

2022

永續報告書

Sustainability
Report



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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 customer value" by extending customer services, guiding customers to increase the value of their assets, and realizing the value of an investment bank.
- III. Our mission is to provide customers 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 customers!

Reporting Period

Concord Securities regularly issues non-financial information reports every year. Concord Securities will issue its "Concord Securities 2022 Sustainability Report" (hereafter "the Report") in June 2023 and publish it in the "Corporate Sustainable Development" area of Concord Securities' website in Chinese and English versions. The contents cover Concord Securities' performance in ESG governance, society, and environmental aspects from January 1 to December 31, 2022, as well as the management and response measures to material topics.

Drafting Basis

Issue unit	Compliance principle
The Global Reporting Initiative, GRI	GRI Sustainability Reporting Standards 2021 Edition
Taipei Exchange Rules Governing the Preparation and Filing	Sustainability Reports by TPEX Listed Companies
Taiwan Stock Exchange	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
United Nations	Sustainable Development Goals, SDGs
Sustainability Accounting Standards Board	INVESTMENT BANKING & BROKERAGE

Note: The contents of this report are prepared in accordance with the 8 reporting principles of the new edition of GRI General Standards: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

Boundary and Scope of the Report

The scope of disclosure focuses on the activities and services of Concord Securities and its four subsidiaries (Concord Futures, Concord Capital Management, Concord Asset Management, and Concord Insurance Agent). The scope of disclosure accounts for more than 90% of the consolidated net income of Concord Securities, which is no different from the list of entities in the financial statements. All financial figures are calculated in New Taiwan Dollars (NT\$), and all statistical figures are based on internationally accepted indicators. The disclosure of sustainability focuses on Concord Securities, and some chapters' (1.2 Operational Performance, 5, Happy Workplace) disclose data and descriptions cover subsidiaries. In the aspect of environmental sustainability, ISO 14064-1 greenhouse gas inventory is introduced, and the organizational boundary is verified to be Concord Securities Headquarters Building, which also includes 15 branches distributed in North, South and Central Areas, with a total of 16 locations. The reporting boundary setting includes direct greenhouse gas emissions and removals, indirect greenhouse gas emissions caused by energy input, and organization. If the quantitative indicators disclosed above have special significance, they shall be explained in notes.

Report management mode

Internal review:

◆ Each department head shall review the contents and information of each chapter for correctness, and the sustainability team shall collect the opinions of stakeholders, compile report, and submit them to the general manager and the chairperson for review and issuance.

◆ The Board of Directors reviews ESG (environmental, social and governance) performance and strategic objectives.

External review:

◆ Financial data: [Deloitte]

◆ Environmental data: ISO 14001, ISO 14064-1 [BSI]

◆ Sustainable data: ISO 45001 [BSI]

◆ Sustainable information: Verified by BSI according to the AA1000AS v3 first verification type medium assurance level.

※ BSI has no financial relationship with Concord Securities.

Issuance Overview

Previous report issue date: June 2022

Current report issue date: June 2023

Next report estimated issue date: June-September 2024

Welcome to Concord Securities' 9th Sustainability Report. 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>

※ The financial statement information in this report is the same as that in 2022 consolidated financial report.

Contact Information

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

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

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

Financial information

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>

Non-financial information

For more detailed non-financial information, please refer to the “Corporate Sustainability Development” area on Concord Securities' official website

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

Message from the Chairperson

In 2022, the COVID-19 epidemic is still severe. The outbreak of the Russian-Ukrainian war, rising inflation, the unstable interest rate policy, the imbalance of supply chain, energy shortage and other issues have led to global economic uncertainty. Natural disasters in extreme climate make us deeply feel the threat and impact of climate change on human beings. ESG (Environmental, Social, Governance), net zero carbon emissions, sustainable development and other issues have become global consensus. Concord Securities will work together with all stakeholders to face these difficult challenges and move towards a sustainable road together.

In environmental protection, in order to avoid severe climate disasters and reduce greenhouse gas emissions to control the global temperature in an appropriate range, net zero emission in 2050 has become the global goals. As a corporate citizen, the Company actively promotes the reduction of greenhouse gas emissions to mitigate the impact of global warming on human and natural systems. The Company has passed the ISO 14001 Environmental Management System and ISO 45001 Occupational Safety and Health Management Certification in January 2023 with a long-term credit rating of A- (twn) and a short-term credit rating of F2(twn) in the PRC with a stable outlook. In April 2023, the Company introduced ISO 14064 International Standard for Greenhouse Gas Emissions and obtained the certification, amid the active measures taken to achieve the goal of reducing greenhouse gas emissions. In 2022, the Company organized the "ESG Innovation Circular Economy Forum", in which Taipei Exchange was invited to share ESG trends and responses, as well as the sharing of waste resources with three important promoters and model industries of promoting circular economy, namely Yi Chun Green Technology, Taiwan Steel Union and INFINITE RESOURCE TECHNOLOGY. This is a practical approach to truly implement ESG, and we look forward to implementing the "Circular Economy" through this forum, which is also one of the government's "5+2" industrial innovation policies at the present stage.

In terms of corporate governance, the Company has complied with "Corporate Governance 3.0 -Sustainable Development Roadmap" issued by the Financial Supervisory Commission, to continuously strengthen corporate governance, and fulfill the responsibilities of business operators. In 2022, the Company established the "Sustainable Development Committee" to devote to the sustainable management and implement ESG promotion. The Company has set KPI indicators, requiring all departments to link their work objectives with sustainable development strategies, and give rewards to specific practices. We believe that with good management by objectives, the Company will be able to implement sustainable management. In 2021, the Company's Sustainability Report was verified by the third-party "British Standards Institute" (BSI) for 2 consecutive years. We also won the Silver Award in the "Corporate Sustainability Report Category" - Finance and Insurance Industry - the Taiwan Corporate Sustainability Award (TCSA). We are one of the very few securities companies to have won the award.

In terms of financial services, in response to the rapid development of financial technology and the transformation of economic activities caused by the epidemic, the Company actively promoted inclusive finance, developed a "Good Fun Investment" platform for cross-carrier situational stock selection, and encouraged young petty bourgeoisie to make good use of investment tools to manage their wealth and accumulate wealth, so as to invest in a regular and



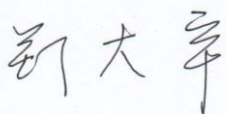
variable multiple way with a low threshold of NT\$1,000. In addition, in response to the United Nations' promotion of providing financial services to disadvantaged groups, the company provides ipads, wheelchairs and eyesight glasses for the elderly and the disabled and assigns special personnel to provide services. In addition, in 2022, the company held 5 "interesting lectures on preventing travel fraud and financial management held for senior citizen " to establish the correct financial management concept of the elderly and disadvantaged groups, protect their financial affairs, and provide friendly financial services.

