and improvement.

X. Matters that should be reported to the committee for review according to other regulations.

The members of the Risk Management Committee are as follows:

Title	Name
Independent Director	Yao-Jen Chang (Convener)
Independent Director	Hsiu-Hui Huang
Independent Director	Tien-Chang Huang
Director	Chin-Shen Lee
Chairman	Ta-Yu Cheng

Risk Management Committee operation status:

Convened 6 meetings in 2020.

Convened 6 meetings in 2021.

1.4 Risk Management

Risk Management Guidelines

The Company's risk management policy complies with the Company's operating policy to prevent any possible losses within the acceptable risk exposure range, increase shareholders' wealth under the premise of balancing risks and rewards, and achieve the capital allocation optimization principle.

The risk management policy is the highest risk management guideline for the Company. The scope of application covers the Company (including international securities business branches) and its subsidiaries (and sub-subsidiaries). All risk management provisions shall be stipulated in this policy.

Policy/Objectives

Risk Management Objectives

- I. Improve the Company's reputation
- II. Establish a risk culture
- III. Optimize capital utilization
- IV. Provide strategic management suggestions

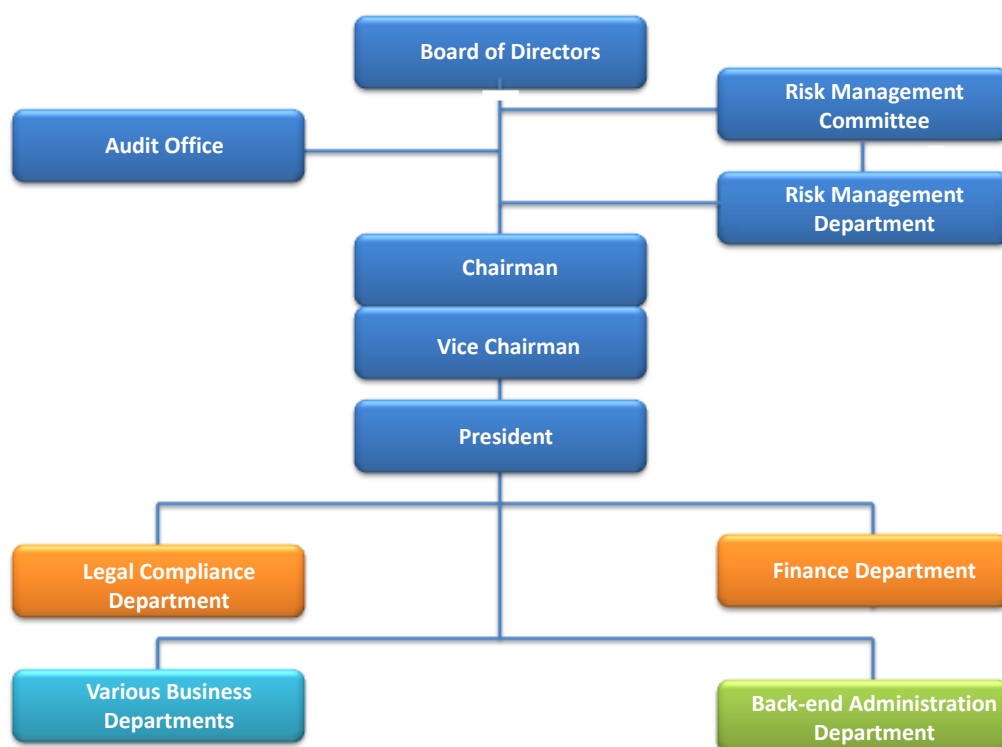
Main Risk Management Operations

- I. Open, fair, and transparent information disclosure
- II. Verify the reasonableness of risk relative to profit
- III. Good asset quality
- IV. Early risk warning and risk avoidance

Risk Management Organizational Structure and Execution

- **Board of directors:** The board of directors is the Company's highest risk management unit. It aims to comply with laws and regulations, promote and implement the Company's overall risk management, clearly understand the risks faced by securities firms' operations, ensure risk management effectiveness, and take the ultimate responsibility for risk management.
- **Risk Management Committee:** This committee is subordinate to the board of directors and is composed of board members. Its function is to assist the board of directors in planning and supervising the relevant risk management matters.
- **Risk Management Office:** The Company's Risk Management Office is an independent department under the board of directors. It is mainly responsible for the risk monitoring, assessment, and evaluation of the Company and its executive-level affairs, and verifying whether the risks undertaken by the business units are within the scope of the Company and each authorized limit. The appointment and dismissal of the head of the risk management execution unit must be approved by the board of directors, which is responsible for measuring, monitoring, and evaluating the daily risk status of the securities firm.
- **Finance Department:** The Company's Finance Department is independent of the capital dispatching unit of each business department. It is responsible for monitoring each business unit's capital usage and formulating emergency response procedures for capital management when sudden market conditions generate capital needs.
- **Audit Office:** The Company's Audit Office is an independent department subordinate to the board of directors. It is responsible for the planning and execution of audit operations, the audit of the Company and its subsidiaries' finances, business operations, internal control, and compliance with laws and regulations to ensure the Company practices effective operational risk management.
- **Legal Compliance Department:** The Legal Compliance Department is responsible for the legal compliance review of the Company's legal affairs and transaction contract documents. To help control these legal risks, the Legal Compliance Department shall check the internal regulations at all times so the Company can respond in a timely manner to the impacts that the competent authority's regulation changes have on the Company's businesses and prepare a comprehensive review process to ensure the continuity and legality of all Company transactions.
- **Various business units:** The heads of business units are responsible for the first-line risk management, analyzing and monitoring the relevant risks within the subordinate units, and ensuring that risk control mechanisms and procedures are effectively implemented.

Risk Management Organization Chart



Risk Management Mechanism

- **Market risks:** To prevent risks caused by market price changes, the Risk Management Office shall establish a control system and mechanism to measure and verify that the market risks are within limits every day. The market risk measurement methods include the notional principal, fair market value, price sensitivity, and VaR risk value. The Company sets the risk limit and stop-loss limit for positions based on the different product characteristics to control market risks effectively.
- **Credit risk:** Credit limits are set and managed at different levels to ensure credit risk management integrity for counterparties with different credit levels. The hierarchical management system assigns different transaction quotas based on the counterparty's credit rating and the issuer, which shall be regularly reviewed to manage credit risks.
- **Liquidity risk:** The Company's liquidity risk can be divided into market liquidity risk and capital liquidity risk. The Company has established liquidity risk management methods in each business unit's financial product management standards to reduce market liquidity risks. The Company has an independent funding unit designed to reduce capital liquidity risks. This unit comprehensively considers the net cash flow and the schedules of each department's capital needs for capital management and formulates capital liquidity risk management measures.
- **Operational risks:** Each unit has established product standards or operation manuals for each business to standardize transactions and operating procedures for the front-, middle-, and back-offices to reduce operational risks that may arise during transactions and operations. The Audit Office is responsible for financial audit, business operation, internal control, and legal compliance to ensure that the Company has implemented effective operational risk management. The Company has also established guidelines for reporting operational risk incidents. All direct or indirect losses caused by internal processes, personnel, systems, or external events must be reported. The goal is to assess the effectiveness of existing control measures and propose improvement measures to reduce the possibility of the recurrence of operational risks.
- **Legal risks:** Before the Company signs contracts with counterparties or issues other legal documents, they must be reviewed and signed off by legal personnel or external legal consultants designated by legal affairs to ensure the validity

and enforceability of the transactions or legal procedures.

■ **Model risks:** The Company has established a model risk management mechanism to maintain model operations, manage financial product risks, and reduce the model risks of adopting inappropriate models, parameters, or evaluation assumptions. It provides standard procedures for model development, verification, storage, and modification to ensure model rationality and correctness.

Evaluation honors:

◆ **The risk management assessments from 2013–2021 have been ranked level 2 (good grade) for 9 consecutive years.**

Operational Crisis Management Mechanism

The Company has formulated the "Management Crisis Response Measures" to prevent events that could affect the Company's finances and businesses or have a significant impact on shareholders' rights and securities prices and cause the Company to suffer huge defaults or financial difficulties, become unable to deliver its obligations, and lead to out-of-order delivery in the securities market and damage the stability of the securities market.

In case of a Company crisis, the Company's chairman shall serve as the convener, the president shall serve as the deputy convener, and the relevant personnel shall be convened for the "Business Crisis Response Team" to grasp the status of the crisis within the shortest time. The goal is to formulate countermeasures and hold extempore board of directors meetings depending on the severity of the crisis to explain the cause, response measures, and handling status of the case to all directors and discuss emergency countermeasures.

Business Crisis Response Team

Members	Duties
Convener	The chairman of the board shall serve as the convener to manage the overall businesses of the team and convene the team members to discuss emergency response measures.
Deputy Convener	The president shall serve as the deputy convener to assist with the overall businesses of the team and coordinate its operations.
Funding Team	Led by the head of the Finance Department and responsible for developing various plans for fundraising to ensure smooth financial scheduling.
Risk Control Team	Led by the head of the Risk Management Office and responsible for judging the risks to the Company when a business crisis occurs and compiling the Company's overall risk information to grasp the asset-liability gap status.
Business Team	Led by the business unit and responsible for handling huge client default or bond transaction cancellation-related matters.
Public Relations Team	Led by the external spokesperson and responsible for coordinating the external speech channels, maintaining smooth communication channels, and maintaining good relations with the competent authorities, news media, investors, etc.
Logistics Team	Responsible for the administrative reporting operations, information, water and electricity, venues, equipment, personnel scheduling, and other related logistical supply operations required by the teams.

Implement integrity management and establish a risk assessment mechanism:

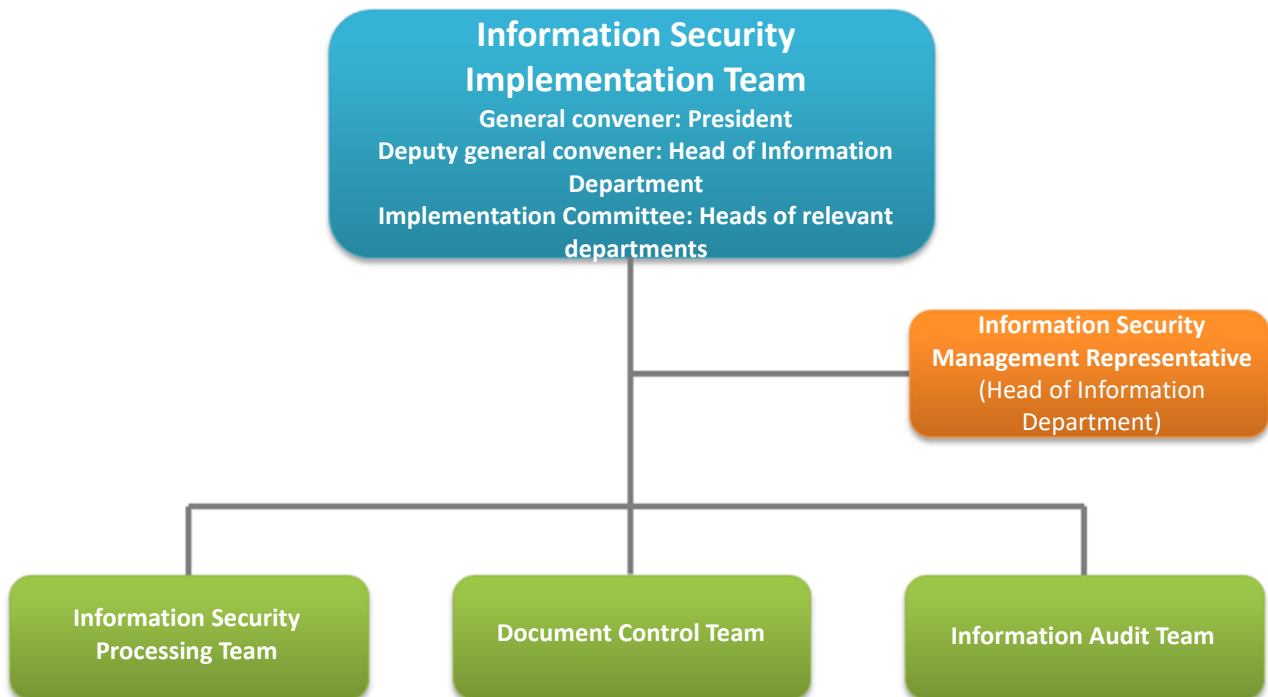
The Company has established the "Guidelines for Reporting Operational Risk Incidents." If dishonest employee behavior is found (such as public fund embezzlement, false accounts/fake transactions, bribes/kickbacks, or insider transactions not in company accounts), the Risk Management Office and the president shall be notified, and the relevant operating procedures and personnel management shall be reviewed, and an improvement plan shall be developed to strengthen the prevention of such dishonest behavior.

1.5 Information Security

Information Security Policy

The Company has formulated an "Information Security Policy," "Information Security Organization Operation Method," "Information Security Implementation Operation Method," "Business Continuity Management Operation Method," and established an information security management system to ensure data, system, equipment, and network communication security and effectively reduce the risks of information assets being stolen, improperly used, leaked, tampered with, or damaged due to human negligence, intentional acts, or natural disasters. The Company also established a dedicated information security unit in April 2018 to implement information security management and policies

[Information Security Implementation Team Organization Chart]



The main responsibilities are as follows:

- I. Review the information security management system targets and implementation scope.
- II. Review the information security management implementation operations and the effectiveness of improvement.
- III. Review information security-related policies and regulations, and coordinate the resource allocation.
- IV. Supervise business continuity drill implementations.
- V. Review the resources required to implement corrective and preventive measures, including manpower, time, and money.

- VI. Review the effectiveness of corrective and preventive measures.
- VII. A management review meeting shall be held at least once a year, and ad hoc meetings may be held when necessary.

Operation Mechanism

- I. The Information Security Processing Team personnel shall execute the publicity and information security management collaboration-related procedures to promote the implementation of the information security management system.
- II. Information security consultants shall be consulted when necessary to resolve various information security problems and enable information security management to achieve the highest efficiency and best effect.
- III. To take prompt action when an information security incident occurs, the Information Security Processing Team shall get in touch with law enforcement agencies, competent authorities, information service providers, communication manufacturers, and information security consultants to protect the rights and interests of the Company.
- IV. A management review mechanism shall be implemented to ensure the Company's corrective measures operate effectively, and a management review meeting shall be held at least once a year to discuss the following topics:
 - (I) Proposal processing status from past management reviews.
 - (II) Changes to internal and external information security management system-related issues.
 - (III) Information security performance feedback, including the following trends.
 - 1. Nonconforming items and corrective actions.
 - 2. Monitoring and measurement results.
 - 3. Audit results.
 - 4. Information security objective achievements.
 - (IV) Feedback from followers.
 - (V) Risk assessment results and risk treatment plan status.
 - (VI) Opportunity for continuous improvement.
- V. The management review results must be recorded, and administrative procedure reports and lists must be controlled according to internal documents and records. The record content should contain at least the following items:
 - (I) Decisions about opportunities for continuous improvement.
 - (II) The necessity for information security management system changes.

Information Security Management System Framework

The Company's ISO 27001 Information Security Management System implementation is mainly divided into 4 phases, and most are in line with the continuous control assessment. The implementation units are described as follows:

Phase	Operation Steps	Execution Unit
P	Information Security Policy	Information Security Implementation Team
	Information Security Organization	Information Security Implementation Team
	Document Control	Information Security Processing Team
	Panoramic Risk Assessment	All Colleagues in the Company's Information Department
	Define Information Security Management System Objectives and Assess Effectiveness	Validation Implementation Scope Units
	Risk Assessment	Validation Implementation Scope Units

	Continuous Business Management	Validation Implementation Scope Units
	Develop and Review the Scope and Applicability of the Information Security Management System	Information Security Implementation Team
D	Implement Information Security	Information Security Implementation Team, Information Security Processing Team
	Human Resource Security	Information Security Processing Team, Human Resources Department
	Asset Management	Information Security Processing Team
	Access Control	Information Security Processing Team
	Passwords	Information Security Processing Team
	Physical and Environmental Security	Information Security Processing Team
	Operation Management	Information Security Processing Team
	Communication Management	Information Security Processing Team
	System Acquisition, Development, and Maintenance	Information Security Processing Team
	Supplier Relationships	Information Security Processing Team
	Information Security Incident Management	Information Security Processing Team
	Information Security Aspects of Business Continuity Management	Information Security Processing Team
	Conformity	Information Security Processing Team
C	Internal Audit	Information Security Implementation Team, Information Audit Team
A	Correction and Improvement	Information Security Implementation Team, Information Security Processing Team

Information Security Mechanism

In addition to the "Establishing Information Security Inspection Mechanisms for Securities Firms" promulgated by the Taiwan Stock Exchange, the Company's information security management has also introduced ISO 27001 Information Security Management System verification since July 2011 as the basis for executing information security work plans.

Since the introduction, the following information security improvement operations have been completed:

In terms of systems, various information security protection mechanisms are added, and regular drills are conducted for core key systems each year to establish a test environment. We have also set up remote transaction system backup, electronic file platform authority management, etc.

In terms of software and hardware, we regularly inspect and eliminate outdated hardware equipment and operating system software to reduce various service and systemic risks.

The auditors conducted information security operation audits and information security policy reviews on a regular or irregular basis every year.

The audit items are as follows:

Item	Content
1	The Company shall use technologies to establish control operations and support target achievements
2	The Company shall collect, generate, and use relevant and quality information from both internal and external sources to support the continuous operation of the internal control system.
3	Conduct regular information security risk assessments on company-wide information assets and various operations, and keep records
4	Information security policies should be assessed regularly, and the relevant records should be retained
5	Designate a dedicated person or a special unit to plan and implement information security operations
6	Conduct regular information security publicity seminars for all Company employees, and keep records
7	Physical and environmental security
8	Communication and operations management – network security management
9	Communication and operational management - computer system and operational safety management
10	Access control
11	System development and program modification control
12	Business continuity management
13	Legal and regulatory compliance
14	Emerging technology applications
15	Personal data protection operations
16	Competent authority, surrounding unit, and CPA inspection improvement requirements
17	Internal audit improvements

Information Security Detection

The Company established a dedicated information security unit in April 2018 to improve information security management and supervise and assist branches and subsidiaries in promoting information security management.

Regularly promote computer security and system updates every quarter to reduce ransomware infection risks. Conduct irregular social engineering drills to improve colleagues' identification and vigilance against phishing websites.

Execute various information security inspections every year to improve and strengthen the current information system's different security protection capabilities.

Hold regular Group personnel information security seminars every year to improve employees' information security awareness and reduce hacker penetration risks.

Conduct regular "Decentralized Obstruction Attack" and "Securities and Futures Market Information Security Notification System" drills every year to improve and strengthen the overall information security incident response capabilities.

According to the internal assessment, the period from January 1, 2018, to December 31, 2021, complies with the laws and regulations of the competent authority.

Information Security Incident

Concord has established information security notification and handling procedures regarding information security incident notification and handling. The information unit notification window records information security incidents and sets the incident levels. Major information security incidents are reported to the "Business Crisis Response Team" to grasp the status of the crisis within the shortest time, formulate countermeasures, and hold extempore board of directors meetings

depending on the severity of the crisis to explain the cause, response measures, and handling status of the case to all directors and discuss emergency countermeasures.