In terms of employee care, in order to build a friendly, safe and happy workplace, the company set up an "employee stock ownership trust" in 2022 and formulated a "human rights policy" to safeguard the human rights and welfare of employees. The company regards employees as an important asset for the sustainable management of the company. We set up employee stock ownership trust just to keep talents and cultivate talents, unite colleagues' cohesion and help colleagues improve their retirement benefits. The formulation of "human rights policy" reflects the company's responsibility to respect and protect human rights through practical actions, and shapes an environment for full protection of human rights. 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 "Concord Vegetable Day" for 6 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.

In terms of social co-prosperity, employees are encouraged to actively participate in public welfare, and employees are provided with public welfare leave every year. The company has participated in Taiwan Bicycle Roundabout Charity Fund-raising Activities of the "1919 Love to Walk - Emergency Families Relief Program" for five consecutive years. I personally led my colleagues to participate in the public welfare fundraising around the island, supporting vulnerable families in emergency with practical actions. In addition, the company co-organizes blood donation activities with the Rotary Club of ZTE every year, cares for the elderly and weak of Pumen Home, donates to the Daojiang High School of Commerce Youth Baseball team mainly composed of indigenous youth, and the Financial Technology College of Ming Chuan University for grants, and organizes "Concord Old Clothes, Let love continue" donation to the Edan Social Welfare Foundation, sending love and care to all parts of Taiwan. Based on the needs of the society and the ability of the financial industry, the company actively invests in the promotion of social welfare, sports support and academic exchanges, exerting social influence and practicing the concept of social participation.

Looking into the future, Concord Securities will continue to adhere to the business philosophy of "integrity, stability, service and sustainability", take "innovation, friendship and mutual good" as the vision of sustainable development, and take "environmental sustainability", "customer value", "happy workplace", "social co-prosperity" and "corporate governance" as the sustainable development strategy, integrate the sustainable development goals, implement the three aspects of environment (E), society (S) and governance (G), and strive to do well with shareholders, employees, society and environment, fulfill corporate social responsibility, and create sustainable value for customers and the company.

Chairperson of Concord Securities

A handwritten signature in black ink, consisting of three stylized Chinese characters: 劉大平 (Liu Daping).

2022 Sustainability Performance

Environmental

◆ Passed the "ISO 14064-1:2018" greenhouse gas inventory verification

The verification was completed in April 2023, covering 16 domestic cross-sites with a coverage rate of 100%.

◆ Passed the "ISO14001, 45001 environmental safety and health" certification

In January 2023, the company passed the ISO 14001/ISO 45001 environmental/occupational safety and health management system certification.

◆ Developed 7 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 7 digital forms in 2022 to reduce carbon emissions.

◆ Promoted the digitalization policy and encouraged customers to place orders online

The proportion of online electronic active households was 63.57%, up 5.17% from 58.4% in 2021.

◆ Reduced 385 kg of carbon emissions through vegan day

The company has provided free "Concord Vegetable Day" every month for 6 consecutive years to enhance colleagues' awareness of carbon reduction.

Social

◆ Obtained invention patent approved by Intellectual Property Office of Ministry of Economic Affairs

The proprietary "Risk Control Device and Method" developed in 2022 obtained an invention patent (invention No. I751586) from the Intellectual Property Office, Ministry of Economic Affairs.

◆ It was the first to win the Rising Star Award

It was the Company's first to win the 2022 (7th) Rising Star Award of "Enterprise Epidemic Prevention Alliance awarded by Taiwan Association for Vaccine Promotion (TIVS).

◆ The first "Happiness Enterprise Gold Award"

Won the "Happiness Enterprise Gold Award" of 1111 Job Bank financial Management category for the first time.

◆ Donate 52,500CC of blood

Held a 4-in-1 blood donation activity and participated in the response to blood donation and love, raising a total of 210 bags and 52,500CC of blood.

◆ Established employee stock ownership trust

Implemented employee stock ownership trust to implement sustainable development of enterprises.

◆ Won the "Healthy Workplace Promotion Seal"

Awarded the "Healthy Workplace Promotion Seal" by the Health Promotion Administration, Ministry of Health and Welfare.

◆ Won the "Excellent Award of the Organization for Excellent Work Performance for People with Mental and Physical Disabilities"

Won the excellent award from Taoyuan Municipal Government for the organization for excellent work performance for people with mental and physical disabilities by Nankan Branch of the company.

◆ 1919 Fundraising

In 2022, the activity "1919 Love to Walk" raised NT\$1.56 million.

◆ **Won the 19th National Brand Yushan Award in 2022**

Concord Securities won the four awards of 19th National Brand Yushan Award in 2022, including the "Outstanding Enterprise," "Outstanding Business Leader," "Best Product," and "Most Popular Brand."

General Manager Chiu, Jung-Chen won the "National First Award" and the "Outstanding Enterprise Leader" award.

◆ **Won the "Best Intelligent Financial Management Award"**

As a result of the "2022 Outstanding Securities Evaluation", the company won the "Best Intelligent Financial Management Award" in the non-financial holding category.

◆ **Won the TCSA Taiwan Enterprise Sustainability Report Award - Silver Award**

Won the Silver Award in the "Corporate Sustainability Reporting Category" - Finance and Insurance Industry - 2022 Taiwan Corporate Sustainability Awards.

◆ **Won the "2022 annual Warrant Issuer award"**

Won the 1st weight growth Award and the 4th weight Efficiency Award in the "2022 Annual Warrant Issuer Award Activity" held by the Stock Exchange.

◆ **Risk Management Assessment Level 2 for 10 consecutive years**

From 2013–2022, rank level 2 (good grade) for 10 consecutive years.

◆ **Won the "26th Outstanding Fund Golden Diamond Award"**

Concord Capital Management participated in the "26th Outstanding Fund Golden Diamond Award", and the general agent "KBI Alternative Energy Solutions Fund" won the "Natural Resources Equity Fund Three-year Award" for the third consecutive year.

◆ **Ranked 6% to 20% in corporate governance evaluation**

In 2022, the Taiwan Stock Exchange announced the results of the 9th corporate governance evaluation, and the company was ranked among 6% to 20% of the companies.



TCFD Climate Change Risks and Opportunities

According to The Global Risks Report 2022 released by the World Economic Forum, risks related to climate change, such as failed climate action and extreme weather events, are among the world's major risks, affecting everyone. Is a serious issue that all countries must face. The company attaches great importance to the operational impact of Climate change, while paying attention to development opportunities, strengthening corporate social responsibility and sustainable governance. Concord Securities refers to the Task Force on Climate-Related Financial Disclosures; TCFD) framework, based on the four dimensions of governance, strategy, risk management, indicators and targets, to address the issue of climate change, thus identifying risks and opportunities, and proposing measures, plans and targets to disclose climate governance information, improve information transparency, and promote global sustainable development.

The four dimensions of Task Force on Climate-Related Financial Disclosure (TCFD) framework

(I) Governance

Supervision by the Board of Directors

- ◆ The board of directors of the Company is the highest governance unit for climate-related issues, and has set up a "Risk Management Committee" to supervise climate change-related issues.
- ◆ The Company has incorporated "Climate Risk" into the "Risk Management Policy" to improve the climate-related risk management mechanism.

Actions taken by managers

- ◆ The "Sustainable Development Committee" is chaired by the chairman of the board of directors, and is functionally grouped. The "Green Operations Team" promotes the implementation and management of climate action, and the "Responsible Investment Team" is responsible for green finance and responsible investment for sustainable development.
- ◆ The Sustainable Development Committee holds a quarterly meeting to review the implementation plan and results related to climate risk.

Actions taken by Risk Management Committee

- ◆ The "Risk Management Committee" consists of five board members, and is responsible for supervising and guiding the implementation of climate risk management and deliberating relevant proposals on climate risk management.
- ◆ The risk management office is responsible for formulating the identification, measurement and management processes of climate-related risks and opportunities, and integrating them into the existing risk management framework.

(II) Strategy

The impact, financial impact and response strategies of major climate risk events identified by the Company:

Risk factor	Impact description	Potential financial impact	Other related risks	Occurrence period	Response strategies and adjustment measures
Immediate physical risk: Heavy rainfall flooding	<ul style="list-style-type: none"> • Damage to business locations or equipment • Uninterrupted Operations 	<ul style="list-style-type: none"> • Increased operating costs • Decreased revenue 	<ul style="list-style-type: none"> • Operational Risk 	Long Term	<ul style="list-style-type: none"> • Insure comprehensive commercial fire insurance for 16 business locations of the head office and branch every year, covering typhoon and flood accidents. • Establish off-site backup system for important information equipment. • Identified as an operating location in high-risk areas, and waterproof facilities and flood drainage pipes are strengthened.
Long-term physical risk: Sea level rise					
Transformation risk: Policies and regulations	<ul style="list-style-type: none"> • In response to regulatory requirements, actions related to carbon reduction must be increased • The investment target company or the clients it counsels will increase their operating costs due to the change of energy laws or the levy of carbon fees/rights, which will affect their profitability 	<ul style="list-style-type: none"> • Increased operating costs • Decreased revenue 	<ul style="list-style-type: none"> • Operational Risk • Market Risk • Credit Risk 	Short term Medium term	<ul style="list-style-type: none"> • ISO 14064 -1 greenhouse gas inventory was introduced in 2022 and completed in 2023. • The verification of 14001+ISO 45001 environmental+occupational safety and health management system was completed in 2022. • Continue to promote digitized business process administrative forms, purchase products with environmentally-friendly marks, and replace old energy-consuming equipment year by year. • In 2020, the "Responsible Investment Management Measures" was formulated to introduce responsible investment into the investment policy. For details, please refer to Chapter 4.1 Sustainable Responsible Investment of this report. • Strengthen the energy-saving awareness of all employees.

Note: Occurrence period: short-term refers to 1 years, medium-term refers to 1-3 years and long-term refers to more than 3 years.

Description of opportunities related to climate risks identified by the Company

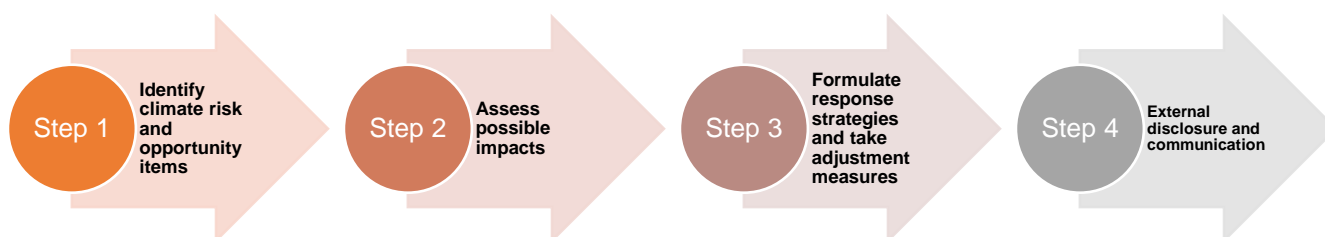
Opportunity items	Opportunity description	Potential opportunity impact	Impact business scope
Product & Services	<ul style="list-style-type: none"> • Provide guidance to customers on relevant technology and industry development trends for net zero transformation • Reduce potential operational risks to customers and exposure to climate-related risks or assist them in 	<ul style="list-style-type: none"> • Increased revenue 	<ul style="list-style-type: none"> • Underwriting Business • Dealership Business

	identifying climate-related opportunities. <ul style="list-style-type: none"> Expand the proportion of investment in renewable energy and green industry, increase business opportunities. 		
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(III) Risk Management

Faced with the uncertainty of climate change, Concord Securities follows the disclosure guidelines suggested by TCFD, and divides the responsibilities of climate risk management of each line of defense through the internal control three-line defense structure. Please refer to Chapter 3.2 Risk Management in this report for the organizational structure, responsibilities and risk management process of the Company.

Climate risk and opportunity identification and risk management process



(IV) Indicators and targets

Climate related indicators	Short-term Goals (within 1 years)	Medium-term Goals (1-3 years)	Long-term Goals (more than 3 years)
Greenhouse Gas Emission	<ul style="list-style-type: none"> Completion of greenhouse gas inventories. 	<ul style="list-style-type: none"> 1% reduction in greenhouse gas emissions (base year: 2022) 	<ul style="list-style-type: none"> 3% reduction in greenhouse gas emissions (base year: 2022)
Climate Risk Management	<ul style="list-style-type: none"> Identify climate-related risks and opportunities, assess the operational and financial impacts and probability of occurrence of climate-related risks, and plan relevant adjustment measures accordingly. 	<ul style="list-style-type: none"> Establish climate risk related indicators of investment positions. Incorporate climate risk considerations into other risk management mechanisms. 	<ul style="list-style-type: none"> Continuously improve the measurement method of climate risk.



Responses to COVID-19

The severe and special infectious pneumonia (COVID-19, Coronavirus Disease) continued in 2022. Concord Securities attached importance to staff health. In order to cope with the severer of the epidemic and protect the safety and rights of staff and customers, various epidemic prevention measures were taken to maintain normal operation and minimize the impact of the epidemic.