A – Information Security Incidents	2020	2021
Total Information Security Points	0	0
Loss of Client Information due to Information Security Incidents	0	0
Number of Clients Affected by Information Security Incidents	0	0
Property Lost due to Information Security Incidents	0	0

B – Number of Data Leakage Incidents	2020	2021
Number of Data Leakage Incidents	0	0
Ratio of Personal Information Related Data Leakage Incidents	0%	0%
Number of Clients Affected by Data Leakage Incidents	0	0

Personal Data Management System Control

Concord Securities is committed to data protection for its clients. To fulfill this personal data protection control responsibility, Concord Securities established the "Personal Data Management System Control Review Committee" in 2015 to ensure the continuous personal data management system operations as well as the applicability, suitability, and validity of personal data.

Concord Securities has announced personal data security-related information in our official website's "Privacy Protection Statement" and "Information Security Explanation" areas. Our goal is to ensure personal information security for clients, continue to improve various operating procedures and measures, and conduct legal compliance self-assessment, internal audits, and regular company-wide education and training to protect the clients' data.

Concord Securities uses client information prudently and will continue to strengthen personnel education and training to improve the quality of our services. The Company's independent audit department conducted audits in 2021 to review the personal data retention status, and no client data usage defects were found in to the audit.

"Privacy Protection Statement" area <https://www.concords.com.tw/about/privacy.htm>

"Information Security Explanation" area <https://stock.concords.com.tw/security.htm>

Personal Data Utilization Defect History Statistical Table		
Item/Year	2020	2021
Number of Personal Data Utilization Defect Cases	0	0

2021 data security-related course promotion results:

Course Name	Teaching Method	Total Hours	Number of Participants
Information Security Education and Training	Online course	4 hours	43
Introduction to Network and Data Security	Online course	1.5 hours	644

Management – How to Develop Good Habits			
Information Security Specification and Data Management Method	Online course	1.5 hours	635

Personal Information Protection Management

The financial industry has a high degree of information technology use. The digital transformation of the financial industry's operating model has been accelerated in recent years due to the development of big data, artificial intelligence, and the COVID-19 outbreak. The diversification and facilitation of services and products also bring transaction information risks. Therefore, how to improve information security protection has become a crucial priority for financial system development in the future.

The Company's chief information officer and information department supervise, integrate, and promote various information development and information security management items to utilize information resources and strengthen information security protection effectively.

1. Information security protection aspect: Cyberattack threats have increasingly intensified. To ensure the various information systems have certain security and protection capabilities, the Company's information protection facilities are strengthened at various levels such as network, computer room, firewall, server, and email to enhance system security protection. Social engineering drills, system vulnerability scanning and repair, and computer virus protection are strengthened internally to further enhance awareness of personnel information security and equipment protection.
2. In terms of information risk control, the Company implements the following management measures to respond to various information security threats (such as DDoS attacks, ransomware, personal data leakage, and natural disasters) and reduce the impact on the Company's operations:
 - Establish an information security implementation team and formulate the "Information Security Policy," "Information Security Organization Procedures," "Information Security Implementation Procedures," "Business Continuity Management Procedures," etc., as part of the Company's information security management system.
 - Establish a dedicated information security unit to implement information security management and policy implementation.
 - Cooperate with telecom operators to add the DDoS protection mechanisms.
 - Implement regular annual social engineering drills, vulnerability scans, and patches.
 - Include personal data construction encryption and protection mechanisms.
 - Proper data transmission, management, and destruction handling.
 - Establish an important data backup mechanism and conduct regular drills.

Security Certificate

Concord Securities is committed to the spirit of information security management by providing comprehensive data protection for clients. The Company has established relevant data security management systems for the electronic trading platform data security to ensure that the entire information operation process complies with the regulations of the competent authority. The Company has introduced and continued to pass the "ISO 27001 Information Security Management System" verification each year since 2010. The goal is to provide investors with a more stable and secure electronic trading system environment to safely conduct transactions on Concord Securities' electronic trading platform.

Electronic Transaction Security

The Company is committed to promoting electronic transactions, and the proportion of electronic transactions for the Company has grown each year. The Company uses Taiwan-CA Inc.'s CA certification for order verification. In addition to checking account numbers and passwords, the system also uses certificates issued by an impartial third party as the second checkpoint and internationally recognized SSL technology for transmission encryption when clients conduct online transactions to increase the security level of online transactions. Electronic transaction password security:

- Initial passwords must be updated by clients before continuing to operate the trading account.
- Passwords will be locked after three incorrect entries.
- Certificate passwords have a one-month validity period from the date of generation and will automatically be invalidated upon expiration.

Special performance:

- ◆ Introduced the "ISO 27001 Data Security Management System" in 2010 and continued to pass the verification every year.
- ◆ In 2021, the Company did not have any information security incidents that had a material adverse impact on the Company.
- ◆ No penalties were imposed by the competent authority in 2021 for to personal information incidents.

1.6 Legal compliance

Legal Compliance Operation Status

The Company's Legal Compliance Department handles legal compliance-related matters such as compliance with domestic laws and regulations to formulate, update, and review various internal provisions. It is also in charge of providing legal compliance advice when handling new business and new services, supervising all units to regularly conduct self-assessment of legal compliance risks, ensuring all operations and transactions comply with laws and regulations, strengthening legal compliance awareness of each unit, and establishing a corporate legal compliance culture. To inspire the management personnel of various departments to pay close attention to the concept of the rule of law and actively conform to legal compliance-related matters, the Company has added legal compliance evaluation opinions into the annual personal performance appraisal as part of the annual performance evaluation for each department. The Legal Compliance Department irregularly provides legal information and peer industry incident cases to employees through the internal website or email. The Company also offers different topical courses to colleagues via internal education and training. It provides violation cases, legal updates, and matters needing attention to the department supervisors during the monthly supervisors' meeting.

The Company held 19 legal compliance-related education and training courses in 2021 (including courses related to whistleblowing systems, personal data protection law, insider trading, anti-money laundering, penalty cases, and legal system promotion).

Course Name	Sessions
Education and training on internal control (penalty cases, regulations, and whistleblower system promotion)	4
Education and training on brokerage operations (penalty cases and legal system promotion)	1

Education and training on internal and external defect inspections (penalty cases and legal system promotion)	7
Education and training on anti-money laundering	4
Education and training on the Personal Data Protection Act	1
Education and training on whistleblowing, major information, insider trading, insider equity changes, and litigation reporting	1
Education and training on the Financial Consumer Protection Act and the Equitable and Fair Treatment of Clients	1

1.7 Audit

Audit Operation Status

The Company's Audit Office is subordinate to the board of directors. A chief auditor is responsible for the Company's internal audit operations and is a full-time internal audit supervisor. At present, the Audit Office has several auditors. The chief auditor shall mobilize the auditors of each head office and branch to handle the internal audit work of the Company and each branch depending on the business needs. The goal is to assist the board of directors and managers in checking and reviewing the deficiencies of the internal control system, measure operation effectiveness and efficiency, provide suggestions for improvement promptly to ensure the continuous and effective internal control system implementation, and serve as a basis for reviewing and revising the internal control system.

The appointment of the Company's internal auditors complies with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets." The auditors also continue to study and participate in internal auditing seminars organized by the competent authority to improve their auditing quality and capacity.

The Company's Audit Office delivers the audit report and follow-up report to the independent directors for review before the end of the month following the completion of the audit report according to Article 16 of the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets."

The Company's Audit Office holds regular annual meetings for the directors and internal auditors to report the internal control system defect review and improvement status, key financial inspection points, and penalties imposed by the competent authority to the directors and make records. Regular education and training courses are also held for the auditors of headquarters, branches, and subsidiaries (main course contents include "Securities and Futures Law Amendments and Case Examples" and "Core Knowledge and Skills of Securities Internal Auditors") to improve audit quality, capacity, and practical work implementation.

The Company's Audit Office formulates the audit plans for the following year at the end of each year. It handles the various operation audits for the Company according to the law. The Company's auditors handle the internal audit work, which is divided into two categories: regular and irregular. The auditors carry out regular audits according to the Company's annual audit plan; the auditors conduct irregular audits according to instructions or business needs.

In 2021, the audits conducted by the auditors according to the Company's instructions or business needs were as follows:

Audit Office	Number of Audits
Internal Audits	27 times
Project Audits	18 times
Follow-up Improvement	12 times

Audits (monthly)	
------------------	--

The Company's annual audit plans implemented by auditors in 2021 were as follows:

Audit Office	Grand Total
Daily Audits	244 times
Weekly Audits	52 times
Monthly Audits	12 times
Quarterly Audits	4 times
Semi-annual Audits	2 times
Annual Audits	1 time

Defects and Improvement Status

Penalties and Improvement Measures Ordered by the Competent Authority in 2021

* The following defects have been improved as ordered by the competent authority. The addition (revision) of relevant operating provisions (procedures), legal compliance promotion, and education and training were completed in 2021.

Item	Main Defects	Improvement Status
1	<p>I. Taipei Exchange has audited the Company on July 17, 2020, September 9, 2020, and September 10, 2020, and found the Company violated the following securities management laws and regulations; it issued a warning and imposed a penalty fine of NT\$1.44 million.</p> <p>(I) It was found that the Company's co-location (hereafter "Co-Lo") service was only provided for use by specific people who are highly related to information vendors.</p> <p>(II) There were information security deficiencies such as no substantial control over the Co-Lo trading server, incomplete retention of client entrustment time records, and the system's firewall retention and access control settings were too relaxed.</p> <p>(Letter Jin-Guan-Zheng-Shen-Zi No. 1100360648 dated March 4, 2021)</p>	<ol style="list-style-type: none"> The Company has currently temporarily halted the Co-Lo service operations. If it resumes operation in the future, the operations will be handled according to the "Server Co-location Service Application Guidelines." The relevant visitor records will be kept each quarter for clients who meet the application qualifications. In the future, the Company will also carefully evaluate the suitability of the clients who apply to use the Co-Lo service. Reviewed the Company's current DMA operations, and the client entrustment records are kept for 5 years according to regulations. Reinspected all important trading servers (DMA, electronic trading systems, etc.), and the relevant log records have been set up and enabled. Reinspected all important trading servers in the domain (DMA, electronic trading systems, etc.), and complied with the requirement to change passwords once every 3 months. Inspected the current DMA operations, and the manufacturer has been required to provide the program source code security declaration. Reinspected the firewall (OA, electronic transactions, B2B, etc.), and all access records

		<p>have been enabled.</p> <p>7. Important transaction-related servers have been included in the vulnerability scanning and patching operations.</p>
2	<p>Taiwan Stock Exchange Corporation and Taipei Exchange deployed staff to audit the Company on December 30 and 31, 2020, and found the Company had violated the following securities management laws and regulations; it imposed a penalty fine of NT\$240 thousand and issued a correction order to require the Company to entrust a non-certified public accountant to issue a project review report.</p> <p>(I) After the Company's reinvestment subsidiary Concord Asset Management Services Corp. (hereafter "Concord Asset Management") participated in the establishment and capital increase of Huahe Assets Co., Ltd. (originally named Kangzheng Assets Management Co., Ltd. and renamed Huahe Assets Co., Ltd. in 2013; hereafter "Huahe Co.") in 2003 and 2004, Concord Asset Management's profits and losses between 2003 and 2019 were primarily based on recognizing Huahe Co.'s investment profits and losses, and Huahe Co.'s main business items were real estate development and sales. This violated the business scope requirement stipulated by letter (2002) Tai-Cai-Zheng-(II) No. 001501 issued by the former Securities and Futures Commission of the Ministry of Finance on March 7, 2002, when it approved the Company's application to reinvest in Concord Asset Management. It also exceeded the business scope of domestic reinvestments for securities firms according to decree Jin-Guan-Zheng-Quan-Zi No. 1070320901 promulgated by the Financial Supervisory Commission on June 1, 2018.</p> <p>(II) The Company's 2003 financial report did not disclose the reinvestment of Huahe Co. Its financial reports from 2004 to 2010 did not</p>	<p>1. Subsidiary Concord Asset Management has submitted monthly operation reports, cash flow statements, and capital loan information to the Company since March 2021 and indicated that it had not conducted any capital loans and endorsements or guarantees.</p> <p>2. The Company has never loaned funds to others, so it has not formulated procedures for loaning funds to others. The Company has required its subsidiaries to comply with the Company's relevant regulations. Therefore, subsidiary Concord Asset Management may no longer engage in loaning funds to others, and a procedures for loaning funds to others shall not be drafted for the time being.</p> <p>3. The Company has assisted its subsidiary Concord Asset Management in establishing the necessary internal control system and related measures before June 30, 2021.</p> <p>4. Subsidiary Concord Asset Management has deployed its dedicated personnel to complete the financial business implementations and improve the financial operation independence division status with Huahe Co.</p> <p>5. The Company's internal audit has supervised its subsidiaries to implement internal audits according to the Internal Audit Implementation Rules AM-19100.</p> <p>6. For inspections of the subsidiary's equity transaction counterparties and related party engagement, we have strengthened the identification of the related party list generated from the "Related Party List Data File" in the Company's system and attached the "Related Party Identification Checklist" for reference.</p> <p>7. The defects listed on the left have all been improved, but the project audit report by a</p>

	<p>disclose the main business items of the reinvested Huahe Co. in detail. Its 2004 financial report did not reveal that Concord Asset Management had loaned cash to Huahe Co. in 2004 in the report's related party transactions and fund loans sections.</p> <p>(III) Upon investigation, the Company was found to have failed to implement the below supervision and management for its subsidiary Concord Asset Management:</p> <ol style="list-style-type: none"> 1. Failure to obtain the operation reports, monthly cash flow statements, monthly funds loaned to others, and endorsement guarantee statements from its subsidiary Concord Asset Management. 2. Concord Asset Management had already loaned funds to others. The Company did not prompt Concord Asset Management to formulate procedures for loaning funds to others, retain documents, or conduct other necessary internal control systems. 3. Concord Asset Management and Huahe Co.'s finances could not be separated independently. 4. The internal auditors handling the internal auditing operations for subsidiaries neither discovered the defect immediately nor guided the subsidiaries to establish internal control systems. <p>(Letter Jin-Guan-Zheng-Quan-Fa-Zi No. 1100363949 dated October 6, 2021) (Letter Jin-Guan-Zheng-Quan-Zi No. 11003639491 dated October 6, 2021) (Letter Zheng-Qi-(Quan)-Zi No. 11003639492 dated October 6, 2021)</p>	<p>non-certified public accountant is expected to be completed during the 2nd quarter of 2022.</p>
3	<p>The Company's fair hospitality implementation status has the following defects. Please pay attention and improve the matter.</p> <p>(I) Although the Company has formulated policies, strategies, and relevant detailed specifications under the Equitable and Fair Treatment of Clients principle, most of them were formulated</p>	<ol style="list-style-type: none"> 1. To implement the policy and strategy for the principles of Equitable and Fair Treatment of Clients, the 6th session of the 12th board of directors passed a resolution on December 16, 2021, to amend the Company's Equitable and Fair Treatment of Clients policy and strategy, establish the Equitable and Fair Treatment of

<p>based on laws and regulations, and the board of directors has proposed no relevant actions to optimize the implementation of Equitable and Fair Treatment of Clients principle or specifically enhance the protection of consumer rights and interests. The board of directors should pay more attention to this matter.</p> <p>(II) Although your company's remuneration system for business personnel considers financial products or services performed, the principle of non-financial indicators should be considered comprehensively. However, some departments have established detailed specifications according to the preceding principle but use only performance as the standard for employee bonuses calculation. There is no connection to other non-financial indicators, and the remuneration review does not meet the principle of balanced performance.</p> <p>(III) During the evaluation period, it was verified that the Company's Co-Lo mainframe service was only provided for the use of specific people who are highly related to information vendors. The underwriting department's stock trading strategy was not based on professional judgment, the quotation obligation was not fulfilled, and special supervision and verification procedures were not set for the high-risk clients' loan securities quota. In addition to violating the securities laws and regulations and being subject to penalties from this association, the Taiwan Stock Exchange Corporation, and other relevant units, the Company has also failed to conform to the principle of good faith for treating clients fairly, the principle of due care and fiduciary duty, and the principle of suitability for products or services.</p> <p>(Letter Jin-Guan-Zheng-Quan-Zi No. 1100364737 dated November 2, 2021)</p>	<p>Clients Promotion Committee, and incorporate the organization and responsibilities into the Equitable and Fair Treatment of Clients policy and strategy.</p> <p>2. To link the various bonus calculation standards for colleagues with non-financial indicators, the Company has added or amended the relevant provisions and measures, which were reviewed and approved by the 4th session of the 5th Remuneration Committee meeting on December 15, 2021, and resolved by the 6th session of the 12th board of directors meeting on December 16, 2021.</p>
---	---

1.8 Integrity and Ethics

Concord Securities hopes to develop an honest management corporate culture and construct an honest and ethical enterprise by strengthening the efforts of legal compliance, anti-corruption, anti-money laundering, and other systems. Every employee is expected to uphold the values of integrity, commitment, and innovation as the highest criteria for self-examination. The Company has developed an internal reporting mechanism to prevent corruption further. If any violations of ethics or codes of conduct are found, all employees can report to the relevant units via email, communication mailbox, or written mail delivery. A reporting mailbox has been established on the official website to provide a channel for external complaints and reports.

Corporate Governance Best Practice Principles

The Company's board of directors has approved the formulation of the "Corporate Governance Best Practice Principles," which include: 1. Protecting the rights and interests of shareholders; 2. Strengthening the functions of the board of directors; 3. Exerting the functions of the Audit Committee; 4. Respecting the rights and interests of investors and stakeholders; and 5. Improving information transparency. The goal is to implement corporate governance and a robust operating system.

Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct

This Company engages in commercial activities under the principles of fairness, honesty, faithfulness, and transparency. To fully implement the ethical management policy and prevent unethical conduct, the board of directors approved the amendments to the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" on March 12, 2020. They specifically regulate the matters that Company personnel must conform to during business engagements to establish an honest management corporate culture and improve the Company's development.

To improve integrity management control, the chairman's office shall serve as the special unit responsible for coordinating the integrity management performance by each unit. Each unit shall arrange sufficient resources and qualified personnel to cooperate with each other, implement the integrity management policy and prevention plan for the responsible matters, and a special unit shall report to the board of directors once a year.

Code of Ethical Conduct

The Company's board of directors approved the formulation of the "Code of Ethical Conduct" in 2018 to ensure the actions of the Company's directors and managers conform to the ethical standards and help the stakeholders better understand the Company's ethical standards. The code stipulates regulations regarding conflicts of interest, selfish interests, confidentiality obligations, fair trading, protection and proper use of company assets, legal compliance, etc., for compliance by the Company's directors and managers.