Management Mechanism

I. Established the "COVID-19 Response Team"

The chairperson 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 observe epidemic prevention matters, and education and training courses and meetings are conducted online.
4. 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.
5. Report the COVID-19 situation survey to the competent authority every week.

III. Epidemic Prevention Measures for Business Premises

1. When customers come to the Company for business, they must first measure their body temperature and disinfect their hands with alcohol. If the body temperature is too high, the customer is forbidden to enter the business hall for safety. Disinfectant alcohol dispensers are placed at the counter at the entrance of each office floor, antibacterial hand sanitizers are provided at each washbasin, employees are required to wash their hands frequently.
2. The shared equipment of each office and the elevators in the office buildings are cleaned and disinfected regularly.
3. 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.
4. Open windows as much as possible in the office to maintain external ventilation, and regularly disinfect each office building.

IV. Epidemic prevention policy that are superior to policy stipulated by the government to take care of the health of all colleagues:

1. High-risk employees who have returned from abroad during the epidemic period, are at risk of contact, have the same footprint as those diagnosed, are diagnosed, or are needed for other epidemic prevention, and can be treated by "home office" according to their work nature. If the quick screening of the diagnosed employees is still positive after the expiration of the quarantine period, they can continue to apply for home office, so as to maintain the safety of the office environment and avoid the infection of colleagues.
2. The high-risk employees referred to in the preceding paragraph who are unable to work at home due to the nature of their work may be provided with "paid epidemic prevention leave" or "epidemic prevention isolation leave" with pay.
3. All staff are required to take body temperature twice a day to maintain the safety of the office environment.
4. Epidemic situation investigation and confirmed number statistics were conducted daily, and the confirmed staff health status was tracked to improve staff care.
5. Announce epidemic prevention measures from time to time or send the latest information on epidemic situation and new knowledge about epidemic prevention, and strengthen the promotion of epidemic prevention knowledge.
6. Provide paid "vaccine leave" to encourage employees to get vaccinated against COVID-19 to prevent the disease, and reduce the rate of severe illness after infection.
7. In 2021, "epidemic prevention insurance" was added to care for colleagues to improve their health protection.

V. Initiate uninterrupted off-site (office) backup operations

1. Establish an epidemic prevention notification mechanism so that all units shall promptly report back to their colleagues if they meet the notification categories of "Severe and Special Infectious Pneumonia Epidemic Notification" stipulated by human resources units, so as to facilitate timely control of the epidemic situation and dispatch and response.
2. The Company has established a list of departments and personnel for off-site backup support to "ensure the customers' investment rights and maintain normal operations."
3. During the critical and resource-poor epidemic prevention period, the Company takes care of the health of its staff and customers by formulating relevant policies and measures.

1. About Concord



1.1 Company Profile

Since its establishment, Concord Securities has followed the business philosophy of "integrity," planning to achieve maximum profits for customers. We know that we can achieve long-term comprehensive investment planning and provide financial services for customers 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 B1F., 9F., 10F., 14F., 15F., No. 176, Section 1, Keelung Road, 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, 2023).

Concord Securities Basic Information

Company name: Concord Securities Co., Ltd.

Establishment time: July 25, 1990

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, 2023)

Number of employees: 834 (including 659 in Concord Securities and 175 in its subsidiaries)

Chairman: Cheng, Ta-Yu

Corporate headquarters: B1F., 9F., 10F., 14F., 15F., No. 176, Section 1, Keelung Road, Xinyi District, Taipei City

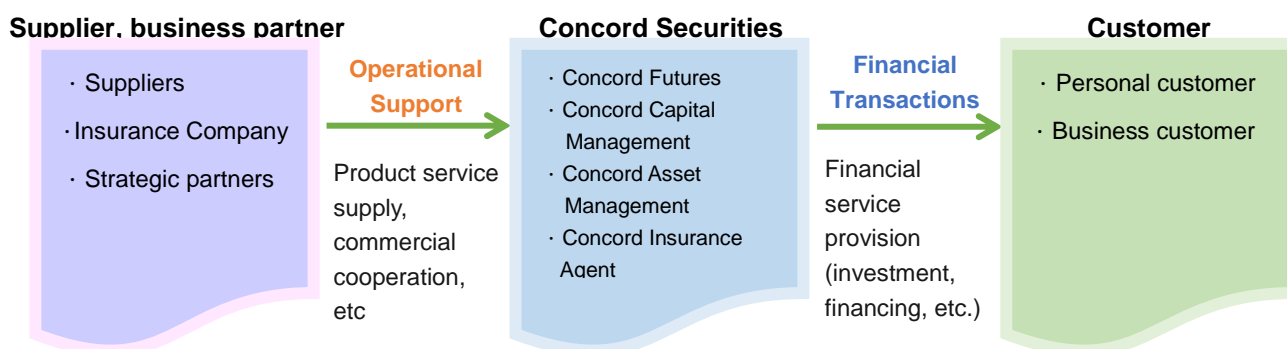
Business location distribution: It has 16 securities business offices and 3 futures business offices located in northern, central, and southern Taiwan and the outlying islands

Affiliated Enterprises: Concord Futures, Concord Capital Management, Concord Asset Management, Concord Insurance Agent



Organizational supply chain system

The supplier categories of Concord Securities can be divided into: supplier, business partner and customer according to upstream and downstream.



※ There is no major change in the Company's organization and its supply chain.

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 customers 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 ◆ Planning, evaluation, and underwriting of securities offering and issuance ◆ Corporate financial strategic planning and consultation services ◆ Corporate mergers and acquisitions matters ◆ Emerging stock dealer 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 buying and selling transactions ◆ Repurchase agreement/reverse repurchase agreement of bonds ◆ Bond investment consultation services
New Financial Products Department	Taiwan	<ul style="list-style-type: none"> ◆ Issue call (put) warrants, and hedge position operations ◆ Issue structured commodities (capital preservation and equity-linked), 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 customers ◆ Provide customers 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 Corp.	Taiwan	Securities investment advisory business
Concord Insurance Agent Corp.	Taiwan	Personal insurance agency and property insurance agency business
Concord Asset Management Corp.	Taiwan	Enterprise business management consultation and asset management businesses

※ The Company does not have any prohibited products or services in specific markets.

Participation in Domestic 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 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, Chinese Society of Information Management, Taiwan Chamber of Commerce & Industry, Taiwan Financial Services Roundtable, Taiwan Listed Company Association and Chengda Company Members.

1.2 Operational Performance

In 2022, the consolidated net loss after tax was NT\$143,700,000, with a loss of NT\$0.25 per share after tax. 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 treat guests fairly, create maximum operating value for shareholders, employees, and customers. 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' 2022 Operating and Profit Status

Financial performance

Unit:NT\$ thousand

Year/Item	2021	2022	Increase (decrease) amount	Change ratio (%)
Earnings	4,298,845	2,056,778	-2,242,067	-52.16
Operating costs and expenses	2,828,617	2,158,828	-669,789	-23.68
Operating profit (loss)	1,470,228	-102,050	-1,572,278	-106.94
Non-operating profits and losses	98,119	138,714	40,595	41.37
Net income before tax	1,568,347	36,664	-1,531,683	-97.66
Income tax expenses	178,245	180,364	2,119	1.19
Current period net income	1,390,102	-143,700	-1,533,802	-110.34

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

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

Important Financial Ratios

Year/Item		2021	2022
Financial structure (%)	Debt-to-asset ratio	77.33	77.97
	Ratio of long term capital to real estate and equipment	938.85	846.31
Solvency (%)	Current ratio	113.06	108.85
	Quick ratio	113.03	108.82
Profitability	Return on assets (%)	3.71	-0.38
	Return on equity (%)	16.17	-1.71
	The ratio of net profit (loss) before tax to paid-in capital (%)	26.38	0.62
	Net profit margin (%)	32.34	-6.99
	Basic earnings per share (NT\$)	2.33	-0.25

Revenue from each department

Unit:NT\$ thousand

Department	2021		2022	
	Amount	Ratio %	Amount	Ratio %
Brokerage Department	2,500,335	58.16	1,888,026	91.80
Dealer Department	1,686,784	39.24	82,355	4.00
Underwriting Department	89,201	2.08	62,849	3.06
Others	22,525	0.52	23,548	1.14
Total	4,298,845	100.00	2,056,778	100.00

The volume and amount of issuance of the Company's self-developed products:

Self-developed products	Issuance Volume (Production Volume)		Issuance Amount (Production Value)	
	2021	2022	2021	2022
Call Warrant	889	1,035	NT\$5,992,060 thousand	NT\$7,219,450 thousand
Put Warrant	90	195	NT\$672,805 thousand	NT\$1,262,885 thousand
Discretionary Leverage Equity Options	-	-	NT\$15,501,961 thousand	NT\$28,518,875 thousand

Sponsoring Results of Underwriting Business

Year/results	2021	2022
IPO underwriting amount	421,826 thousand	175,002 thousand
SPO underwriting amount	265,000 thousand	227,200 thousand
Total underwriting amount	686,826 thousand	402,202 thousand
IPO underwriting number	1	1
SPO underwriting number	1	3

Shareholder Structure

December 31, 2022

Shareholder Structure	Number of people	Number of shares held	(Thousand shares) Shareholding ratio (%)
Government agencies and financial institutions	1	1,806	<0.01
Other juridical persons	211	149,243,062	25.11
Natural Person	58,906	434,727,989	73.13
Foreign institutions and foreigners	75	10,482,129	1.76
Total	59,193	594,454,986	100.00

Operating performance of subsidiaries

Unit:NT\$ thousand

Enterprise name	2022			
	Operating income	Operating profit (loss)	Current Profit (Loss) (After Tax)	Earnings (Loss) (NT\$) (after tax) Per Share
Concord Capital Management	28,748	-4,854	-4,939	-0.71
Concord Futures	723,338	88,832	117,439	1.44
Concord Asset Management	0	-3,395	-12,195	-0.22
Concord Insurance Agent	7,400	-3,709	-3,530	-1.42

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-(twn)	F2(twn)	BB+	B	Stable	2021-11
Fitch Ratings	A-(twn)	F2(twn)	BB+	B	Stable	2022-11

2. Sustainability strategy and commitment



2.1 Vision and strategy of sustainable development

Since the foundation, the Company continues to adhere to the business philosophy of "integrity, stability, service and sustainability", takes "innovation, friendship and mutual good" as the vision of sustainable development, and takes "environmental sustainability", "customer value", "happy workplace", "social co-prosperity" and "corporate governance" as the sustainable development strategy, integrate the sustainable development goals, implement the three aspects of environment (E), society (S) and governance (G), and strive to do well with shareholders, employees, society and environment, fulfill corporate social responsibility, and create sustainable value for customers and the Company.

Five goals of sustainable development

The Company focuses on the implementation of the sustainable development strategy with the five goals of "environmental sustainability", "customer value", "happy workplace", "social co-prosperity", and "corporate governance", and formulates corresponding management policies and specific measures to enable the Company to continuously implement the strategy of promoting sustainable development.

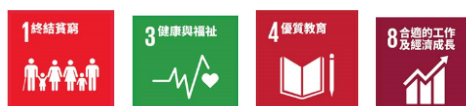
Environmental Sustainability

1. Committed to promoting sustainable environmental management, incorporating climate change risks into operational decision-making, identifying and managing risks.
2. In the face of global warming and resource depletion crises, we will fully respond to the trend of energy conservation and carbon reduction, and take mitigation and adjustment measures to reduce the impact on the environment.
3. Encourage joint implementation of corporate social responsibility with suppliers, promote sustainable development of the environment, and practice and safeguard basic human rights.



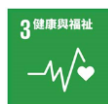
Social Co-prosperity

1. Adhering to the spirit of "taking it from society and using it for society", we will invest in caring for the disadvantaged, support rural education, bridge the urban-rural gap, and promote social welfare plans.
2. Deepen local business, actively give back to the community, support arts and cultural activities, fulfill corporate social responsibilities, and achieve mutual prosperity and mutual benefit with the society.



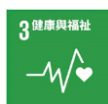
Customer value

1. Utilize financial technology to develop inclusive financial products and friendly financial services.
2. Deepen the field of digital finance, provide customers with new investment and wealth management experiences, and promote paperless digital services.
3. Provide diversified financial services to jointly focus on sustainability issues with customers, guide and encourage customers to attach importance to green environmental protection and environmental issues.
4. Provide comprehensive information security protection, strengthen information security defense, and create a reliable and trustworthy financial transaction environment.



Happy Workplace

1. Committed to promoting physical and mental health programs and welfare measures that are superior to laws and regulations, providing employees with a friendly and excellent work environment.
2. Provide multifunctional education, training and curriculum activities for employees. Through the performance evaluation mechanism, reward excellent employees, strengthen their competitive advantages, and improve the retention rate and employee engagement.
3. Encourage all colleagues to implement the sustainable development of ESG, create high-quality working conditions for employees and establish a career development environment, so as to enhance the competitiveness of the enterprise.
4. Implement the human rights policy declaration, ensure gender equality, establish a communication platform for employees' opinions, improve employee satisfaction, and implement the sustainable and sound operation of the Company.