"Insider Trading Prevention Management Method"

The Company holds "Insider Trading Prevention" courses for directors and employees at least once a year, and the human resources department provides pre-employment training to establish a good internal material information processing and disclosure mechanism for the Company, prevent improper information leakage, and ensure the consistency and correctness of the information published by the Company to the public. The relevant education and

training course was provided on October 21, 2021. The course contents included insider trading regulations, constituent elements, penalties, and case descriptions, and the course briefings and audio-visual files were published on the Company's internal enterprise learning network.

Anti-Money Laundering and Countering the Financing of Terrorism

The Company has set up a special Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) unit, which is responsible for coordinating and supervising the Company's AML/CFT operations. In addition to formulating the Company's AML/CFT policies and provisions according to the AML/CFT related laws and regulations as well as the competent authority's requirements, the Company has also established the anti-money laundering system to identify money laundering patterns systemically. The goal is to cooperate with the competent authorities in various AML/CFT policies to curb illegal activities.

Moreover, to shape the Company's AML/CFT corporate culture, the Company provides irregular AML/CFT-related training courses and workshops annually to allow employees to continue to hone their skills through learning and ensure the execution of various operations related to risk control.

AML/CFT education and training courses for 2021 are as follows:

Category	Course Hours	Number of Participants
AML/CFT Internal Training	2,092 hours	1,255 people
AML/CFT External Training	750 hours	130 people

Major Incident Notification and Emergency Response Mechanism

The Company formulated the "Major Incident Notification and Emergency Response Method" in June 2019 to standardize the notification and emergency response system in case of major incidents. The chairman of the Company serves as the convener, and the president serves as the deputy convener and business executive supervisor to handle various major emergencies.

Establishing a "Whistleblowing System"

The Company has established a complete whistleblower protection system to provide a channel for whistleblowers to report any violations of integrity management principles or codes of ethical conduct to promote sound operations. The Company has also established a whistleblower protection system, and the independent Audit Office is designated as the unit responsible for accepting and investigating whistleblower cases. The Company amended its "reporting system" on July 23, 2020, in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets." The goal is to implement the corporate governance mechanism, effectively improve supervision and management efficiency, keep the identity and content of the whistleblower confidential, and pledge to protect the whistleblower from improper retaliation for whistleblowing.

The Company has published the relevant information on its official website and intranet and established a dedicated reporting mailbox (cr@concorde.com.tw) and reporting hotline (02-8787-1888 ext. 690).

The exclusive reporting mailbox referred to in the preceding paragraph is managed by the Audit Office supervisor, and an agent is appointed.

In 2021, the Company accepted 2 external whistleblower cases (transaction price and accounting issues) and 0

employee whistleblower cases. The investigation results were made into investigation reports and submitted to senior managers to report on the handling, follow-up improvement, and countermeasures. The cases did not involve dishonest behavior.

舉報信箱 HOME > ABOUT CONCORDS

親愛的客戶您好：
若您有任何問題，請撥打康和證券服務專線 02-8787-1888分機690，將會有專人為您服務，謝謝！

Investor Relations

康和綜合證券 Last update 12/30/2021 18:23:11

本公司為落實公司治理並提升董事會功能，爰設立舉報信箱，如對本公司或人員涉有不法情事，歡迎檢附具體事證檢舉。本公司對任何投訴案件均予以保密及建檔專案處理，並督促相關部門儘速查明，請透過下列管道投訴：



線上檢舉信箱

Employee Code of Conduct Statement

The Company requires all employees to sign the "Employee Code of Conduct Statement," which stipulates the code of conduct for employees, including morality and ethics, personal behavior and discipline, business conduct, intellectual property rights, Internet use, and email use management. The employees must abide by various laws and regulations when performing business duties.

Communication Channels

The Company has established a communication platform in its website's "Stakeholders" area, which discloses the contact window and communication information. Dedicated personnel is designated to reply, provide convenient communication channels, and appropriately respond to stakeholders' issues of concern.

Investors can also inquire about relevant service matters with the designated front-line colleagues through Concord Securities' official website, client service mailboxes, client service hotlines, or the physical operation bases of each subsidiary.

Full Information Disclosure

The Company upholds full, fair, transparent, and timely information disclosure to ensure information transparency and strengthen information disclosure for the Company's financial businesses. In accordance with the relevant laws and regulations, the Company discloses relevant information using online reporting operation systems for public information. The Company holds annual shareholders' meetings as well as monthly revenue announcements and profit and loss settlement reports to enable investors to grasp the Company's operating status. The Company also discloses material information in Chinese and English on the "Market Observation Post System," and posts relevant information, annual reports, and financial reports on the Company's website to enhance the transparency of information disclosure and enable investors to understand the Company's operating policy.

2. Financial Sustainability



2.1 Sustainable Responsible Investment

Concord Securities has signed the "Stewardship Principles for Institutional Investors Compliance Declaration" in 2018 in response to the international trend of sustainable finance and to fulfill our responsibility for sustainability. As an institutional investor, we understand that our investment decisions have a profound impact on social development, and we also believe that paying attention to due diligence is the key to maintaining investment quality. Therefore, to exert the professionalism and influence as an institutional investor and fulfill the responsibilities as an asset owner, Concord Securities pledges to take the environmental, social, corporate governance, and other sustainable management factors into consideration during the investment process. The goal is to enhance long-term value for the Company, clients, and shareholders while fulfilling the spirit of responsible investment.

Responsible Investment Principle

The Company must follow the following 6 principles when handling investment funds:

- I. Incorporate ESG issues into investment analysis and decision-making processes
- II. Actively exercise ownership and incorporate ESG issues into ownership policies and practices
- III. Require proper ESG disclosure from invested institutions
- IV. Promote the acceptance and implementation of the Principles for Responsible Investment (PRI) by the investment community
- V. Establish a cooperative mechanism to enhance the effectiveness of PRI implementation
- VI. Review and implement PRI activities and progress

Responsible Investment Execution

In light of global climate change, the Company has established the "Responsible Investment Management Method" in 2020 to introduce responsible investment into investment policies. When the Company's dealer and underwriting units make investment decisions, they shall consider and evaluate the investment targets, policies, asset management operations, as well as the environmental, social, and governance (ESG) aspects to develop inclusive and risk-aware sustainable financial guidelines for compliance by the investment units.

Concord Securities' "Responsible Investment Management Method" clearly stipulates that ESG issues must be included in the investment analysis and decision-making process. The investment reference reports must specify whether the invested company is from a controversial or sensitive industry. Professional agency screening indicators such as the

Taiwan Corporate Credit Risk Index (TCRI), Corporate Governance Evaluation System, Bloomberg ESG Evaluation, and those conducive to the development of ESG must be referenced. During ETF constituent stock investments, actively exercise ownership, integrate ESG issues into ownership management, and promote the acceptance and implementation of PRI principles in the securities industry. The investments based on the preceding investment promotion principles shall be made according to practical operation feasibility, and management shall be implemented after the investment. The strategies and action plans are described below:

- I. Incorporate ESG issues into investment analysis and decision-making processes
 - (I) The investment analysis report must state whether the invested enterprise is from a controversial or sensitive industry. Under known circumstances, investment in controversial industries such as pornography or controversial arms and weapons is prohibited. For investments in sensitive industries such as gaming, food safety concerns, hazardous radioactive substances, genetic engineering for non-medical use or harmful for human development, non-adhesive asbestos fibers, and manufacturing of polychlorinated biphenyls, the method of "strengthened explanation" can be adopted to briefly explain the necessity of investing in such industries or enterprises.
 - (II) In the investment decision-making process, refer to the professional institution selection indicators such as TCRI, Corporate Governance Evaluation System, and Bloomberg ESG Evaluation.
 1. Taiwan's corporate credit risk indicators include management-level risk assessments covering ESG factors.
 2. Include the list of listed companies in Taiwan with the top 20% corporate governance evaluation results as investment selection targets.
 3. Screen stocks and bonds issued by companies listed in overseas ESG indicators.
 4. The Bloomberg ESG assessment can be referred to for investment analysis.
 - (III) Invest in indices and ETF constituent stocks that support ESG topic development:

Taiwan ESG indices and related funds include Yuanta Taiwan ESG Sustainability, Fubon Corporate Governance, Cathay Pacific Sustainability & High Dividend.
- II. Actively exercise ownership and integrate ESG issues into ownership management

Regularly disclose the shareholders' meeting voting status every year and pay attention to investee companies' ESG issues.
- III. Check and ensure invested institutions properly disclose ESG information

Check whether the investment target company appropriately discloses or provides ESG-related information. It is advisable to check whether investee companies have issued CSR reports. If not issued, inquire about the CSR schedule and ESG topic-related questions.
- IV. Promote acceptance by the securities industry and implement the PRI principles
 - (I) Sign and issue the "Stewardship Principles for Institutional Investors" compliance statement.
 - (II) Communicate ESG expectations to investee companies, and join forces with the securities industry to pay attention to sustainable management risks and ESG opportunities.
- V. Establish a cooperation mechanism to enhance the PRI implementation performance.
 - (I) Participate in or support responsible investment-related events or forums.
 - (II) Support the PRI implementation initiatives or norms set by the competent authorities or relevant agencies.
- VI. Report the PRI event execution progress.
 - (I) Disclose the responsible investment-related information through due diligence reports issued each year.

(II) Refer to internationally recognized standards or guidelines for external disclosure contents.

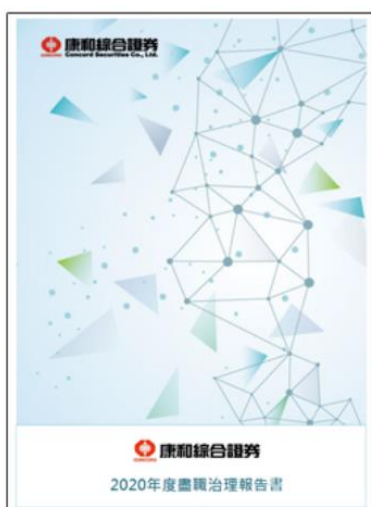
Stewardship for Institutional Investors

As an institutional investor, we can significantly impact the market and investment companies. We look forward to participating in corporate governance by paying attention to the operating conditions of the investee companies, attending shareholders' meetings to exercise voting rights, and conducting continuous and appropriate dialogues and interactions with the management units of the investee companies. We have also formulated diligence governance policy, conflict of interest management, voting policy, and negotiation activity provisions for institutional investors; and disclose due diligence governance every year to fulfill the due diligence governance responsibilities.

Responsible Investment Implementation Status

Concord Securities has complied with the "Stewardship Principles for Institutional Investors" formulated by the TWSE and the "Increase the Number of Signatories of the Stewardship Principles for Institutional Investors and the Quality of Stewardship Information Disclosure" target under the "New Corporate Governance Blueprint" of the FSC to sign the new version of the due diligence governance code for institutional investors by the end of 2021. The annual due diligence governance implementation status has been disclosed in the institutional investor due diligence governance area on the Company's official website.

<https://www.concords.com.tw/about/Company/due-diligence.htm?mnu=03&submnu=08>



2020年度盡職治理報告



2019年度盡職治理報告

2.2 Financial Innovation and Services



The main domestic service locations of Concord Securities and its subsidiaries include 16 Concord Securities' branches and 3 Concord Futures' branches. Among them, the branch located on the beautiful island of Penghu is the first securities branch in the country to open on an outlying island. Concord Securities' nation-wide base optimization plans have also been successively launched. The Neihu, Pingtung, Kaohsiung, Yonghe, Tainan, Shipai, and Chiayi branches have transformed into smart financial digital centers. The high-quality, smart, and fast digital services subvert the stereotype of brokerage companies with business halls filled with TV walls and rows of chairs.

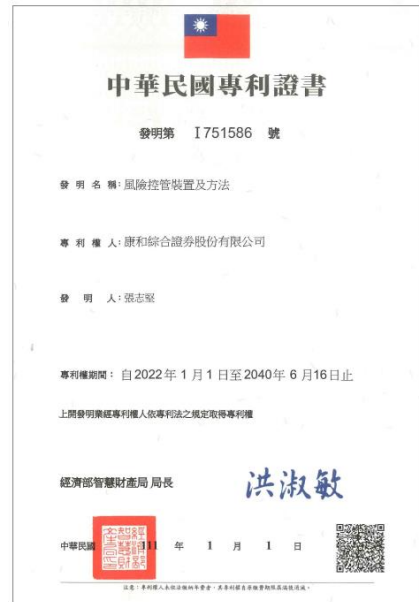
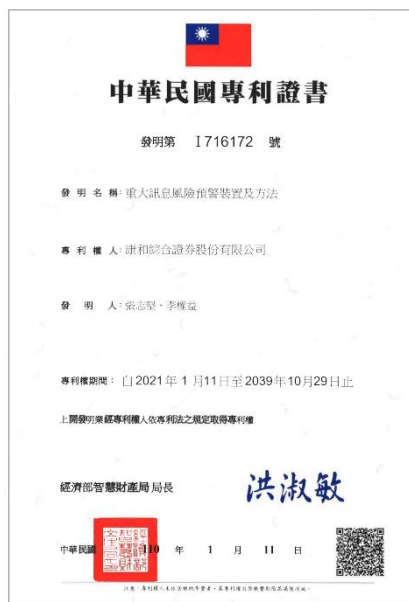
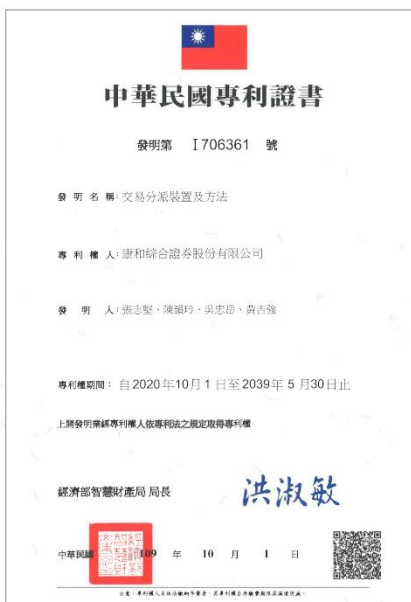
The digitalization trend and the COVID-19 pandemic have accelerated the digital transformation of the financial industry. As a result, client relationship management has become the key to brand differentiation. Concord Securities has launched a variety of innovative products to meet clients' needs. Mobile devices are becoming increasingly popular, and more people in Taiwan use the Line app each year. Concord Securities provides a comprehensive and convenient quotation and account query interface via Line@. We have also developed digital business cards to enable clients to dial the order line or contact the salesperson with one click and shorten the distance to clients via digital services. Concord Securities is committed to becoming the securities firm that can create the most value for clients and strives to create the greatest value for clients. We deeply realize that only by listening to the needs of clients, thinking from the clients' perspectives, and creating investment tools needed by clients can we offer the most comprehensive investment planning and financial management services.

Professional Training for Staff

Category	Description
License Certification	Business colleagues are strictly required to obtain licenses, and we have designated full-time personnel to manage and track the acquisition and validity of licenses. From business needs to on-the-job training provided by the competent authority, a total of 421 people have obtained on-the-job training licenses for securities, futures, wealth management, etc., and successfully obtained or extended their licenses in 2021.
Course	1. Monthly popular industry analysis education and training courses are held to enable business

Lectures	<p>colleagues to better grasp industry trends in real-time.</p> <p>2. Established an enterprise learning network to develop marketing strategies for digital transactions according to client trading habits to increase client cohesion.</p> <p>3. Management function strengthening courses are held in response to the impacts and business opportunities derived from FinTech on the securities industry. The goal is to train supervisors as leaders to lead the teams forward, prepare their mentality on how to exert influence, and apply what they have learned to actual management scenarios to facilitate the subsequent inheritance of management experience.</p>
On-the-Job Training	The Company holds regular lecture courses on product knowledge and sales skills. The training focuses on strengthening the professional ability of sales personnel and wealth management businesses. The goal is to continuously arrange systematic training for sales staff to strengthen the ability to operate and serve high-asset clients.
Rewards and Incentives	Improve the business ability of colleagues, test the professional capacity of colleagues, and present awards to the colleagues who pass the test and successfully become top ranking sellers.

Finance and Innovation (Assurance Item)



The future development of the securities industry and the decisive battleground lie in science and technology. Concord is fully committed to developing digital finance, embracing FinTech talent and development as its core value, and enhancing information systems' independent design and development capabilities. To maintain the Company's core value and sustainable competitiveness, the Company established a patent review team in August 2016 to take charge of intellectual property management and promotion. The Company has created patent application and reward measures to encourage colleagues to innovate and provide appropriate incentives. The goal is to encourage colleagues to actively innovate at work and turn work results into profit creation tools for the Company. As of January 11, 2022, the Company has obtained 3 financial patents approved by the Intellectual Property Office, Ministry of Economic Affairs.

Intellectual property achievement results:

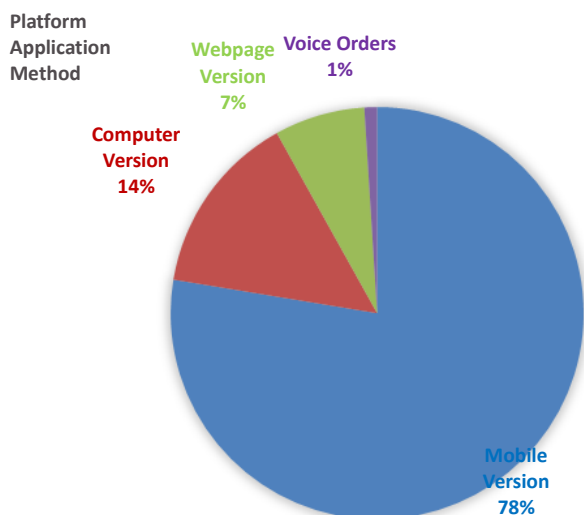
Items	Invention No./Valid Period	Status	Total
Transaction Dispatch Device and Method	Obtained the invention patent (invention No. I706361) approved by the Intellectual Property Office, Ministry of Economic Affairs. The certificate validity period is from October 1, 2020, to May 30, 2039.	Approved & Valid	1
Material Information Risk Early Warning Device and Method	Obtained the invention patent (invention No. I716172) approved by the Intellectual Property Office, Ministry of Economic Affairs. The certificate validity period is from January 11, 2021, to October 29, 2039.	Approved & Valid	1
Risk Control Device and Method	Obtained the invention patent (invention No. I751586) approved by the Intellectual Property Office, Ministry of Economic Affairs. The certificate validity period is from January 1, 2022, to June 16, 2040.	Approved & Valid	1
Total			3

FinTech innovation has become a key topic in the financial industry since the digital wave trend and the impact of COVID-19. Concord Securities has invested vast human resources to develop digital financial services and use innovative technology to help provide financial services to all levels of society. Our development strategies include:

- Participate in the AI FinTech Alliance to cultivate future talent.
- Incorporate FinTech to continue to develop digital and intelligent investment services.
- Pioneered the one-click "King Con" application to bring a professional ordering interface to clients.
- To practice inclusive finance, the Company launched the Thousand Dollar Share Deposit application for small fund investors, whereby clients can easily set up a regular monthly deposit via a computer or mobile device.
- The electronic platform login adopts the two-factor authentication protection mechanism, enhanced application and update certificates, and adds OTP verification.