Corporate governance

1. Actively promote the Financial Supervision and Regulation Commission's "Corporate Governance 3.0 - Blueprint for Sustainable Development" to strengthen the functions of the board of directors, improve information transparency, ensure shareholders' equity and achieve the goal of sustainable development of the enterprise.
2. Optimize the risk management mechanism of various businesses, improve the quality of risk management, incorporate the spirit of ESG into the investment strategy, and ensure the sustainable and sound operation of the Company.



Sustainable development strategy goal planning

Sustainable development strategy goal planning has been approved by the Board of Directors in February 2023.

[Environmental Aspect(E)]

Item		2022 targets	Achievement status	Short term (2025)	Mid- & Long-term (2027)
1	ISO 14001 Environmental Management System + ISO 45001 Occupational Safety and Health Management Certification	Completed verification in January	Completed	Continuous certification audit	Continuous certification audit
2	ISO 14064-1 greenhouse gas inventory and verification	Completed certification in April	Completed verification	1% reduction in greenhouse gas emissions (base year: 2022)	3% reduction in greenhouse gas emissions (base year: 2022)
3	Promote the introduction of "the Task Force on Climate-Related Financial Disclosures (TCFD)"	Strengthen TCFD's information disclosure in ESG	Ongoing	Report regularly to the Risk Management Committee	Report regularly to the Risk Management Committee

	framework"				
4	Green Product Investment	Invest 1.8 billion in global carbon neutrality, industrial decarbonization and other trend development companies, sustainable related funds, and ESG sustainable industries	Invest 1.558 billion in related sustainable development companies and funds	2.2 billion	More than 2.5 billion
5	Net Zero and Transformation Support	Understand the current situation of customers and invested companies in response to carbon reduction and transformation, encourage the development of net zero plans and accelerate sustainable transformation, with an estimated 10 companies	4 companies	20 companies	30 companies

[Social Aspect(S)]

Item		2022 targets	Achievement status	Short term (2025)	Mid- & Long-term (2027)
6	Due diligence for Institutional Investors	As the best list for disclosure of due diligence governance information for institutional investors	Scored + 6 points in 2022 compared with the previous year in Taiwan Stock Exchange	As the best list for disclosure of due diligence governance information for institutional investors	As the best list for disclosure of due diligence governance information for institutional investors
7	Regularly evaluate core operating systems and equipment to ensure their ability to operate continuously and resilience	1. Provide two or more trading servers. 2. Provide two or more trading lines. 3. Provide generators in business premises. 4. Build backup trading rooms. 5. Education and training	Completed	Building a off-site IDC computer room (brokerage business)	Establish a off-site IDC computer room and achieve complete backup (brokerage business and electronic transactions)
8	Counsel TWSE/TPEX and emerging companies in implementing ESG	Counsel TPEX companies belonging to circular economy and green finance industry, such as Yi Chun Green Technology and INFINITE RESOURCE TECHNOLOGY	Hosted by 3 companies	Hosted by 3 companies	Hosted by 3 companies
9	Hold ESG Innovation and Circular Economy Forum	Combining underwriting counseling with circular economy and green finance companies to share sustainable business practices for enterprises	Hold a forum	Hold a forum annually	Hold a forum annually
10	Actively participate in the shareholders' meeting and negotiation of the invested company	Actively participate in negotiations	Participation rate 10%	Participation rate 20%	Participation rate 30%
11	Provide ESG value investment products	Participated in more than 3 ESG products in the IPO of Investment Trust	Ongoing	More than 4 fundraising number	More than 5 fundraising number
12	Improve the self occupancy rate of electronic orders for digital users	Optimize the ordering interface, increase functionality and speed	Electronic ordering with a self occupancy rate of 76.77%	Electronic ordering with a self occupancy rate of over 80%	Electronic ordering with a self occupancy rate of over 85%

13	Establish a separate account to provide investors with the ability to open securities accounts without the need to add a bank account, reducing the resource consumption of bank account opening	Complete the establishment and launch to provide services	Under establishment	Number of accounts opened Increased by 10%	Number of accounts opened increased by 20%
14	ESG target warrants	Highly value ESG related issues Number of listed warrants is 547	Number of issued warrants is 492	Number of issued warrants is 550	Number of issued warrants is 600
15	Holding financial management seminars for the elderly and people with mental and physical disabilities	Hold 5 financial management education and training seminars	Hold 5 lectures	At least 5 lectures a year	At least 5 lectures a year
16	Strengthen the mechanism of information security protection	Establish the information security inspection mechanism for securities firms and hold regular review meetings	Convened once	Convened once a year	Convened once a year
17	Promote the introduction of international standards for information security protection	Annually acquired ISO 27001 Information Security Management System verification	Completed	Continuously passed ISO 27001 Information Security Management System verification	Continuously passed ISO 27001 Information Security Management System verification
18	Establish a information security inspection mechanism	Number of valid certificates that the security personnel should obtain and maintain	Obtained 3 certificates	Continuously obtaining and maintaining more valid information security certificates	Expand the acquisition of information security certificates by other relevant units
		Strengthen information security monitoring and establish a security information and event management (SIEM) mechanism	Established SIEM system	Complete all monitoring for core system hosts	Complete all monitoring for core systems and important network devices.
		Establish intrusion detection and defense mechanisms and "application firewall" information security defense equipment	Completed	Continuous optimization	Continuous optimization
		Build an abnormal monitoring operating system for system login activities	Completed	N/A	N/A
19	Digital finance and innovation	Submit one Fintech related patent application annually	Under planning	Submit one patent application annually	Submit one patent application annually
20	Establishment of sustainable corporate culture	Handling ESG related courses for colleagues at all levels	Completed	Continuous promotion and implementation	Continuous promotion and implementation
		Strive for external awards or certifications	Strive once every 2 years	Continuously strive for	Continuously strive for
21	Friendly workplace	Hold quarterly labor-management	Hold quarterly	Hold quarterly	Hold quarterly

		meetings			
		Implementing human rights policies	Complete policy	Continuously handling	Continuously handling
		Health certification	Continuously strive for in 2023	Continuously strive for	Continuously strive for
		Health education promotion	Completed	Continuously handling	Continuously handling
22	Human Development/Workforce Quality	The average training hours are 28 hours, and the achievement rate is 100%	Completed	100%	100%
23	Sponsoring public welfare groups	Continuously paying attention to rural children and disadvantaged groups, and promoting financial knowledge education	Complete cooperation between rural children, disadvantaged groups, and industry and education	Continuously paying attention to rural children, disadvantaged groups, and industry school cooperation	Continuously paying attention to rural children, disadvantaged groups, and industry school cooperation
24	Donate old clothes to help Eden	Implement ESG, initiate a cycle of love and kindness, and help vulnerable families	Completed	Continuously donating old clothes and supporting environmental sustainability	Continuously donating old clothes and supporting environmental sustainability
25	Organize blood donation activities	Hold 1 activity	Completed	Hold 1 activity	Hold more than 1 activity
26	1919 Public welfare activities	Call on Concord warriors to ride bicycles around Taiwan and rescue emergency families	Completed	Continuous operation	Continuous operation
27	Donation of touring medical vehicles	Donate a touring medical vehicle to the Hsinchu Branch of NTU Hospital for rural medical tour.	Ongoing	Continuously monitor the current status of medical tour	Continuously monitor the current status of medical tour

[Corporate governance(G)]

Item		2022 targets	Achievement status	Short term (2025)	Mid- & Long-term (2027)
28	The Sustainable Development Commission promotes the short, medium and long-term goals of sustainable development	Quarterly report to the board of directors on sustainable development and ESG implementation results, and report relevant policies and implementation to the board of directors	Completed	Quarterly report	Quarterly report
29	Strive for the ranking of TPEX-listed companies through "Corporate Governance Evaluation"	Ranked in the top 6-20% of TPEX-listed companies	Completed	Ranking top 5%	Ranking top 5%
30	Plan diversified director training courses to enhance their professional functions	Promote relevant standards of ESG, Integrity Management and Fair Treatment for Customers	Completed	At least once a year	At least once a year
		Annual training hours for directors of governance, sustainable development and other related courses	Completed	All directors receive at least 6 hours of training annually	All directors receive at least 6 hours of training annually
		Ranked top 25% in self-evaluation on fair treatment for customers	Completed self-evaluation	Ranked top 25%	Ranked top 25%

31	Strengthen legal education and training in various businesses	1. Complete anti-money laundering and countering the financing of terrorism in H2 2. Financial Consumer Protection Act 3. Personal Data Protection Law 4. Insider trading, major information, whistle-blowing system, insider equity changes (target directors and employees)	Completed	At least once a year	At least once a year
	Legal compliance and anti-money laundering enforcement	1. The Board of Directors reported on legal compliance and anti-money laundering implementation in H2 2. Self-assessment of legal compliance by each unit	Completed	At least once a year	At least once a year
32	Sustainable Governance of the Company	Regularly publish and report the implementation of the internal control system to the competent authority	Completed	Complete the declaration within 3 months after the end of the fiscal year	Complete the declaration within 3 months after the end of the fiscal year
		Regularly hold meetings with directors in accordance with the "Corporate Governance Best Practice Principles" to review internal control defects and keep records	Completed	Regularly held once a year	Regularly held once a year
		Track and improve the defects of internal control system, and report to the audit committee and the board of directors	Completed	Completed quarterly	Completed quarterly
33	Supervision of subsidiaries	Develop an audit plan for the subsidiary, audit and supervise	Completed	Once a year	Once a year
34	Information Security	Review information security management operations and regularly publish and report to the competent authority	Completed	Each completed declaration every year	Each completed declaration every year

2.2 Sustainable Governance

Sustainable Governance Operation

Concord Securities is committed to pursuing business performance, providing added value to employees, and attaching importance to shareholders' equity. In addition, it also takes practical actions to implement corporate social responsibility, actively participates in public welfare, focuses more social care, improves customer rights, and strengthens employee care, so as to become a high-quality enterprise with sustainable management. In order to implement the enterprise's vision of sustainable development, the "Sustainable Development Best Practice Principles" and "Integrity Management Code" have been formulated as the basis for the Company to conduct sustainable development and implement the enterprise's concept of sustainable development.

Responsible unit for sustainable affairs: Sustainable Development Committee

The Company follows the "Sustainable Development Best Practice Principles of Concord Securities Co., Ltd." and implements the concept of sustainable development of enterprises. The Sustainable Management Committee was set up by the 39th meeting of the 8th board of directors on March 15, 2022. The "Sustainable Development Committee" is the highest level of ESG in Concord Securities to promote the organization and management of impacts of economy, environment and human beings (including human rights) The chairperson 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.

Reported 0 major events to the board of directors in 2022.

※ Definition of Key Major Events:

1. Important strategic issues and key events of the Company (including economic, environmental, and social impacts, risks, and opportunities).
2. In cases of disciplinary action by the competent authority, the Company shall be subject to disciplinary action of warning or above.
3. Cases subject to disciplinary action by the competent authority, with a fine of NT\$3 million or more.
4. In cases where the amount of fines imposed by the competent authority is less than NT\$3 million and the maximum amount of statutory fines is less than half, but the maximum amount of statutory fines does not exceed NT\$1 million, this restriction shall not apply.
5. Other major issues designated by the competent authority or included in the board resolution.

The operation mode and effectiveness of the "Sustainable Development Commission"

1. Make overall plans for the short, medium and long term direction and goals of the Company's sustainable development, and report to the board of directors regularly.
2. Responsible for collecting and consolidating the opinions of stakeholders, identifying the impact, risks, and opportunities generated by ESG.
3. Compilation and submission of the sustainable report to the president and chairperson for review and issuance.
4. Assist in dialogue with stakeholders.
5. Assist the Company in risk control, supervision and identification of risk issues, discuss with the risk management executive unit, and assist in risk control and risk supervision.

In 2022, two meetings held by the "Sustainable Development Committee".

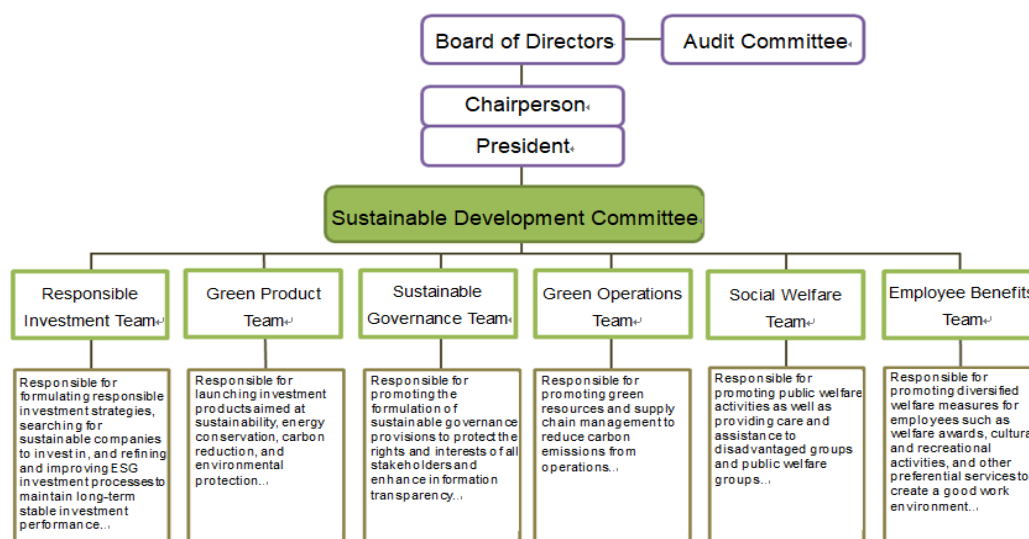
Main responsibilities of Sustainable Development Committee

Set sustainable development-related environmental, social, and governance (ESG) strategies as well as annual plans and project plans.