Electronic Trading Platform

In recent years, electronic transactions have been dominated by mobile apps and computers, the utilization rate accounting for over 90% of the total electronic transactions, and the total transaction volume accounts for over 70%. Therefore, the digital marketing department has focused on developing new and optimized functions for each electronic platform.



Service Provided:

Category	Function Features
Thousand Dollar Share Deposit	<ol style="list-style-type: none"> 1. Investors can freely select the commission period and price to achieve flexible use of funds. 2. The investment target is Taiwan 50 Index constituent stocks. The stock target is diversified and is among the top 50 companies in Taiwan, which is safe and stable. 3. The investment amount is between NT\$1,000 and NT\$15,000, which enables flexible funding operations.
Dr. Zheng Smart Order	<ol style="list-style-type: none"> 1. Can set a long-term (15-day) appointment. 2. The trigger conditions can be automated, which eliminates the need to track the market and greatly reduces missing opportunities to place an order. 3. After the launch of the new transaction-by-transaction system, the market fluctuates rapidly, providing clients with different investment strategies.
Concord Web Orders	<ol style="list-style-type: none"> 1. It is not convenient for office workers to install AP programs on their computers. 2. Provide investors with a quick treasury stock liquidation method. 3. Clearly differentiate unrealized gains and losses: Treasury stocks of existing shares, financing, and securities lending.
Golden Opportunity App	<ol style="list-style-type: none"> 1. Pioneered the "King Con" application to let clients enjoy "fast, fierce, and precise" orders. 2. King Con – None of the functions (quick inventory, profit and benefit, and built-in reverse order) require switching pages. 3. Intra session alerts for real-time stock selection and strategic analysis to quickly grasp market trends and provide the best suggestions. 4. Exclusive user-friendly customized pages and flexible stock trading interface design that can be adjusted in real-time to meet the trading habits of different groups. 5. The first "Microsecond Day Trading" provides faster and more convenient day trading for investors.
All Profits	<ol style="list-style-type: none"> 1. "Four-in-One Integration" that integrates warrants, futures, options, and foreign futures to satisfy all commodity trading needs and grasp global commodity information. 2. Includes domestic and overseas futures commodity orders with flexible DDE operations. 3. Convenient, fast, and clear mutual domestic and foreign fund transfers. 4. With the personalized design and customizable layout, all windows and sizes can be set according to personal needs to meet each user's preferences. 5. Clicking on an individual stock brings up the quotations of related warrants, corporate bonds, individual stock options, and other commodities suitable for spread and arbitrage operations.
Voice Orders	<ol style="list-style-type: none"> 1. It is inconvenient for Hsinchu Science Park engineers to bring smartphones to work. 2. Traditional clients and investors who do not use smartphones. 3. Traveling people or investors temporarily without Internet access.
Palm Opportunity App	<ol style="list-style-type: none"> 1. Selected strategic stock selection tools – New Stock Winner, Smart Stock Selection, Quick Hot Stock Selections. 2. Alarm conditions are set to push broadcast and real-time voice quotations so users can grasp all opportunities to buy and sell. 3. Users can directly sign the risk notice online, modify basic information, and set up Thousand

Dollar Share Deposit projects.

4. The password can be directly unlocked and reset online to make the operation more automated.
5. Sub-brokerage delivery amount estimation saves investors' calculation time and improves order page optimization.



★ Provide preferential financial services

1. Thousand Dollar Share Deposit

To provide financial services to small fund investors, Concord Securities has launched the Thousand Dollar Share Deposit plan, which recommends small fund investors to regularly buy stocks at a fixed amount to diversify their risks. The feature of a regular fixed quote is "mechanized investment." There is no need to predict high and low points. The "fixed monthly deposit" concept enables small funds to diversify risks. Combined with compound interest over time, clients can achieve steady investment through fractional share trading and enjoy the wealth snowball effect created by share deposits. The Thousand Dollar Share Deposit plan includes "regular fixed-rate share deposits" and "deposit-type custom leveraged equity options." Of these, leveraged shares not only have the opportunity to enjoy double dividends, but they also have the "Fractional Share Intra Session Trading" and "Leveraged Fractional Shares Trading" features that are an industry first. Since the launch of the Thousand Dollar Share Deposit plan, the most popular deposit shares for investors include Yuanta Dividend Plus (0056), Cathay FTSE China A50 (00636), Yuanta Taiwan Top 50 (0050), and other ETFs. As of December 31, 2021, there are 2,579 transaction accounts, and the transaction amount has reached NT\$121,744,707.

1. Thousand Dollar Share Deposit utilization status

Item/Year	2020	2021	Difference
Number of Participating Accounts	2,875 accounts	2,579 accounts	-20.38%
Total Transaction Volume	NT\$78,065,171	NT\$121,744,707	+155.95%

2. Dr. Zheng Smart Order Service:

Because clients cannot stare at stock indices all day, they may miss opportunities to place orders during rapid price fluctuations. Therefore, to help clients place orders at the right time, Concord Securities has built a long-term mobile smart ordering function in the cloud. Investors can monitor the price and volume information or ordering time points for specific stocks, which will automatically place an order when the stock's price, trading volume, or time point meets the set conditions. Dr. Zheng Smart Order is the first in the industry to offer a long-term (15-day) mobile smart order function. In addition to freeing investors from checking the stock indices for 15 days during business travels, trips, or meetings, the settings can also be changed without needing a computer to significantly reduce missing chances of ordering at the right moment.

Dr. Zheng Smart Order Service:

Item/Year	2020	2021	Difference
Total Transaction Volume	NT\$390,010,883	NT\$972,296,106	+250%

3. Digital platform account opening service:

With the development of digitalization and the increasingly mature environment, the online account opening app service of Concord E-account opening is increasingly favored by investors. Since there are no geographical restrictions on digital account opening, the total number of digital account openings in 2021 was 684, which was a significant increase of 3.58 times compared to 191 in 2020. Online account opening service greatly reduces paper waste and increases green environmental protection awareness. In the future, digital warehousing will also be used to facilitate client file management and access.

Digital platform – securities digital account opening:

Item/Year	2020	2021	Difference
Number of accounts opened	191 accounts	684 accounts	493 accounts

Digital business cards:

Smartphones are popular in Taiwan. The proportion of people using mobile phones has reached 95%, and more people use instant messaging services than making phone calls. Therefore, Concord Securities has optimized digital business cards. In addition to reducing unnecessary paper printing costs, it can also help salespersons quickly introduce themselves on social platforms. Clients can also quickly add salespersons as their Line friends, which greatly reduces the time cost of salespersons to expand their business. Moreover, investors can bind their accounts and receive matching stock market information.

Social media management:

The age of investors is gradually decreasing, and the number of securities account openings and fractional share transactions among young people has increased significantly. Concord Securities is focused on interacting with the new generation of social groups by providing investors with correct investment ideas, diversified market information and financial knowledge at home and abroad, and synchronizing material company event information on Concord Securities' official community platforms (FB fan group/Instagram/LINE@official account). The goal is to promote digital account opening and online order electronic transaction services. In addition, we have created exquisite greeting cards for specific festivals for friends to download, and current hot topics are used as marketing themes to increase brand awareness and marketing effectiveness for commercial activities.

As of the end of 2021, the Concord Securities fan group has published over 300 posts on topics such as "Daily News

Roundup," "Reminders for Novice Investors in the Stock Market," "Children's Education Fund," and "Investment Fraud Prevention" to enhance daily interaction and client cohesion.



Provided "Daily News Roundup"



"Reminders for Novice Investors in the Stock Market"



Children's Education Fund



Investment Fraud Prevention

Campus finance lectures and knowledge promotion:

Concord Securities has continued the "Campus Financial Train" event. Each year, the Company holds wealth management-related lectures in cooperation with universities in various counties and cities in Taiwan to promote correct investment concepts. The goal is to introduce diversified investment and wealth management products and improve people's financial product knowledge and risk-taking ability. The topics cover fixed deposits, derivative financial products, etc., to provide correct investment and financial management concepts, expand financial knowledge, and enable students to plan early and win at the starting point.

In 2021, Concord Securities provided the Campus finance lectures as follow:

Round	Object / School	Date / Time	Hours
1	Yuan Ze University /Securities Research Club	04/08 19:00-21:00	2



Service awards:

- ◆ Concord Securities won the "Best Corporate Social Responsibility" and "Best Digital Financial Services" awards of the 2021 Outstanding Securities Competition.
- ◆ In 2020, the Company obtained the "Level-A Accessible Website" label mark (valid for three years) from the National Communications Commission (NCC).
- ◆ In 2021, the Nankan Branch won the High-performing Agency for Employment of Persons with Disabilities excellence award from the Taoyuan City Government.

In 2021, our Nankan brokerage Branch won the excellent award of employment with disabled person by the Taoyuan City Government.

2.3 Inclusive Finance

Provide Friendly Financial Services

Concord Securities has launched several inclusive financial products and services to exert its financial influence to promote the concept of public well-being. The goal is to implement inclusive finance and fulfill corporate social responsibility by enabling all levels and groups in society to enjoy fair and reasonable financial services or resources.

Moreover, to improve service quality and comply with the competent authority's policies, we have taken the initiative to conduct goodwill client care interviews and use client service personnel telephone interviews to discover and reduce the risk of illegal behavior.

Establish a "Financial Friendly Zone"

The Company has constructed a barrier-free web page on its official website to provide various ordering and account opening services. The Company's "financial friendly zone" has received the NCC's website standard Level-A certification mark.

Website link: https://stock.concords.com.tw/concords_Friendly/



Create a Barrier-free Friendly Service Environment

The status and ratio of barrier-free facilities established on the business premises of the Company's headquarters.

- (1) Barrier-free business locations: The Company has 16 business locations, all of which are located on the ground floor of the buildings. Of these, 15 locations have barrier-free ramps at the building entrance. Only the Penghu Branch has restricted movement in the building and cannot install barrier-free ramps. Thus, the barrier-free ratio is 93.75%.
- (2) Barrier-free account opening counters: The Company has 16 business locations, 11 of which use low-level platforms to make it convenient for clients to open accounts. The other 5 locations have slightly taller counters, but there are round tables next to the counters designed to facilitate client interaction and provide zero-barrier services. Thus, the ratio is 100%.
- (3) If the hardware equipment is deficient, a dedicated person will provide individual client services.
- (4) The Company's head office complies with the regulations on the number of people with disabilities. The Nankan Branch has won awards for three consecutive years between 2018 and 2021 from the Taoyuan City Government Labor Bureau for providing a high-quality work environment for people with disabilities.

Discount for Small Fund Investors

The Company promotes "Thousand Dollar Share Deposit" transactions to extend the reach of small fund investors. One person can set 20 order plans, so clients have many options to choose from.

Senior citizen services:

1. The Company has added the "Public Stock Subscription Checklist" program to our background operations when accepting stock subscriptions from clients. The client's birthday column is displayed in a red font to help determine whether clients have the same IP address early and properly protect senior citizen financial consumers.
2. Electronic platform audio prompt function.

2.4 Client Relationship Management

Implementing the "Equitable and Fair Treatment of Clients" Policy and Commitment in the Financial Services Industry

The Company has established a corporate culture that attaches importance to financial consumer protection by adhering to client rights protection and service quality. The Company adheres to the principle that the "financial services industry shall treat consumers fairly and reasonably throughout the overall transaction process of financial goods or services" and strictly conforms to the Financial Consumer Protection Act. The Company's colleagues all meet the duty of good faith and fidelity provided by the following 9 principles: the principle of fair and good faith upon entering into agreements, the principle of due care and fiduciary duty, the principle of true advertisement and solicitation, the principle of the suitability of products or services, principle of informing and disclosing, the principle of the sale of complex and high-risk products, the principle of balance between remuneration and performance, the principle of complaints protection, and the principle of business professionalism. The goal is to ensure that consumers receive fair and reasonable treatment while at the same time implementing the Equitable and Fair Treatment of Clients and making improvements accordingly.

In December 2021, the Company amended its Equitable and Fair Treatment of Clients policy and strategy and established the "Equitable and Fair Treatment of Clients Promotion Committee." This committee is responsible for defining the duties and responsibilities under the Equitable and Fair Treatment of Clients, convening quarterly meetings to review the implementation status of the 9 principles, and analyzing and reviewing client complaints to establish a corporate culture of fair hospitality.

Client Complaint Cases

In 2021, the business unit received 15 client complaints or reports, which was a reduction of 6 cases compared to the 21 client complaints or reports received in 2020. The cases were handled according to the handling procedures stipulated in the Company's internal control system, and a complete handling report record was subsequently retained. A relatively high proportion of the cases were regarding service attitude (27%). The complaints indicated that there is still room for improvement in terms of service attitude for the brokerage business unit in order to create a good corporate image.

2021	Transaction Issues	Service Attitude	Accounting Issues	Account Opening Issues	Information Recommendation	Warrant Related	Total	Difference
Number of Cases	5	4	0	2	1	3	15	6
Percentage	33%	27%	0%	13%	7%	20%	100%	
2020	Transaction Issues	Service Attitude	Accounting Issues	Account Opening Issues	System Issues	Warrant Issues	Total	
Number of Cases	9	1	5	2	1	3	21	
Percentage	43%	5%	24%	10%	5%	14%	100%	

Status of employee participation in penalty cases in 2021:

Year/Item	2020	2021
Legal Compliance Department: Hold legal news + penalty cases + education and training	164 sessions	189 times
Audit Office: Handle common defect inspections and classification summary + penalty case advocacy	12 times	12 times

Client Rights Protection

The Company has formulated the "Financial Consumer Dispute Handling Method" to focus on consumer dispute handling. The goal is to improve the efficiency and quality of consumer dispute resolution and protect consumer rights. The Company has formulated the "Administrative Measures for Engaging in Advertising Business Solicitation and Business Promotion Activities" to ensure that all relevant conduct is handled according to laws and regulations. When publishing and broadcasting advertisements and conducting business solicitation or promotion activities, the content of advertisement solicitation must be true and correct. There shall be no sham, fraud, concealment, or other content that may be misleading to protect the rights and interests of investors.

2.5 Financial Products or Services that Create Social and Environmental Benefits



Promote the KBI Global Water Fund

Concord Capital Management has continued to promote the KBI Global Water Fund to invest in international companies involved in the water resources industry (wastewater treatment, water quality testing, infrastructure, filtration, engineering, etc.) in response to the challenge of climate change and under the active promotion of global governments, in order to avoid the world from falling into a severe water shortage crisis. The main investment targets are companies' stocks and stock-related securities (involving water resources) listed or traded on globally recognized exchanges. Concord Capital Management has continued to promote the KBI Alternative Energy Solutions Fund to alleviate the increasing impacts of traditional energy sources such as oil and gas, nuclear power, and thermal power on the global environment. The fund mainly invests in alternative energy (solar energy, wind power, biomass energy, etc.), electric vehicles, public utilities using alternative energy, improving energy efficiency, energy-saving, etc. Concord Capital Management has been promoting the ecological series of funds for nearly 15 years and is committed to promoting socially responsible investment.

ESG-related Products and their Proportions

Item/Year	2020	2021	Difference
KBI Ecological Series Fund AUM	NT\$1,085,106,938	NT\$1,128,404,725	NT\$43,297,787
Overall Fund Inventory AUM	NT\$1,250,802,703	NT\$1,161,078,081	NT\$-89,724,622
Proportion of KBI Ecological Series Fund	87%	97%	10%

Promotion of micro-insurance and green energy insurance

Concord Insurance Agent Co., Ltd. (hereafter "Concord Insurance Agent") has exerted the spirit of micro-insurance by establishing a micro-insurance safety protection network to fill the gaps in social insurance or social assistance mechanisms. The goal is to enable disadvantaged groups or those with special identities to enjoy basic insurance protection and continue to promote micro-insurance and small amount whole life insurance. We provide green energy property insurance products such as low-carbon emission green energy automobile insurance, commercial fire insurance for solar energy equipment, and comprehensive insurance for electronic equipment to promote green environmental protection. The goal is to subsidize green environmental protection development while assisting clients in identifying and evaluating risks and maximizing insurance benefits for the global environment.

Insurance items/number of beneficiaries	2021	Total Insurance Amount
Micro-insurance	Shin Kong Life/Song-Ai-Sin Small Amount Whole Life Insurance China Life/Universal Small Amount Whole Life Insurance	NT\$400 thousand
Green Energy Insurance	Fubon Property & Casualty/Electronic Equipment Comprehensive Insurance Amount	NT\$73.25 million

Internationally Aligned Corporate Governance Information Security Standards

Concord Insurance Agent started to establish the Information Security Management System (ISMS) and Personal Information Management System (PIMS) in March 2021. They completed their initial assessment in October 2021 and received the ISO/IEC 27001:2013 Information Security Management System and BS 10012:2017 Personal Information Management System international certifications from the British Standards Institution (BSI). The goal is to enhance the integration of information security with international standards and ensure client data security.

The average education and training hours for employees is 37.56 hours

The Company has provided internal and external insurance, anti-money laundering, internal control, digital finance development, and other education and training for 187.8 hours throughout the year. Each colleague received 37.56 hours of training.

Department	Number of Employees/People	Internal Training/Hours	External Training/Hours	Total/Hours
President's Office	1	33.7	6	39.7
Audit Office	1	26.2	12	38.2
Administration Department	3	21.9	88	109.9
Total	5	81.8	106	187.8
Average		37.56		

3. Employee Care



Talent is the core value and competitiveness of Concord Securities Group. We have actively improved colleagues' professional skills and growth using a systematic, targeted, and holistic cultivation approach to increase intellectual capital and establish a career development map. The Company also often organizes various activities to enhance employee cohesion, improve care for employees, and develop various welfare programs to create a warm and happy work environment so employees can develop their work and family life in harmony. In addition to protecting the rights and interests of workers according to the Labor Standards Act and the Labor Insurance Act, the Company also provides comprehensive group insurance and medical insurance plans so that colleagues can work with peace of mind without any worries.

Service awards:

- ◆ Received the 2021 "Healthy Workplace Promotion Mark" from the Health Promotion Administration, Ministry of Health and Welfare.
- ◆ Won numerous Talent Quality-management System (TTQS) evaluation bronze awards between 2014 and 2020 from the Workforce Development Agency, Ministry of Labor.
- ◆ Won the "2020 Labor Condition Counseling Promotion Program" excellent performance company award from the Labor Inspection Office of Taipei.
- ◆ In 2021, the Nankan Branch won the High-performing Agency for Employment of Persons with Disabilities excellence award from the Taoyuan City Government.

3.1 Workforce Structure

The department heads hire Concord Securities' employees according to the job requirements of each department. The Company has established appropriate qualifications and conditions for employment according to the Company's "Personnel Recruitment Operation Guidelines." Personnel appointments are handled according to the Labor Standards Act, Employment Service Act, Act of Gender Equality in Employment, and People with Disabilities Rights Protection Act to comply with gender equality and human rights protection.

As of the end of 2021, Concord Securities and its subsidiaries have hired 827 employees with an average age of 44.14 years.

Human resources structure statistical table:

1. Group employees according to gender: (The ratio of the Company's male to female employees in 2021 was 1:1.45)

2021/12/31 On-the-job	Full-time	Part-time
Female	488	2
Male	337	0
Total	825	2

Note: The number of non-regular workers includes part-time workers, working students, and temporary workers.

2. The Group's employees according to educational background: (In 2021, 15.72% of the Company's employees had a master's degree or higher)

Educational background		2020	2021
Education distribution ratio (%)	Ph.D.	0.13%	0.12%
	Master	16.19%	15.60%
	College	69.75%	70.50%
	High school	13.80%	13.78%
	High school or lower	0.13%	0.00%

3. The Group's management/non-management employees

Year		2020	2021	Difference
Number of Employees	Management Staff	73	73	0
	General Staff	725	754	29
	Total	798	827	30
Average Age		44.16	44.14	-0.02
Average Seniority		10.09	10.06	-0.03

Note 1: Managers are responsible for administering the management of a department or unit. Note 2: The number of people for 2020 was adjusted from 797 to 798.

4. The Group's employees according to gender, age, supervisory position, and general position:

2021		All Employees		
Gender	Age range	Supervising Positions	General Positions	Total
Male	50 years or older	28	76	104
	31–49 years old	25	158	183
	30 years or younger	0	50	50
	Total	53	284	337
Female	50 years or older	10	164	174
	31–49 years old	10	246	256
	30 years or younger	0	60	60
	Total	20	470	490
Total		73	754	827

Note: Including part-time staff working-students.

5. Average age and seniority of Group employees

2021/12/31	Average Age	Average Seniority
Male	43.73	8.43
Female	44.42	11.19
Full staff	44.14	10.06

6. Statistics on new employees of the Group by gender and age

New Employees in 2021		Number of People/Percentage	
Gender	Age	Total	Percentage
Male	50 years or older	26	17.93%
	31–49 years old	32	22.07%
	30 years or younger	10	6.90%
Female	50 years or older	41	28.28%
	31–49 years old	29	20.00%
	30 years or younger	7	4.82%
Total		145	100.00%

7. Statistics on resigned employees of the Group by gender and age

Gender	Age	Total	Percentage
Male	50 years or older	10	6.90%
	31–49 years old	32	22.07%
	30 years or	26	17.93%

	younger		
Female	50 years or older	7	4.83%
	31–49 years old	29	20.00%
	30 years or younger	41	28.27%
Total		145	100.00%

8. Employee injury leave status

Items	Gender \ Items	Number of work injuries	Injury leave days	Work injury rate	Lost days ratio	Occupational injury rate	Number of employees on sick leave	Number of days of sick leave	Number of employees on menstrual leave	Number of days of menstrual leave	Absence rate
Total	Male	0	0	0%	0%	0%	65	310	0	0	0.37%
	Female	0	0	0%	0%	0%	90	308	37	59	0.30%

Note: 1. Work leave is defined by Article 6 of Regulations of Leave-Taking of Workers as "In the event of disability, injury, or sickness on account of an occupational accident, a worker shall be entitled to occupational sickness leave during the period of medical treatment or recovery. "

2. Work injury rate: the number of people on work injury leave/total number of workers per gender.
3. Ratio of lost days = public injury leave days / (total number of employees by gender * actual working days).
4. Absence rate = percentage of actual absent days to work days in the same period. Absence days = sick leave + public injury leave + menstrual leave. Number of working days = number of working days (not deducting special leave) = total number of employees by gender * actual number of working days.

9. Group's unpaid parental leave status

Items	Male	Female	Total
Actual number of applications for parental leave in 2021	0	1	1
2021 estimated number of returnees (A)	1	3	4
2021 actual number of returnees (B)	0	1	1
2020 actual number of returnees (C)	1	4	5
Number of people who returned in 2020 and are still employed 12 months after reinstatement (D)	1	3	4
Reinstatement rate (B/A)	0%	33%	25%
Retention rate (D/C)	100%	75%	80%

3.2 Talent Cultivation and Development



Diversified Training System

Talent is the most critical asset of Concord Securities, and it is also the key to creating profits for shareholders, maintaining market competitiveness, and sustainable operation. To meet the diversified investment needs of clients, we are committed to the R&D of various new financial products. We pay close attention to the professional function training for employees and talent training and development. The goal is to continuously improve the quality and efficiency of services and strengthen the advantages of retaining talented employees.

The Company continues to execute the training and learning system:

Organization aspect	Individual aspect
<ol style="list-style-type: none"> 1. Create an excellent organizational culture and work environment. 2. Improve workforce quality. 3. Accumulation and passing on of experience and skills. 	<ol style="list-style-type: none"> 1. Improve employee adaptability and confidence. 2. Enable employees to exert immediate work effectiveness. 3. Work safety. 4. Improve cohesion while reducing the turnover rate and absentee rate. 5. Develop employee expertise.

1. In-person education and training

The Company has provided various training and on-the-job training opportunities every year according to the Education and Training Management Measures in response to the financial industry competition, business development, and to improve employees' professional quality, skills, and career development. The courses cover internal and external education and training. The internal training includes new personnel training, professional function training, supervisor ability training, general training, and corporate governance. The courses are implemented online to enable more colleagues to learn together. External training courses include fire safety training, professional seminars, and various qualification training courses.

2. Autonomous online learning

Concord Securities is committed to E-learning. Since 2005, the Company has provided more diversified learning channels for colleagues through the digital learning platform to share and inherit practical knowledge and self-learning and improve learning efficiency. The goal is to allow colleagues to preserve and share professional knowledge through online learning, quizzes, and problem discussions. The platform covers digital teaching materials for various businesses to teach

colleagues the correct product knowledge. Colleagues can freely choose and read various multimedia digital courses through the "Enterprise Learning Network." Professional knowledge can be saved and shared via online learning, quizzes, and problem discussions so that the employees and the Company can grow together.

In 2021, the relevant course topics included: information security, legal publicity, money laundering prevention, personal information publicity, financial fairness, and professional lectures.

3. Concord finance university prepares elite talent

To improve the overall workforce quality of Concord Securities Group, the Company endeavors to enhance the quality of employees, cultivate management talent, build corporate consensus, prepare middle and high-level talent, strengthen their professional knowledge and skills, assist in career planning, stimulate the development potential of colleagues, and train talent for specific positions. The goal is to cooperate with human resource management to integrate the workforce, cultivate outstanding long-term middle and high-level cadres, and improve management standards, business strategy, and corporate culture for the Company's entire workforce.

4. On-the-job training subsidy

To provide diversified learning channels and encourage employees to enrich their skills, the Company has formulated the "Employee On-the-job Learning Degree Management Key Points" to offer subsidies to colleagues participating in on-the-job training in domestic public and private universities. The master's subsidy is NT\$100,000, and the Ph.D. subsidy is NT\$150,000. Moreover, the tuition for colleagues participating in professional training courses conducted by domestic and foreign training institutions is borne by the Company according to the "Education and Training Method."

Cumulative Number of Internal Lecturers at Each Level

Year	High-ranking executives	Intermediate executives	Sales staff	General Staff	Total	Increase/decrease from the previous year
2021	9	12	9	8	38	-2

Note 1: This number refers to those who participated in the internal lecture training and excludes qualified lecturers.

Note 2: In 2021, no internal lecture training was conducted, resulting in a decrease in the number of people.

2021 Employee Training Hour Statistics

Training Time (Hours)	2020			2021			Increase/Decrease of Average Hours from the Previous Year
	General Positions	Supervising Positions	Average Hours	General Positions	Supervising Positions	Average Hours	
Female	47.15	58.54	49.42	48.88	34.21	44.36	-5.06
Male	95.49	25.49	45.89	48.14	38.34	43.69	-2.2
Total	56.28	35.59	48.04	48.64	36.22	44.10	-3.94

Note 1: In addition to receiving on-the-job training according to the requirements of the competent authority, the Company also provides professional training according to various job positions and does not select training based on gender.

Note 2: The number of hours decreased compared with the previous year due to various training activity reductions caused by COVID-19.

2021 Education and Training Hour Statistics

Category	Items	Total Number of People	Total Hours	Total Cost
Internal Training	Professional skill training	15,638	9,628.95	33,915
	Supervisor competency training	97	483.00	320,041
	General training	7,429	7,731.30	31,500
	Corporate governance	69	207.00	50,060
	Equitable and Fair Treatment of Clients	635	1,905.00	0
	Subtotal	23,868	19,955.25	435,516
External Training	Firefighter and work safety training	38	247.50	52,700
	Profession training	49	753.50	670,202
	Qualification and refresher courses	174	1,148.50	236,173
	Pre-employment, on-the-job training, and other securities and futures-related courses	1,096	6,915.10	532,627
	Subtotal	1,357	9,064.60	1,491,702
Other training costs: transportation costs, degree subsidies				79,524
Total		25,225	29,019.85	2,006,742

Employee Performance Evaluation and Development

The Company has regularly implemented performance evaluations, formulated performance management measures, and evaluated employees' annual work performance. The Group promotes or adjusts the salaries of employees with outstanding performance according to the "Employee Promotion and Salary Adjustment Method." In terms of employee assessment criteria, a fair and reasonable assessment system is established every year, and employee performance management is implemented via an annual assessment mechanism.

There are 3 aspects of employee performance assessment:

1. Work performance: Evaluate colleagues' work objective performance.
2. Professional learning: Continuing education and license acquisition status review for colleagues.
3. Key competencies and attitudes: Assess the work attitudes, behaviors, and professional abilities of colleagues.

Senior Staff Rewards

We have arranged public reward ceremonies to show our gratitude for colleagues' long-term dedication to the Company during prosperous years. A total of 41 colleagues have served the Company for over 20 years and received rewards presented by the Company.

Various awards are designed according to colleagues' performance to inspire colleagues to work hard and achieve the annual goals. Medals and bonuses are awarded at the end of the year to encourage outstanding colleagues. (As shown in the table below)

2021 Outstanding Employee Commendation		
High Performance Departments	Outstanding Brokerage Business Executives	Outstanding Insurance Salespersons
Outstanding Branches	Securities Market Share Award	Outstanding Personnel in Securities Lending Business
Outstanding Profit Branches	Brokerage Performance Growth Award	Outstanding Sub-brokerage Performance Personnel
Outstanding Contribution Award	Outstanding Futures IB Performance Personnel	Outstanding Fund Business Personnel
Outstanding Employee Award	Outstanding New Personnel	Outstanding Account Opening Personnel

3.3 Compensation, Benefits, and Employee Care



Salary Policy

Concord Securities insists on hiring talent and adheres to the principle of rewarding outstanding performance, and has constructed a comprehensive set of employment and incentive measures. Salary is based on objective conditions such as new employees' academic experience and job position, and gender does not make any difference. After the probationary period assessment, the performance appraisal system implements regular project promotion and salary adjustment, provides a profit-sharing bonus system, and rewards colleagues who make special contributions or have excellent performance at appropriate times. The various employee salary awards are described as follows:

1. Starting salary for new employees: Salary is set based on job content, work qualifications, academic qualifications, and license qualifications. Those with securities-related backgrounds are provided with generous and competitive salaries.

2. Various performance bonuses: Various business bonus methods are established according to the principles provided by the remuneration system. The goal is to inspire business colleagues to generate income and provide performance bonuses according to the business achievement status.
3. Departmental performance bonus: To reward the contributions of departments, a certain percentage of bonuses is allocated according to the profit of the department and its achievements of organizational goals, and the amount is determined according to individual performance.
4. Team performance bonus: To share the Company's annual operating results, a certain percentage of the Company's pre-tax earnings is allocated as a bonus, and the bonus distribution is based on employee performance and contribution.
5. Annual appraisal bonus: To reward work performance achievements, annual appraisal bonuses are issued based on employee performance appraisal, business contribution, merit and demerit rewards and punishments, and other performances at the end of the year.
6. Project rewards: Various incentive systems are implemented to reward employees for their special achievements and to motivate and promote various businesses.
7. Employee remuneration: To realize the concept of profit sharing, a certain percentage of employee remuneration is allocated and distributed to employees according to regulations according to the Company's Articles of Incorporation if the Company makes a profit for the year.
8. Competition bonuses: To motivate colleagues to work hard to achieve their tasks, various reward schemes are designed for handling multiple projects to provide competition bonuses fairly and objectively.
9. Festival bonuses: A fixed amount of festival bonuses is issued every year at the Dragon Boat Festival and Mid-Autumn Festival.
10. Salary adjustment and promotion: To improve the salary level of colleagues, the Company considers the inflation index and the salary level of the industry to implement salary adjustments according to the performance of colleagues. The goal is to reward outstanding performance for training talent and to provide promotion channels.
11. Food allowance: The monthly food allowance is NT\$2,400 per person.

A total of 64 people were promoted in 2021. The average salary increase was about 2.33%, which is in line with the standard.

Insurance Plan

Employees are insured with labor insurance, national health insurance, and occupational accident insurance.

To enable colleagues to work with peace of mind, each of our colleagues is insured with high-rated life insurance, accident insurance, critical illness insurance, and medical insurance. We also provide the most immediate and proper protection or claims for colleagues in need through insurance companies.

Sound personnel system:

The Company's salaries, promotions, rewards and punishments, performance appraisals, vacations, and pensions are more comprehensive and favorable than those provided by the Labor Standards Act to take proper care of employees.

Welfare Measures

1. The Company offers special childcare discounts to take care of employees' childcare needs.
2. Special store discounts (offering discounts on shopping, dining, travel, accommodations, etc.)

3. Various subsidies from the Welfare Committee (birthday coupons, children's education scholarships, as well as childbirth, wedding, funeral, and emergency subsidies)
4. Health supply station platform (offers various health promotion policy announcements, health columns, nurse practitioners, and special physician appointments)
5. Provide employee travel subsidies and regular employee health checks.
6. The Company has established public welfare leave measures to encourage colleagues to participate in public welfare activities organized by public welfare or charitable organizations or groups.
7. Encourage employees to participate in courses administered by external agencies and provide education and training fund subsidies.
8. Employees are encouraged to voluntarily contribute to the regular monthly pension to improve retirement life quality in old age.
9. The head office has a leisure sports fitness center, a KTV lounge, a book and magazine library, a nursing room, etc. They are designed to improve employees' physical and mental well-being.

Employee Rights

The Company has strengthened communication with employees to create a professional work environment to provide clients with high-quality services. An employee training plan is drawn up every year, supplemented by regular evaluations. Employees who are behind in assessment and ratings are scheduled to receive counseling and improvement. The counseling improvement plan is implemented to assist such employees in making performance improvements and job adjustments. If there is no suitable position available or the improvement standard fails to reach the standard after the expiration of the agreed deadline, severance shall be given according to the provisions of the Labor Standards Act.

In case of closures, transfers, business losses or crunches, changes in business nature, or when an employee is truly incompetent for the job position, the employee's labor contract shall be terminated, and severance shall be paid according to the law. To help such an employee find another job, the employee shall be provided with job-seeking leave according to the following provisions, and the competent local authorities and public employment service agencies shall be notified according to the Employment Service Act to assist and guide the employee's reemployment. Advance notice shall be provided according to the law as follows:

10-day prior notice for those who have worked continuously for over three months but less than one year.

20-day prior notice for those who have worked continuously for over one year but less than three years.

30-day prior notice for those who have worked continuously for over three years.

Human Rights Protection

Concord Securities complies with Article 18 of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies." In addition to the employment protection provided by the Labor Standards Act, the Company also abides by labor and human rights-related laws and regulations to ensure gender equality, right to work, non-discrimination, freedom of association, collective bargaining rights, care for disadvantaged groups, prohibition of child labor, elimination of various forms of forced labor, and elimination of employment and job discrimination. The goal is to verify that the company's human resources policies are free of gender, race, socio-economic class, age, marriage, and family status discrimination to implement equality and fairness in employment conditions and job, remuneration, benefits, training, assessment, and promotion opportunities. For labor rights violations, workplace violence, or sexual harassment-related issues, the Company shall provide an effective and appropriate complaint mechanism to ensure equality and

transparency in the complaint process. The grievance channel shall be concise, convenient, and unobstructed, and employee grievances shall be appropriately responded to.

Education and Training on Human Rights Issues

Courses	Number of People	Total Hours
Personal Data Protection	648	648
Occupational Safety and Health-Related Lectures	438	673.5
Introduction to the Intellectual Property System and Current FinTech Intellectual Property Status	45	90
Introduction and Response to the Financial Consumer Protection Act (Fair Treatment of Clients)	646	1938
Total	1777	3,349.5

Note: In 2021, every employee participated in education and training on human rights issues with an average of 5.09 hours of training per person.

Retirement System

To promote employee welfare and stabilize the life of employees after retirement, the Company has formulated the Employee Retirement Pension Method and established the Employee Retirement Pension Management Committee in April 1996 in accordance with the Method. 2% to 15% of employees' total monthly salary is deposited into the Yuanta Bank special employee retirement pension account.

After the Labor Standards Act went into effect in March 1998, the Company established the Labor Retirement Reserve Supervision Committee in accordance with the law. The retirement reserve is withdrawn monthly according to the actuary's actuarial pension withdrawal ratio and deposited into the Bank of Taiwan's labor pension account.

The government implemented the Labor Pension Act in July 2005. For employees who opted for the new system and for those hired by the Company on or after July 1, 2005, the Company allocates 6% of the pension to the individual pension account of the Labor Insurance Bureau every month according to the employees' insured salary in order to conform with government policies.

Employee Welfare Committee

Concord Securities allocates 1% of its total operating income to the Company's Employee Welfare Committee every month for the committee to provide employees with travel subsidies every year.

In 2021, NT\$1,934,980 in employee benefits was provided.

1. Concord Fellowship Hall provided by the Employee Welfare Committee

The Concord Fellowship Hall is equipped with fitness equipment, basketball shooting machines, pool tables, table tennis tables, KTV audio-visual equipment, and the most popular 3D virtual reality game equipment. Employees can also dine and watch TV programs in the sofa area of the Fellowship Hall, providing a place for employees to strengthen their friendship with colleagues and relax their minds and bodies.

There are dressing and nursing rooms in the Fellowship Hall, providing mothers with a comfortable nursing space. The nursing room is a private space equipped with sofas, tables, small refrigerators, power sockets, garbage cans, and

antibacterial hand soap. The rooms are designed according to breastfeeding and breast milk collection room standards to create a friendly breastfeeding workplace.

2. Birthday parties held by the Employee Welfare Committee

We welcome recruits and hold birthday celebrations for birthday stars every month. The welcoming process enables newcomers to introduce themselves and reduce their navigation time. The different activity themes also allow everyone to interact and sing together to wish the birthday star a happy birthday. Although each gathering only lasts for an hour, these events can enhance employee morale and cohesion, and managers or senior executives personally present birthday gift certificates to let colleagues feel the Company's appreciation of their contributions.

3. Nursing Room Establishment

To encourage female colleagues to breastfeed, Concord Securities has established a complete breastfeeding room in the headquarters' B2 lounge for colleagues to use.

According to statistics, the nursing room was used 80 times a month on average in 2021.

Concord Children Nurturing Scholarship

Children are the future of the country. To cultivate the next generation, Concord Securities has taken action to help the children of employees to perform well. Concord's welfare committee provides scholarships to encourage and reward employees' children every year and bring a positive impact to their studies and moral character. The goal is to inspire employees' children to learn and grow happily through reward subsidies and create a better future for the children!

"Children Nurturing Scholarship" Statistics Table

Year	Semester	Number of people	Total amount
2020	2019 academic year	229 people	NT\$462,500
2021	2020 academic year	226 people	NT\$464,000

Employee Benefits and Remuneration Statistics

The number of full-time employees who are not in supervisory positions, the average and a median salary of full-time employees, and the difference between the first three with the previous year

Year	Average number of full-time employees who are not in supervisory positions	Annual average salary of non-supervisory full-time employees (NT\$ thousand)	Median salary of full-time non-supervisory employees (NT\$ thousand)
2020	552	1,111	888
2021	563	1,517	1129
Difference compared to the previous year	11	406	241

Annually Employee Average Benefit Expense

Items	2020	2021	Difference
Company-wide "employee benefit expenses"	NT\$977,935 thousand	NT\$1,279,062 thousand	NT\$301,127 thousand
Company-wide average "number of employees."	627 people	643 people	16 people
Annually Employee Average Benefit Expense	NT\$1,560 thousand	NT\$1,989 thousand	NT\$429 thousand

This table is disclosed based on the information related to the salary index reported to Taipei Exchange

Note 1: "Employee benefit expenses" include salary, labor, health insurance, pension, and other employee benefit expenses but do not include "directors' remuneration."

Note 2: "Employees" include managers, general employees, and contract employees; but do not include directors, dispatched workforce, labor contracting, or business outsourcing personnel.

Pay Ratio According to Gender

Salaries for non-supervisory positions Male:Female	1: 1.02
---	---------

This table was made with reference to the "Salary Information of Non-supervisory Full-time Employees" reported by the Taipei Exchange and Article 4 of the "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies."

Note 1: Salary expenses are employees' salaries for the current year accrued on an accrual basis. They include salaries, various allowances and bonuses, overtime pay, and employee remuneration; but exclude retirement pensions.

Note 2: "Full-time employees" are defined as those whose working hours reach the normal working hours or legal working hours stipulated by the Company according to the Directorate-General of Budget, Accounting and Statistics' definition. Any other employees are considered "part-time employees."

Note 3: "Full-time non-supervisory employees" refers to the number of full-time employees in the Company after subtracting the supervisor positions, part-time positions, overseas branch employees, and those eligible for exemption from statistics from all employees. "Employees in supervisory positions" are within the scope of "managers" according to decree Tai-Cai-Zheng-San-Zi No. 920001301 issued by the Taiwan Stock Exchange on March 27, 2003.

The ratio of average salary to basic salary for new colleagues:

Average salary for women: current base salary	1.63:1
Average salary for men: current base salary	1.98:1

Note: The basic salary for 2021 was NT\$24,000.

3.4 Workplace Safety and Health Measures



Policies

The Company's "Occupational Safety and Health" management policy is formulated according to Articles 20 and 21 of the Occupational Safety and Health Act and the Regulations on Labor Health Protection. It provides measures that are superior to the preceding Act and Regulations. The Company has formulated the "Employee Health Management Method," "Maternal Colleague Health Protection Plan," "Human Hazard Prevention Plan," "Abnormal Workload Related Disease Prevention Plan," "Wrongful Infringement while Engaging in Work Duties Prevention Plan," and "Workplace Sexual Harassment Prevention Measures and Complaint and Disciplinary Method" to serve as the basis to manage employees of the headquarters, branch offices, and the Company. The preceding methods and plans are approved at the level of the chairman. The Company has also formulated the "Epidemic Prevention Regulations and Handling Procedures for Persons at High Risk of COVID-19" and "Work from Home Policy During the COVID-19 Prevention Period" in response to the COVID-19 crisis and set up a "COVID-19 Response Team" to reduce the risk of colleagues contracting COVID-19 and impacting the Company's operations.

Commitment

The Company faithfully implements "occupational safety and health" management to maintain and promote the health of all employees. The goal is to protect all colleagues from physical or mental illnesses caused by unlawful physical or mental harm during the performance of their duties.

Health Measures

Measures and Plans	Content
Conduct Employee Health Exams	<ul style="list-style-type: none"> ◆ Conduct employee health exams every year and provide health exam items that are superior to those required by regulations. ◆ Analyze the employee health status according to the employee health exam results and organize health promotion activities. The goal is to provide health-category management, arrange on-site physician services to provide care, and track the health of employees with high potential health risks.
Conduct Health Promotion Activities	<ul style="list-style-type: none"> ◆ Provide irregular employee health care information promotion, lectures, and activities.
Employee Physical and	<ul style="list-style-type: none"> ◆ The Company's internal website – The health supply station provides a "mood

<p>Mental Health Management Measures</p>	<p>thermometer" questionnaire to understand employees' emotional distress levels instantly and refer them to mental health services in a timely manner according to their needs.</p> <ul style="list-style-type: none"> ◆ The health exam provides the "Overwork Scale" and "Musculoskeletal Symptom Questionnaire" to help understand the physical and mental condition of employees. ◆ Pregnant and breastfeeding employees can fill in the health self-assessment questionnaire. The Company can identify the employee health risks and conditions based on the questionnaire and health examination data and arrange health consultations with doctors for medium and high-risk groups.
<p>Implement a Flexible Working System</p>	<ul style="list-style-type: none"> ◆ In light of the traffic conditions for employees to travel to work, each unit of the head office has implemented a ten-minute flexible work schedule. ◆ Employees may apply for work hour or office location adjustments due to personal family circumstances or family care.
<p>Other COVID-19 Prevention Measures</p>	<ul style="list-style-type: none"> ◆ Established the "COVID-19 Prevention Response Team" to reduce the risk of infection among colleagues during Company operations and organized separate office/floor level workgroups, taking turns to work from home, and working at different locations. In 2021, 368 employees had flexible work schedules, with 21 colleagues arranged to work at different places, and 347 colleagues taking turns working from home. ◆ The flexible commuting time was extended to 30 minutes to implement work shifts. The visitor real-name record system was implemented for access control management and elevator crowd control, and transparent partitions were erected in meeting rooms to reduce workplace risks. ◆ Improve employee care via daily body temperature measurement, abnormal health status monitoring, and reporting, announced epidemic prevention measures regularly, and disseminated the latest epidemic information and prevention knowledge. ◆ Provide all employees with free "COVID-19 prevention insurance" to improve the health protection of colleagues. ◆ Provide free masks, protective face shields, home rapid tests, and other epidemic prevention supplies from time to time according to the COVID-19 epidemic status. ◆ Provide paid "vaccine leave" to encourage employees to get vaccinated against COVID-19 and reduce the rate of severe illness after infection.



Appoint Physicians and Nurses

Concord Securities has employed special occupational medicine specialists and nurses to ensure employee health. In June 2019, the Company set up the "Health Supply Station" infirmary and the online platform to promote 4 major projects: maternal health protection, human-induced hazard prevention, prevention of unlawful violations in the performance of duties, and abnormal workload disease prevention. The Company also irregularly provides health care information and health consultation services for the major diseases and top ten health anomalies suffered by employees to remind employees to pay attention to their health.

Won the Healthy Workplace "Health Promotion Badge" Accreditation Issued by the Health Promotion Administration, Ministry of Health and Welfare

Concord Securities was awarded the "Health Initiation Badge" in 2017 and was further awarded the "Health Promotion Badge," the highest health certification honor, in 2021. These honors showcase Concord Securities' determination and efforts in strengthening employee care.

Concord Securities has actively constructed a healthy workplace to promote the concept of health management and encourage employees to develop good exercise habits and lifestyles. The Company has also continued to promote weight loss competitions and employee walkathons, healthy eating and exercise ethos through competitions, and conveying correct weight loss knowledge to help colleagues maintain a healthy body, create a healthy workplace atmosphere, and reduce social and medical resources expenditure. The "Health Promotion and Disease Prevention Promotion Event," "Construct a Safe and Healthy Work Environment," "Health Consultation Service," "Regular Health Exams," "Employee Welfare Committee Providing Full Benefits," "Employee Group Insurance Handling," and "Fulfilling Corporate Social Responsibility" projects of the Company have achieved outstanding results.

Employee Health Exam

Concord Securities provides free employee health exams every year. In addition to the basic health exam items required by laws and regulations, the Company also provides exam items superior to those required by law, such as ultrasound and cancer screening. The Company files and tracks health exam reports, provides such reports to employees, and offers on-site physician health consultation and tracking for employees with physical abnormalities. We also irregularly organize nutrition and weight loss classes and competitions to promote employees' physical and mental health and have set up an employee leisure sports center on the B2 floor of the headquarters to offer a variety of sports equipment and a KTV room. The goal is to promote sports and leisure activities to create a good work environment.

Health Exam Statistics Table

Year	Number of Employees	Hospital	Number of Supervisors	Hospital
2020	556	Cardinal Tien Hospital, Penghu Hospital of the Ministry of Health and Wealth	36	Cathay General Hospital, National Taiwan University Hospital
2021	427	H&B Health Center (number of people counted as of 2022/1/31), Taipei Medical University Hospital, Penghu Hospital of the Ministry of Health and Wealth, Tri-Service General Hospital Penghu Branch	34	Cathay General Hospital, National Taiwan University Hospital, Shuang Ho Hospital, H&B Health Center, Chang Gung Clinic

Employee Health Consultation Status

Year	Hospital	Consultation Frequency
2020	Cardinal Tien Hospital Contracted Doctor	4
2021	Cardinal Tien Hospital Contracted Doctor	3

Employee Health Activities Organization Status

Year	Topic	Instructor
2021	Fire Safety Advocacy	Xinyi District Fire Brigade
	Tobacco Harm Prevention Advocacy	The Company's Nurse
	Creating a Happy Workplace - Employee Peace of Mind Lectures	The Company's Nurse
	Online – Office Ergonomics Prevention and Stretching	Xinyi District Health Service Center
	Online – Get to know Hypertension, High Cholesterol, High Blood Sugar	The Company's On-site Physician

In 2021, 543 employee health activity courses were held, with a total of 778.5 hours for an average of 1.18 hours per person.

Labor-management Consultation

The Company has always attached great importance to the harmony of labor-management relations and focused on improving the well-being of employees through various welfare measures, education, and training. The Company has also provided stock subscriptions or dividends to strengthen employee cohesion and achieve a win-win for employees and employers. The Company attaches great importance to the rights and interests of employees. It has established a special complaint line to assist employees in resolving work problems, promoting communication between labor and management, preventing various labor problems, and respecting gender equality by eliminating gender discrimination.

Report Mailbox

To implement corporate governance and improve the functions of the board of directors, the Company has formulated a reporting system and set up an online "reporting mailbox" area in the Company. Colleagues are welcome to submit specific evidence to report any illegal incidents involving the Company or its personnel. The Company maintains confidentiality for the reported cases and has created a special filing method, and orders the relevant departments to investigate and make improvements as soon as possible. The Company's Legal Compliance Department also regularly promotes the Company's whistleblowing system and encourages colleagues to offer suggestions to improve the various mechanisms through internal reporting.

Sexual Harassment Complaint Channel

The Company has established measures for "workplace" sexual harassment prevention, admonishment, and punishment

and set up a Sexual Harassment Complaint Handling Committee to take charge of sexual harassment complaints, investigation, and resolution related matters to prevent sexual harassment and protect the rights and interests of victims and provide colleagues with a good work environment.

Sexual harassment complaint channels are as follows:

© Sexual harassment complaint hotline: (02)8787-5488 © Sexual harassment complaint fax number: (02)2766-1704

© Sexual harassment complaint email: complaint.hr@concord.com.tw

In 2021, the Company received no sexual harassment complaints.

Employee Communication

We attach great importance to providing smooth communication channels for our colleagues and listening to their suggestions carefully. We use a variety of problem response channels to create effective employee communication and interaction environments such as daily verbal responses, online employee proposal areas, and experience report suggestions to discover the needs of colleagues and constantly improve the relevant issues. Employee communication methods are as follows:

(1) Satisfaction survey after labor-management meetings or education and training courses

Concord Securities has appointed labor and management representatives according to law and held regular "labor-management meetings" to enhance discussions and exchanges between employers and employees. The resolutions of such meetings are also instructed to be completed within a certain time. The records of each phase of the labor-management meeting are placed on the Company's intranet (labor-management meeting area) for colleagues to inquire at any time.

The Company has a comprehensive employee education and training system. In addition to improving colleagues' professional knowledge and skills, the system can also conduct surveys for each interactive course via an anonymous satisfaction questionnaire after class. The goal is to improve the training environment and courses according to the needs and issues of colleagues and to open up a multi-party exchange area for colleagues to voice their concerns.

(2) Hold Knowledge Sharing Events

We have established a strong lineup of internal trainers and improved the quality of internal training courses using our comprehensive internal trainer training system. The internal lecturers shoulder the responsibility of passing on culture and teaching professional knowledge to ensure colleagues fully understand the Company's management system and business strategy direction via various internal training courses and internal lecturer sharing activities.

During monthly birthday parties, occasional incentive and commendation meetings, or important gatherings within the Group, colleagues can share their thoughts with each other, pass on their experience, and conduct lectures on various soft topics such as health maintenance, communication, work enthusiasm, and sales skills. The goal is to improve the general knowledge of colleagues and balance the development of work and life.

Work environment and personal safety protection measures:

Concord Securities has endeavored to provide a comfortable and safe working environment for employees that ensures human dignity and basic human rights, conforms to the relevant labor laws and regulations, and protects employees' legitimate rights and interests. More importantly, the Company aims to ensure that the workplace environment is free of discrimination or bias. The Company has complied with the "work rules" stipulated by the relevant labor laws and

regulations to protect the legitimate rights and interests of employees; ensure the employment policy is free of gender, race, age, marital and family status, or other types of discriminations; and provide equal remuneration, employment conditions, training, and promotion opportunities.

For occupational safety, the Company has submitted building and firefighting equipment public safety inspection reports to the competent authority according to laws and regulations. The Company has selected personnel to obtain fire management personnel qualification certificates and developed a fire protection plan to maintain firefighting equipment safety in the workplace. All workplaces are insured with public accident liability insurance to protect the rights and interests of clients. The Company has also purchased employer accident liability and occupational accident insurance.

Occupational safety and health license:

The Concord Securities headquarters and some branch companies have occupational safety and health business supervisors, first aid personnel, or fire management personnel stationed on-site. They also participate in recurrent training courses regularly to continuously improve their occupational safety skills and strengthen the attention and awareness of all units to occupational safety. Concord Securities attaches great importance to the work environment and employee safety. The Company has conducted irregular work environment inspections with specialists from the Department of Occupational Medicine and continued to invest in the relevant improvement measures.

Number of Valid License Holders

Year	Occupational Safety and Health Manager	Occupational Safety and Health Operation Supervisor	First Responder Personnel	Fire Protection Manager	Total
2020	2 people	15 people	20 people	12 people	49 people
2021	2 people	15 people	20 people	15 people	52 people

Hardware environment safety:

Concord Securities believes that employee work environment safety is critical. In addition to strengthening the elimination of office environment hazard factors, the Company has established Class-A occupational safety and health business supervisors and occupational safety and health administrators to implement occupational safety and health operations and registered them with the Labor Inspection Office in Taipei for reference. The branches have trained employees to obtain fire protection manager as well as occupational safety and health business supervisor certification qualifications. A fire protection plan for each workplace is formulated according to the law to maintain office environment safety. In addition, both the headquarters and the workplaces are insured with public accident liability insurance to protect the rights and interests of clients and employer accident liability insurance to protect the rights and interests of employees.

The Company has commissioned professional companies to conduct building safety inspections regularly every two years in accordance with the Regulations for Inspecting and Reporting Buildings' Public Safety, and has obtained Public Safety Building Inspection Certification of Approval marks. The various electromechanical or fire-fighting equipment (such as fire alarms or fire extinguishers) are outsourced for regular maintenance and fire-fighting equipment safety inspections every year according to the provisions provided by the Fire Services Act, and reports are made to the competent authority. All business premises are completely non-smoking according to regulations. Professional cleaners are employed to clean the

office environment and clean and wax office floors and carpets to ensure a clean and hygienic work environment. The office is equipped with a central air-conditioning system, sufficient lighting equipment, and a comfortable and appropriate work space to provide employees with a safe and healthy workplace.

Labor inspection result:

- (I) Since June 2017, the Company has participated in the labor condition self-management inspection of public institutions organized by the Labor Inspection Office of Taipei and complied with the key inspection requirements every quarter.
- (II) Losses due to labor disputes in the most recent year: None.

4. Environmental Sustainability

Environmental Policy

In response to the risks and opportunities brought by climate change, the Company's board of directors has passed a resolution in 2022 to formulate the Sustainable Development Committee Organizational Charter and set up a "Sustainable Development Committee." The committee also has subordinate task preparation teams. They include the "Responsible Investment Team," "Green Product Team," "Sustainable Governance Team," "Green Operations Team," "Social Welfare Team," and "Employee Benefits Team." These teams hold meetings at least once a year and may hold ad hoc meetings when necessary. The "Sustainable Development Committee" plans to implement the annual sustainable development plan and project performance tracking and review from top to bottom. The goal is to integrate sustainable development into Company operations, reduce the impact of Company operations on the environment, and demonstrate a positive attitude towards environmental sustainability in line with international standards.

No environmental regulation violations or related penalties in 2021.

In response to the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" promulgated by the FSC in January 2022, the Company shall implement ISO 14064-1 Greenhouse Gas Inventory Guidance as well as ISO 14001 + ISO 45001 Environmental + Occupational Safety and Health Management System Construction in 2022 to fulfill the board of directors' responsibility for sustainable development and achieve the goals of carbon reduction.

Climate Change Risks and Opportunities

The effect of global warming has intensified in recent years, and extreme climate has caused frequent global natural disasters. The major environmental impact caused by climate change has become a serious challenge for enterprises to maintain sustainable business operations. Although financial industry operations are not directly impacted by climate change, we may still be indirectly affected due to the impacts on client operations.

Climate change has become a serious issue that all countries must face. The Company also attaches great importance to the impact of climate change on its operations and has assessed and managed climate change risks. The Company has also paid attention to development and opportunities to strengthen corporate social responsibility and sustainable governance.

The Company has referenced the climate risk and opportunity framework of TCFD in 2021 and started to identify the transition risks, physical risks, and climate opportunities, and formulated the relevant responses as follows:

Risk Aspects		Risk Assessment	Operational/Financial Impact
Physical Risks	Immediacy	Heavy Rain Incident: Due to natural disasters caused by climate change, the frequency and intensity of wind and rain have increased.	<p>Response strategies:</p> <p>Regularly maintain flood control equipment and dredge the drainage pipes around the building.</p> <p>Response actions:</p> <p>Due to the heavy rain in Taipei City on June 4, 2021, the area around the headquarters and branch offices in Taipei was severely flooded.</p> <p>(1) The head office lost NT\$0 to construction equipment due to proper precautions.</p> <p>(2) The Company subsidized maintenance costs of NT\$57,439 for flood damage to employees' vehicles and locomotives parked around</p>

		the Company. (3) Due to heavy rain, the 4th and 5th floors of the Taipei Branch at Fuxing North Road required equipment repair and replacement, and the amount was NT\$750 million.
Long Term	Average temperature change: The annual average temperature has continued to rise.	<p>Response strategies:</p> <p>The Company has adjusted the air-conditioner temperature setting to provide suitable temperatures, achieve energy conservation goals, and regularly replace outdated energy-consuming equipment in response to climate change.</p> <p>Response actions:</p> <p>As the temperature rises, the demand for air-conditioning will increase the electricity bills of the business premises.</p> <p>(1) Every year, 6% of old energy-consuming air-conditioning equipment is replaced, and the investment cost of replacement is about NT\$44.89 million.</p> <p>(2) Strengthen the energy-saving awareness of all employees.</p>

Opportunity Aspect	Risk Assessment	Operational Impact									
Product & Services	The awareness of environmental sustainability is on the rise, and institutional investors are promoting responsible investment by paying more attention to the climate change and environmental problems of the invested companies.	<p>Response strategies:</p> <p>To incorporate ESG issues into investment analysis and decision-making processes, the Company has formulated the "Responsible Investment Management Method" in September 2020 to standardize the dealer, underwriting, re-investment, and other operations. When investing with its funds, the Company shall consider the three major aspects of ESG (environment, society, and corporate governance) for sustainable investment to ensure that the policies of investee companies are not contrary to Concord Securities' sustainability concept.</p> <p>Response actions:</p> <p>The Company conducts dialogues and interactions with investee companies by visiting them (in person or by telephone) and participating in their legal seminars, symposiums, shareholders' meetings, etc. In addition to understanding the investee companies' future industry overview and operational outlook, the efforts also aim to communicate ESG-related policy issues with the investee company and actively grasp the investee company's ESG actions and commitments.</p> <p>(1) Methods and number of discussions with investee companies:</p> <table border="1"> <thead> <tr> <th>Items</th> <th>2020</th> <th>June 30, 2021</th> </tr> </thead> <tbody> <tr> <td>Shareholders' Meeting</td> <td>2</td> <td>0</td> </tr> <tr> <td>Legal Seminars/Online</td> <td>33</td> <td>25</td> </tr> </tbody> </table>	Items	2020	June 30, 2021	Shareholders' Meeting	2	0	Legal Seminars/Online	33	25
Items	2020	June 30, 2021									
Shareholders' Meeting	2	0									
Legal Seminars/Online	33	25									

Legal Seminars		
Visit/Symposium	12	4
Telephone Visit	18	13
Total	65	42

(2) Contents of interaction and discussion with investee companies:

Copper clad laminate (CCL) is the key basic material for the manufacture of printed circuit boards (PCB). Taiwan has numerous CCL manufacturers, which play a pivotal role in the global 5G base station and high-speed data center industry chain. However, the environmental pollution caused by its manufacturing process has always been an important ESG issue. Therefore, the investment units of the Company frequently discuss environmental pollution matters with other institutional investors to interact, communicate, and discuss the issues with the management level when they visit Taiwanese substrate manufacturers. The goal is to analyze, discuss, and evaluate the additional capital expenditure required for the Company to increase environmental protection equipment and the resulting benefits. The manufacturers' short-term profits will generally fall when they increase their expenditure on environmental protection equipment. But after continuous communication, we found that some manufacturers are beginning to respond to the institutional investors' requirements on environmental issues and are willing to increase the expenditure on environmental protection equipment each year to reduce environmental pollution.

(3) Anticipated follow-up tracking and changes in future investment decisions:

Regarding ESG risk matters, the Company will evaluate whether to continue to track the targets by paying attention to industry trends, company news, financial and operational overviews, or other relevant information. If the Company decides to continue to track the targets, it shall observe the relevant ESG risk feedback and improvement matters from the investee companies and may adjust the investment decision and decide to reduce the scope or suspend procurement after careful evaluation.

Concord Securities' Environmental Sustainability Goals

◆ Execution status in 2021

- More internal processes are being digitalized, more water resources are being conserved, more lighting fixtures are replaced with T5 electricity-saving lights, and strict waste management has been implemented.
- In 2021, carbon dioxide emissions were reduced by approximately 827 kg, which was a decrease of 0.35% from 862 kg in 2020.

- A total of NT\$618,000 was spent on updating old energy-consuming air-conditioning equipment in the branches.

◆ **2022 targets**

- Establish ISO 14001 + ISO 45001 Environmental + Occupational Safety and Health Management System Construction Guidance and Educational Training.
- Introduce ISO 140-64-1 Greenhouse Gas Inventory and Quantitative Guidance and Educational Training.
- Control the carbon emissions generated by electricity to reduce carbon emissions by 1% every year.
- Continue to strengthen waste management.
- Continue to retire outdated equipment.
- Continue to promote suppliers to sign the "Human Rights and Environmental Sustainability Clause Commitment."

Response Action - "Energy Conservation, Carbon Reduction, and Digitalization" Transformation

Concord Securities cares about the issue of environmental sustainability and will expand from the enterprise itself to the suppliers in the supply chain to jointly safeguard environmental protection and ensure common interests.

Climate change challenges have become the focus of global attention, and how to mitigate and adapt has become critical in terms of sustainable enterprise operation. Concord Securities is part of the financial industry, and its environmental impact primarily comes from the electricity consumption of office buildings, business locations, and relevant greenhouse gas emissions. Concord Securities will focus on "Energy Conservation, Carbon Reduction, and Digitalization" as its sustainable development policy to prevent the impact of business operations on the natural environment and achieve harmony between business and nature.

We have comprehensively reviewed business and administrative processes and fully digitized paper-based operations to simplify operational processes and reduce carbon emissions.

Carbon emissions management aspect: Strictly control the amount of photocopying paper used in each department.

The amount of photocopying paper and carbon emissions have decreased each year.

Waste management aspect: Over the years, the Group headquarters, branches, and subsidiaries have continued to promote the waste reduction and recycling classification system by classifying waste according to general waste, kitchen waste, and recyclable waste resources.

Concord Securities has no large-scale waste pollution in the financial service industry, but it is still committed to building the Company into a comprehensive green enterprise. The Company will establish an "Environmental Protection Promotion Team" to respond to climate change-related issues and challenges to become an environmentally-friendly enterprise.

The Company formulated the "Corporate Environment, Energy Conservation, and Carbon Reduction Management Method" in 2015.

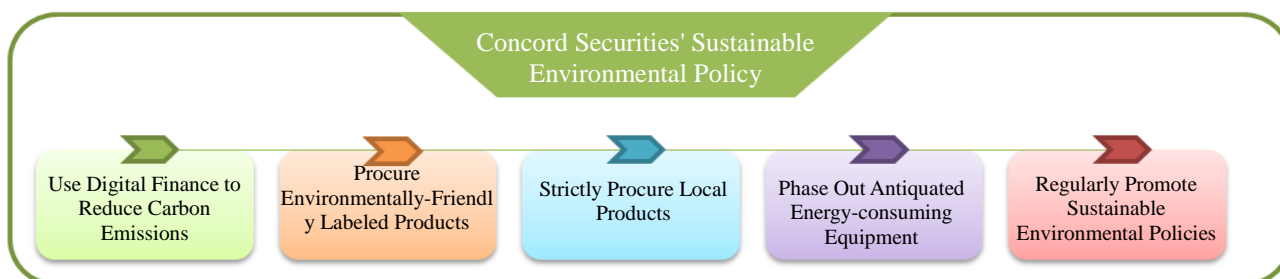
Each year, more internal processes are being digitalized, more water resources are being conserved, more lighting fixtures are replaced with T5 electricity-saving lights, and strict waste management has been implemented.

In 2021, carbon dioxide emissions were reduced by approximately 827 kg, which was a decrease of 0.35% from 862 kg in 2020.

4.1 Sustainable Environment Outlook

Concord Securities is part of the financial service industry and has less impact on the environment than other industries. In recent years, there have been no environmental-related complaints. Responsibility for a sustainable environment has become the common goal of every citizen of the earth as the impacts of extreme climate on earth have increased. Concord Securities is also committed to building the Company into a green enterprise by implementing energy conservation and carbon reduction from the inside out, investing in green innovation and transformation from top to bottom, and striving to build Concord Securities into an environmentally-friendly enterprise. Concord Securities will focus on "Energy Conservation, Carbon Reduction, and Digitalization" and the "Corporate Environment, Energy Conservation, and Carbon Reduction Management Method" to fulfill Concord Securities' pledge to protect the environment.

The world and East Asia have successively announced the goals of reducing carbon by 50% in 2030 and achieving carbon neutrality by 2050. Carbon neutrality has become the primary international indicator for mitigating climate change. To promote climate change-related issues, the Company plans to introduce ISO 14064-1 Greenhouse Gas Inventory Verification and ISO 14001 + ISO 45001 Environmental + Occupational Safety and Health Management System Certification to demonstrate the Company's commitment to the sustainable development of the ESG environment.



2021 Green Spending

Items	Content	Benefits	Fees (Headquarters)
Environment Cleaning	Environmental cleaning includes – inside and outside the office for areas such as toilets, pantries, safety ladders, the surrounding environment of the building, and waste removal	Maintain a clean environment	NT\$984,000
Exterior Wall Cleaning	Regularly require external manufacturers to clean the external walls for sanitation	Maintain the Company's facade and clean city appearance	NT\$82,000
Building Environment Disinfection	Disinfection of vector mosquitoes in offices and public areas on each floor	Vector mosquito breeding prevention and control	NT\$173,500
Office Environment Epidemic Prevention and Disinfection	Environmental epidemic prevention and disinfection for offices and public areas on each floor	Prevent the spread of COVID-19 Zero infections in the office environment	NT\$323,000

4.2 Energy Conservation and Carbon Reduction Digitalization Policy

Energy conservation and carbon reduction digitalization policy:

Client aspect:

The main direction is to develop digital financial services such as account opening for clients, signing various consent forms online without leaving the house, risk notices required by the competent authority, conducting various transactions directly on mobile devices, querying transaction returns online, and other services. We will gradually expand the business scope and types of sustainable finance in the future and develop products with social or environmental benefits.

Company operation aspect:

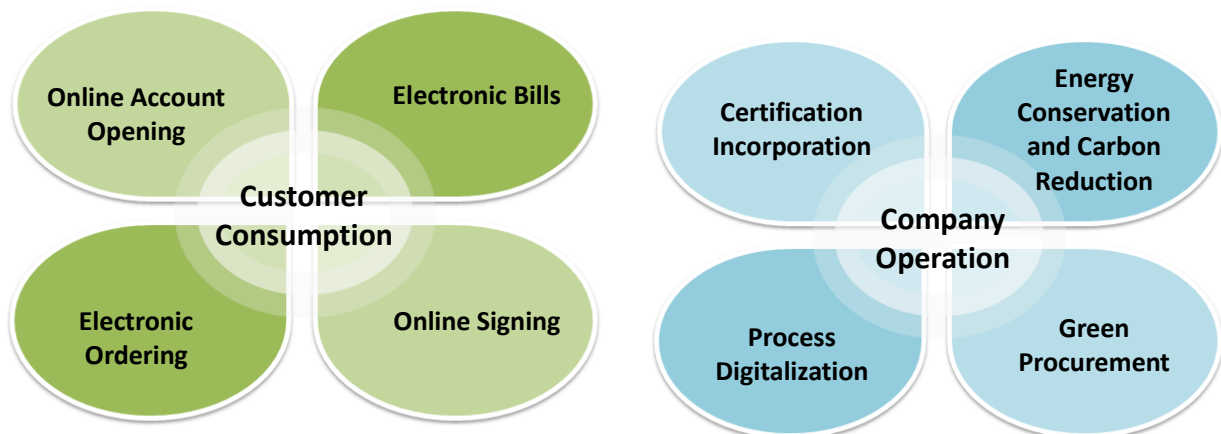
1. Comprehensively review business process and administrative form digitalization, procure environmentally friendly products, eliminate old energy-consuming equipment annually to reduce energy consumption, streamline energy expenditures, and improve operational efficiency to reduce the greenhouse gas emissions and their impact on the environment.
2. Promote the use of communication software and video conferencing systems to hold meetings, save electricity, reduce photocopying papers, and achieve energy conservation and carbon reduction.

Energy Conservation and Carbon Reduction Achievements

Aspects	Actions	Plans	Results
Client Consumption	Cross-site Services	The cross-site service mechanism was launched on May 13, 2019, whereby clients can go to the nearest business site to apply for various operations across sites. The effort can save transportation energy consumption and reduce the carbon footprint generated from visiting the original business site.	Number of cross-site services in 2020: 379 Number of cross-site services in 2021: 551 The number of cross-site services increased by 1.45 times.
	Online Account Opening	Online account opening service was launched in December 2019. Clients can open accounts electronically, which saves the transportation energy from going to each business location and the resource consumption of paper account opening. The effort has significantly reduced the carbon footprint caused by physical account opening.	Number of online accounts opened in 2020: 191 Number of online accounts opened in 2021: 684 Online account opening increased by 3.58 times
	Electronic Bills	Continue to promote and encourage clients to use electronic bills to reduce paper consumption, conserve energy, and reduce carbon emissions.	In 2020, a total of 197,081 statements were delivered, of which 84,882 were electronic statements. In 2021, a total of 212,056 statements were delivered, of which 117,264 were electronic statements. The electronic statements for 2021 grew by 38% compared to 2020. * Our electronic statement delivery system has been upgraded in

			response to the increasing demand for data security. After switching to the new electronic statement system in 2021, the statement information can be provided to clients in real-time with enhanced data security. The monthly securities statement delivery time is less than 1 hour, and all clients can obtain their transaction information from the previous month within 1 hour. In 2021, the delivery success rate reached as high as 91.8%.
	Online Signing of Various Consent Forms and Risk Notices	Clients can conduct various transactions through electronic mobile devices, eliminating time and space constraints and reducing company operating costs.	In 2020, the number of people signing online was 27,539. In 2021, the number of people signing online was 9,203.
Company Operation	Form Digitization/Job Digitization	Review the business process, fully digitize administrative forms, simplify the operations, and reduce carbon emissions.	In 2021, a total of 5 forms were digitized. In 2022, a total of 6 forms were digitized.

Energy Conservation and Carbon Reduction Digitalization



Energy Conservation and Carbon Reduction Digitalization Actions

- Energy Conservation Actions**
 - Include electricity bills in the management report, strictly control each unit's electricity consumption and expenses, and provide explanations and improvements for any abnormalities.
 - Develop digital finance and reduce the carbon footprint.
- Antiquated Equipment Replacement**
 - Continue to replace antiquated energy-consuming lamps in offices and business premises and prioritize purchasing equipment and products that meet green building materials and environmental protection labels.
- Energy Conservation Promotion**
 - Regularly patrol each floor on working days. If energy waste is found, immediately reiterate the energy-saving concept and promote energy conservation on an irregular basis.
- Green Procurement**
 - Comply with green environmental protection, sustainable enterprise development, and radiation prevention procurement standards.
 - Give priority to purchasing equipment and products that comply with green building materials and environmental protection labels.

4.3 Greenhouse Gas and Energy Management

Greenhouse Gas Management

The main greenhouse gas emissions of Concord Securities come from purchased electricity, gasoline used by company vehicles, and diesel used for emergency generators. To effectively manage and set carbon reduction goals, the Company plans to introduce ISO 14001 + ISO 45001 Environmental + Occupational Safety and Health Management System verification in 2022 to fulfill the Company's commitment to environmental sustainability.



(I) Water and Energy Management Performance

1. Tap Water Usage Comparison

Water Consumption Statistics Table for Past 2 Years – Keelung Road Headquarters			
Year	2020	2021	Difference
Water bill (thousand liter)	8,382	7,784	-598

Note: The headquarters had a total of 285 employees in 2020. The headquarters had a total of 295 employees in 2021. The usage rate rose as the number of employees increased.

2. Comparison of Electricity Consumption and Carbon Emissions

Electricity Consumption and Carbon Emission Statistics Table for Past 2 Years – Keelung Road Headquarters			
Year	2020	2021	Difference
Power usage (kilowatt)	1,690,098	1,644,917	-45,181
Carbon Emission volume (tonnes of CO ₂ e)	860	826	-34

Note: The electricity carbon emission factor is calculated based on the electricity use carbon dioxide emission factor published by the Bureau of Energy, Ministry of Economic Affairs.

3. Comparison of Photocopying Paper Consumption and Carbon Emissions

Photocopying Paper Consumption and Carbon Emission Statistics Table for Past 2 Years – Keelung Road Headquarters			
Year	2020	2021	Difference
Amount of paper (sheets)	745,000	840,000	95,000
Carbon Emission volume (kgCO ₂ e)	5364	6,048	684

Note: The increase in paper usage in 2021 was due to increased businesses and headcounts. The paper emission factor is taken from the EPD's Product Carbon Footprint Information Website, and calculated according to virgin wood pulp photocopying paper 0.0072 kgCO₂e/sheet.

4. Gasoline use status:

Year	2020	2021	Difference
Gasoline use volume (liter)	5,534	2,866	-2,668
Carbon emission volume (kgCO ₂ e)	16,713	8,656	-8,057

Note: The gasoline emission factor is taken from the EPD's Product Carbon Footprint Information Website, and calculated based on 3.02 kgCO₂e/L.

(II) Waste Management

The waste generated by Concord Securities' headquarters building is mostly domestic waste. To implement waste reduction, resource recycling, and reuse, waste is separated into general waste, recyclable resources, and kitchen waste. Colleagues sort garbage before disposal into the centralized garbage temporary storage area, and the building property management company then centrally stores it on the garbage room floor. General garbage is transported to the incineration plant by a qualified waste disposal company for disposal, and professional recyclers are contacted to remove the recyclable resources. Confidential documents are destroyed according to the retention period of each unit and complies with the security and confidentiality principles to prevent client data leakage.

(III) Provide free vegetarian meals every month to promote carbon reduction awareness for colleagues

Employees are the most important assets of an enterprise. In addition to providing a good and high-quality work environment and training for employees' career learning and growth, we also want to select, cultivate, utilize, and retain talents. We attach great importance to the health of our employees and have provided free employee health checks for many years in a row. We have also offered one "Healthy Vegetables Day" free meal per month for the last 5 consecutive years to advocate eating more vegetables and less meat, developing the character of energy conservation and carbon reduction, and maintaining good health.

Vegetarian Meal Carbon Emission Reduction Results

Year	Reduction of Carbon Emission Volume
2020	448 kg
2021	362 kg

Note: The carbon emission of vegetarian lunch boxes is approximately 480g/box, and the total weight of vegetarian meals is deducted from the weight of meat dishes.



4.4 Supplier Management

(I) Green Procurement

As a member of the financial service industry, Concord Securities is mostly composed of agents or distributors, so the Company has a relatively low impact on the environment. The manufacturers that cooperated and signed the procurement contracts in 2019 are divided into "renovation projects," "software/hardware maintenance," "machine procurement," "data

services," "gifts/tours," and "others." Most of the manufacturers are based in Taiwan. Concord Securities has stipulated the principles of procurement targets in the purchase requisition and procurement management measures to contribute to society's pursuit of environmental protection, energy conservation, and carbon reduction while reducing our environmental impacts from procurement practices.

(II) Supplier Management

The Company has established good relations with suppliers and other transaction partners, maintained smooth communication channels, respected and safeguarded their legitimate rights and interests, strengthened trust with suppliers, and increased the satisfaction and loyalty of both parties. These efforts have a positive impact on each other's work efficiency. When its legitimate rights and interests are violated, the Company will uphold the principle of good faith and handle the matter properly.

The Company formulated the "Human Rights and Environmental Sustainability Clause Commitment" in 2015, and requires the cooperating suppliers to work together to create a sustainable environment by signing the "Human Rights and Environmental Sustainability Clause Commitment." The contents cover forbidding child labor, environmental protection, safety and health management, environmental protection and energy conservation management system, corporate social responsibility policy, basic human rights, labor management, etc. The objective is to establish a specific environmental protection and energy conservation management system, adopt the best pollution prevention and control technology, properly protect the natural environment, and meet environmental sustainability goals. In case of a violation that results in grave environmental and social impacts and refusing or failing to improve within a certain deadline, the Group may terminate or rescind the contract at any time, impose fines, suspend rights, and remove the supplier from the qualified vendor list if the circumstances are serious.

All manufacturers must sign the "Human Rights and Environmental Sustainability Clause Commitment."

To urge suppliers to implement environmental protection, our local supplier adoption rate remains 100%.

In 2021, there were no poor delivery quality or major environmental hazard incidents from manufacturers.

(III) Supplier Social Responsibility Commitment

In recent years, the public has paid increasingly more attention to sustainable development indicators such as the environment, labor, human rights, and social impact, which has helped drive suppliers to check and ensure their codes of conduct comply with sustainable development indicators. The Company currently regards sustainable development indicators such as environment, labor, human rights, and social impact as consideration items for screening new suppliers and evaluating suppliers. New suppliers are required to sign the relevant letters of commitment.

Irregular Communication Exchanges

The Company's general affairs department promotes human rights and environmental protection to suppliers and invites suppliers to hold irregular meetings to conduct capacity assessments, audits, and exchange opinions.

Implement Supplier Management

The Company uses supplier questionnaires to increase the understanding of suppliers and then work together to fulfill corporate social responsibility.

5. Social Co-prosperity

Concord Securities adheres to the concept of "giving back to society what it has taken from society" and actively participates in social public welfare activities. We take "public welfare participation, knowledge promotion, and sports development" as the primary social co-prosperity objectives to contribute to stable social development and fulfill our corporate social responsibility. We have helped socially disadvantaged groups lacking resources through charitable participation and actively invested in academic education, sports development, and other fields to fulfill corporate social responsibility with practical actions. We will continue to deepen social participation actions; become a force for social stability to co-prosper with Taiwan's land, people, and society, and respond to the "United Nations Sustainable Development Goals" (SDGs) via specific goals and actions.

5.1 Academic Education



Concord Securities supports national teams and continues to donate to Daojiang (Assurance Item)

Concord Securities supports national teams and aims to use its corporate power to help socially and economically disadvantaged groups. Daojiang High School of Commerce Baseball Team comprises Indigenous students mainly from rural areas with financially disadvantaged, single parent, intergenerational rearing, or other disadvantaged families. Concord Securities cares about the education of schoolchildren in remote areas and hopes to attract the support and recognition of more enterprises through our efforts. We hope our efforts can enable Taiwanese baseball teams to shine and become popular worldwide. The Daojiang youth baseball team had a remarkable record last year, winning first place in the high school hard aluminum bat division Group A finals, third place in the student baseball autumn league Group A aluminum bat division, and third place for student baseball autumn league Group A wooden bat division in 2020. We encourage the students to fully exert their skills, become the backbone of society, and transmit positive energy.

In 2021, Concord Securities donated NT\$300,000 to sponsor the Daojiang Youth Baseball Team, with 52 beneficiaries.



5.2 Charity Care



Continue 1919 Bikeathon – Emergency Families Relief Program

Chairman Ta-Yu Cheng of Concord Securities led the company's colleagues to support public welfare with action by forming the Concord Worriers Bike Team to relay around Taiwan to solicit funds. Many families have fallen into hardships due to reduced work due to COVID-19. As families urgently need various material resources, Concord Securities donated NT\$2 million through the Chinese Christian Relief Association's "1919 Bikeathon" project. Chairman Ta-Yu Cheng donated NT\$1 million, and the Company donated NT\$1 million. The Company provides employees with two days of full-paid public welfare leave every year to inspire them to participate in charitable and social care activities. The goal is to form a corporate culture by encouraging employees to devote themselves to social services and charitable activities outside of work.

Concord Securities raised a total of NT\$2.89 million in 2021 through the "1919 Bikeathon - Public Welfare Fundraising."



Love does not stop: Concord and Taipei Zhongxing Rotary Club jointly organize a blood donation drive to support the blood bank

As the COVID-19 epidemic heated up at the beginning of this year, people started to stay home to avoid the risk of cluster infection. As a result, the number of blood donations at various blood donation sites nationwide plummeted, causing the

blood inventory to hit a new low in the past 20 years. Concord Securities is concerned about the blood shortage caused by COVID-19 and has taken practical actions to support blood banks. The Company has co-organizing blood donation activities for 14 consecutive years and inspired people to donate over 3,300 bags of blood.

The 2021 blood donation event solicited 120 bags of blood donations.



Facing the Concern of the Aging Population, Concord Donated to help the Elderly Care

As the medical standards, food safety awareness, and exercising habits improve, Taiwanese people live longer, and their life spans have increased by an average of 2.1 years in the past two decades. Taiwan has also entered a super-aging society ahead of schedule, and elderly care has become a critical social issue. Concord Securities cares about the aging society problem and has donated NT\$300 thousand to Pumen Home for the elderly in Taiwan to support its operations and take practical actions to care for the elderly.

In 2021, Concord Securities donated NT\$300 thousand to Pumen Home for the elderly, with approximately 70 beneficiaries.



Concord Securities delivered beef, fruits, and other materials to Chung Yi Nursery Home for the end of the year present.

Chairman Ta-Yu Cheng of Concord Securities and Chairman Ching-Tai Kang of Concord Futures visited Chung Yi

Nursery Home in Taipei to deliver beef ribs, beef cubes, fruits, hot pot ingredients, and other materials to supplement beef and fruits that are less consumed regularly. They also hoped to add more dishes for the New Year's holiday and supplement the calories and nutrients required for young children during the development phase.

Year-end Warm Greetings! Concord Securities Shares Handmade Cookies from the Eden Social Welfare Foundation

The Eden Foundation's handmade cookies are made by Eden Roasting Coffee House and baked by people with disabilities. Eden Roasting Coffee House is the first shelter workshop in Taoyuan to provide people with disabilities with a learning environment. Concord Securities supports the care products created by the Eden Foundation and does its best for people with disabilities so love can be shared with many people.

2021 Social Engagement, Charitable Donation, and Sponsorship Statistics

Year	Total amount	Details
2021	NT\$1,750,000	(I) Donated NT\$300 thousand to the Daojiang High School of Commerce Baseball Team (II) Chengda 2021 Financial Technology Forum NT\$50 thousand. (III) Donated NT\$300 thousand to Pumen Home. (IV) Donated NT\$200 thousand to Taipei Civic Symphonic Band. (V) Donated NT\$500 thousand to the Chinese Christian Relief Association. (VI) Donated NT\$100 thousand to the Association of China's War of Resistance Against Japan. (VII) Donated NT\$100 thousand to the Council for Industrial and Commercial Development (VIII) Donated NT\$200 thousand to Charming-Will.

Park Adoption

Siwei Park located next to Rui'an Street has been adopted for 20 years. To promote city appearance, park beautification, and take practical actions to maintain the natural environment, Concord Securities hopes to extend the green space for citizens by adopting parks to increase high-quality activity spaces. The goal is to let everyone enjoy a comfortable living environment and create a clean and comfortable city.

Adoption fees for the past two years:

Year	Cost/NT\$
2020	195,600
2021	195,600

四維公園簡介

公園名稱：四維公園 (Siwei Park)
公園地址：瑞安街23巷24弄
(Alley 24, Lane 23, Ruian St.,)
認養單位：康和綜合證券股份有限公司
維護電話：23511711
公園面積：3097 M2
成立日期：69年成立
公園代號：(安)198公



Relaxing Day at a Nearby Leisure Park



6. Appendix

BSI GRI Code Independent Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Concord Securities Co., Ltd. 2021 Sustainability Report

The British Standards Institution is independent to Company English Name (hereafter referred to as Concord Securities in this statement) and has no financial interest in the operation of Concord Securities other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Concord Securities only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Concord Securities. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Concord Securities only.

Scope

The scope of engagement agreed upon with Concord Securities includes the followings:

1. The assurance scope is consistent with the description of Concord Securities Co., Ltd. 2021 Sustainability Report.
2. The evaluation of the nature and extent of the Concord Securities's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Concord Securities Co., Ltd. 2021 Sustainability Report provides a fair view of the Concord Securities sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Concord Securities and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Concord Securities's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Concord Securities's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to Concord Securities's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 8 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that Concord Securities has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Concord Securities's inclusivity issues.

Materiality

Concord Securities publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Concord Securities and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Concord Securities's management and performance. In our professional opinion the report covers the Concord Securities's material issues.

Responsiveness

Concord Securities has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Concord Securities is developed and continually provides the opportunity to further enhance Concord Securities's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Concord Securities's responsiveness issues.

Impact

Concord Securities has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Concord Securities has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Concord Securities's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Concord Securities provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the Concord Securities's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the Concord Securities's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



For and on behalf of BSI:

A handwritten signature in black ink, appearing to read 'Peter Pu'.

Peter Pu, Managing Director BSI Taiwan

Statement No: SRA-TW-2021009
2022-05-03

...making excellence a habit.™

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.



會計師有限確信報告

資會綜字第 21020482 號

康和綜合證券股份有限公司 公鑒：

本事務所受康和綜合證券股份有限公司（以下稱「貴公司」）之委任，對貴公司選定 2021 年度永續報告書所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

確信標的資訊與適用基準

有關貴公司選定 2021 年度永續報告書所報導之績效指標（以下稱「確信標的資訊」）及其適用基準詳列於貴公司 2021 年度永續報告書第 108 頁之「確信項目彙總表」。前述確信標的資訊之報導範圍業於永續報告書第 4 頁之「報告書範疇與邊界」段落述明。

上開適用基準係為財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定，以及貴公司依行業特性與其報導之績效指標參採或自行設計其他基準。

管理階層之責任

貴公司管理階層之責任係依照財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定，以及貴公司依行業特性與其報導之績效指標參採或自行設計其他基準，以編製永續報告書所報導之績效指標，且維持與績效指標編製有關之必要內部控制，以確保績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依照確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認確信標的資訊可能發生重大不實表達之領域，以及針對前述領域設計及執行程序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件所執行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: + 886 (2) 2729 6686, www.pwc.tw



資誠

- 對參與編製確信標的資訊之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對確信標的資訊選取樣本進行包括查詢、觀察、檢查等測試，以取得有限確信之證據。

此報告不對 2021 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信，另外，2021 年度永續報告書中屬 2020 年 12 月 31 日及更早期間之資訊未經本會計師確信。

會計師之獨立性及品質管制規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

本事務所適用審計準則公報第四十六號「會計師事務所之品質管制」，因此維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現確信標的資訊在所有重大方面有未依財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」與相關問答集及有關法令之規定，以及 貴公司依行業特性與其報導之績效指標參採或自行設計其他基準編製而須作修正之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何確信標的資訊或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 吳尚燉

吳尚燉



GRI Standards Index Comparison Table

GRI 102: General Disclosures 2016			
GRI Standard	Disclosure Items	Disclosure Chapters	Page
102-1	Name of the organization	1.1 Company Profile	27
102-2	Activities, brands, products, and services	1.1 Company Profile – Main Brands, Products, Services, and the Company's Operating Locations	30
102-3	Location of headquarters	1.1 Company Profile – Concord Securities Basic Information	28
102-4	Location of operations	1.1 Company Profile – Concord Securities Basic Information, Main Brands, Products, Services, and the Company's Operating Locations	28, 30
102-5	Ownership and legal form	1.1 Company Profile – Business Philosophy and Core Values	29
102-6	Markets served	1.1 Company Profile – Main Brands, Products, Services, and the Company's Operating Locations	30
102-7	Scale of the organization	1.1 Company Profile – Concord Securities Basic Information	28
102-8	Information on employees and other workers	3. Employee Care	84–103
102-9	Supply chain	4.4 Supply Chain Management	113-114
102-10	Significant changes to the organization and its supply chain	No significant changes	-
102-11	Precautionary Principle or approach	1.4 Risk Management	49–53
102-12	External initiatives	None	-
102-13	Membership of associations	1.1 Company Profile – Participation in Domestic and Foreign Organizations	31
102-14	Statement from senior decision-maker	Message from the Chairman	6-8
102-16	Values, principles, standards, and norms of behavior	1.8 Ethics and Integrity	65–67
102-18	Governance structure	1.3 Corporate Governance	34–49
102-40	List of stakeholder groups	Stakeholder Communication and Negotiation	13–22
102-41	Collective bargaining agreements	Not applicable as the Company does not have a union	-
102-42	Identifying and selecting stakeholders	Stakeholder Communication and Negotiation	13-14
102-43	Approach to stakeholder engagement	Stakeholder Communication and Negotiation	13–14

GRI Standard	Disclosure Items	Disclosure Chapters	Page
102-44	Key topics and concerns raised	Stakeholder Communication and Negotiation	13–14
102-45	Entities included in the consolidated financial statements	About this Report	4
102-46	Defining report content and topic Boundaries	About this Report	4
102-47	List of material topics	Material Topics and Impact Boundaries	17-18
102-48	Restatements of information	None	-
102-49	Changes in reporting	Identification of Material Topics	16-17
102-50	Reporting period	About this Report	4
102-51	Date of most recent report	About this Report	5
102-52	Reporting cycle	About this Report	4,5
102-53	Contact point for questions regarding the report	About this Report	5
102-54	Claims of reporting in accordance with GRI Standards	About this Report	4
102-55	GRI content index	Appendix. GRI Standards Index Comparison Table	124
102-56	External assurance	About this Report	5

Material Topics			
GRI Specific Topics	Disclosure Items	Disclosure Chapters	Page
1. Client Privacy and Information Security			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Identification of Material Topics and Organizational Boundaries
	103-2	The management approach and its components	1.5 Information Security
	103-3	Evaluation of the management approach	1.5 Information Security
GRI 418: Client Privacy 2016	418-1	Substantiated complaints concerning breaches of client privacy and losses of client data	1.5 Information Security
2. Legal Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Identification of Material Topics and Organizational Boundaries
	103-2	The management approach and its components	1.6 Legal Compliance
	103-3	Evaluation of the management approach	1.6 Legal Compliance 1.7. Audit – Defects and Improvement Status

GRI Specific Topics		Disclosure Items	Disclosure Chapters	Page
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.6 Legal Compliance	59-60
			1.7. Audit	60-64
			1.8 Ethics and Integrity	65-67
3. Code of Conduct				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Identification of Material Topics and Organizational Boundaries	17-18
	103-2	The management approach and its components	1.3 Governance Structure	34
	103-3	Evaluation of the management approach	1.3 Governance Structure	34
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	1.8 Ethics and Integrity	65-67
4. Risk Control/Audit				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Identification of Material Topics and Organizational Boundaries	17-18
	103-2	The management approach and its components	1.4 Risk Management	49–53
	103-3	Evaluation of the management approach	1.4 Risk Management	49-53
No corresponding GRI Specific Topics			1.4 Risk Management	49-53
5. Operational Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Identification of Material Topics and Organizational Boundaries	17-18
	103-2	The management approach and its components	1.2 Operational Performance	32–34
	103-3	Evaluation of the management approach	1.2 Operational Performance	32-34
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	1.2 Operational Performance Please refer to the "2021 Concord Securities Co., Ltd. Annual Report"	32-34
6. Sustainable Finance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Identification of Material Topics and Organizational Boundaries	17-18
	103-2	The management approach and its components	2. Financial Sustainability	68-83
	103-3	Evaluation of the management approach	2. Financial Sustainability	68-83

GRI Specific Topics		Disclosure Items	Disclosure Chapters	Page
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	2. Financial Sustainability 4. Environmental Sustainability	68-83, 104-114
	203-2	Significant indirect economic impacts	2. Financial Sustainability 4. Environmental Sustainability	68-83, 104-114
8. Maintenance of Financial and Capital Market Functions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Identification of Material Topics and Organizational Boundaries	17-18
	103-2	The management approach and its components	1.6 Legal Compliance	59-60
	103-3	Evaluation of the management approach	1.6 Legal Compliance	59-60
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.6 Legal Compliance 1.8 Ethics and Integrity	59-60 65-67
Other GRI Specific Topics				
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.2 Financial Innovation and Services	71-78
			2.3. Inclusive Finance	78-79
GRI Financial Services Sector Supplement: Product Portfolio				
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.		2.5 Financial Products or Services that Create Social and Environmental Benefits	82-83
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.		2.5 Financial Products or Services that Create Social and Environmental Benefits	82-83

Assurance Item Summary Sheet

No.	Chapter	Page	Assurance Item	Indicators
1	1.5 Information Security	56-57	In 2021, Concord Securities had no information leakage incidents, the proportion of personal information-related information leakage incidents was zero, and the number of customers affected by information leakage incidents was zero.	Item 1, Paragraph 3, Article 4 of the "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies" should strengthen disclosure of performance indicators
2	-	-	NA	Item 2, Paragraph 3, Article 4 of the "

				Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies " should strengthen disclosure of performance indicators
3	2.2 Financial Innovation and Services	78	In 2021, Concord Securities provided the financial education course "Campus Financial Train" 1 session in Securities Research Club of Yuan Ze University.	Item 3, Paragraph 3, Article 4 of the " Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies " should strengthen disclosure of performance indicators
4	2.2 Financial Innovation and Services	75	In 2021, Concord Securities launched the "Thousand-Dollar Stock Deposit" service to provide financial innovative products to achieve inclusive finance and create social benefits, with a total of 2,579 trading accounts.	Item 4, Paragraph 3, Article 4 of the " Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies " should strengthen disclosure of performance indicators

Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies Article 4 Comparison Table

Items	Disclosure Chapters	Page
The financial insurance industry must disclose the enterprise's management policy, disclosure items, and reporting requirements on material sustainable finance-related topics. The reporting requirements must at least include the products and services designed by each business to create social or environmental benefits.	2. Financial Sustainability	68-83
The number of full-time non-managerial employees, their average salary, their median salary, and the differences of the three indicators with the previous year.	3.3 Compensation, Benefits, and Employee Care	95
The status of corporate governance of climate-related risks and opportunities; the actual and potential climate-related impacts; how to identify, assess, and manage climate-related risks; and the indicators and targets for assessing and managing climate-related issues.	4.Environmental Sustainability	104-107



台北市信義區基隆路一段176號15F

TEL : 886-2-8787-1888

<https://www.concords.com.tw>