(II) Performance evaluation and review on the implementation of the corporate social responsibility plan and project plan.

(II) Other decisions on the matters relating to corporate social responsibility initiatives.

Organizational chart of Concord Securities Sustainable Development Committee.



2.3 Stakeholder Communication

Concord Securities, in order to have smoother and more diverse communication relationships with stakeholders, based on their communication experience and current situation, and in accordance with the AA1000SES (AA 1000 Stakeholder Engagement Standard) standard, has selected seven major categories of stakeholders, including "customers, employees, investors/shareholders, competent authorities, suppliers, community/public welfare groups, and media", as the main communication targets. In the process of promoting corporate sustainability, the Company attaches great importance to the expectations and needs of internal and external stakeholders. Through the release of annual reports and sustainability reports, we publicly disclose information on corporate operational performance and ESG, and set up stakeholder sections and communication lines on our official website to understand the needs of stakeholders and their expectations for the Company.

Stakeholders	Importance	Purpose and significance of communication	Focus/Major Issues	Communication Channels	Communication Frequency
Customers	Adhering to the business philosophy of "Integrity", Concord Securities continues to provide customers with innovative goods and quality services, ensure the transparency and security of goods and service information, and improve customer satisfaction.	Maintain friendly relationships with customers, treat customers fairly, and protect their rights and interests.	<ul style="list-style-type: none"> •Customer privacy protection and information security •Risk Management •Service quality and customer satisfaction •Sustainable finance •Operational performance 	<ul style="list-style-type: none"> •Customer 0800 service hotline, mailbox, and other contact channels. •Permanent Know Your Customer (KYC) mechanism. •Hold financial management and investment seminars. •Develop online and mobile ordering systems, and run special events. •Monthly statement. •The official website provides financial product information, online services, and mobile service apps. 	Regularly Regularly Irregularly Irregularly Monthly Regularly
Employees	Talent is the most important key to a company's core competitiveness and competitiveness, and also an important foundation for sustainable management. It ensures a safe environment for employees, provides respect and care, and grows and thrives in sync with the Company.	Improve professional skills, unit cohesion, protect employees' rights and interests, and create a warm and happy working environment.	<ul style="list-style-type: none"> •Workplace safety and hygiene •Talent attraction and retention •Human resource development •Human rights and gender equality 	<ul style="list-style-type: none"> •The internal website and corporate website have a suggestions area and whistleblowing mailbox. •The Employee Welfare Committee provides irregular employee-exclusive preferential activities. •The internal website provides an Enterprise Learning Network platform. •The internal website provides job information inquiries and online teaching. •Arrange regular physical exams for employees. •Arrange department meetings and supervisor meetings for communication. •Hire full-time nurses. •Provide employee health care information and health 	Regularly Irregularly Regularly Regularly Every 2 years Monthly Regularly Irregularly

				consultation services.	
Investors/Shareholders (Note)	The long-term support of shareholders and investors is the strength of Concord's steady growth.	Protect shareholders' rights and interests and treat shareholders fairly.	<ul style="list-style-type: none"> •Legal Compliance •Risk management •Integrity management •Corporate governance •Operational performance 	<ul style="list-style-type: none"> •Disclose company information on the official website and Market Observation Post System. •Disclose monthly, quarterly, and annual operational performance reports. •Establish a special area for spokespersons, media public relations, and stakeholders on the official website to provide two-way communication channels. •Whistle-blower 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. •Annual report, sustainability report, corporate governance evaluation, and due diligence governance report. 	Irregularly Monthly/quarterly/annually Regularly Regularly Irregularly Irregularly Annually
Competent authority	The financial industry is highly supervised by competent authorities, and Concord Securities has a responsibility to comply with relevant regulations, establish control mechanisms, and respond to government policies.	Cooperate with government policies and comply with relevant laws and regulations of the competent authority.	<ul style="list-style-type: none"> •Legal Compliance •Risk management •Integrity management •Corporate governance 	<ul style="list-style-type: none"> •Participate in government-organized courses and seminars. •Cooperate with the competent authority to complete various supervision and project audits. •Proactively analyze changes in company-related changes in laws, regulations, and published cases. •Sign the "Due Diligence Governance Principles for Institutional Investors" to comply statements and evaluate on time. •Complete the "Principles for Fair Treatment for Customers" assessment on time. 	Irregularly Irregularly Irregularly Annually Annually
Suppliers	Implementing sustainable management and ESG together with suppliers who are the partners of Concord.	Become a long-term partner of Concord.	<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." •Advocate the Company's requirements for the environment, human rights and other supply chains, and promote the ESG concept of common good. 	Regularly Regularly Regularly
Communities/Public welfare groups	Gathering the power of communities/public welfare groups to continuously	Maintain good interactive relationships with communities/public welfare groups.	<ul style="list-style-type: none"> •Social welfare 	<ul style="list-style-type: none"> •Participate in public welfare activities, care for the disabled and the elderly, assist in public welfare, and donate to public welfare groups. •Financial promotion and 	Irregularly Regularly

	transmit positive energy to Taiwan.			community public welfare exchange activities.	
Media	Creating good relationships and a positive image is an important channel between Concord and stakeholders.	Maintain important communication and interaction channels with stakeholders through the media.	•Brand image	•Provide the latest market overview and financial product information. •Media publicity, press conferences, and advertisements.	Irregularly Irregularly

Note: In 2022, the revised explanation for stakeholders includes shareholders as investors/shareholders and public welfare groups as communities/public welfare groups.

2.4 Analysis of Major Issues

Concord Securities identified major issues based on the four principles of inclusiveness, materiality, responsiveness and impact by referring to GRI Standard and AA 1000 accountability principles, and evaluated the significance of major issues' impact on economy, environment and people (including human rights) in accordance with the 2021 version of the GRI General Standard, as the basis for sustainable development strategic planning.

The working group of the Sustainable Development Committee integrates the identification results of stakeholders every year, and compiles the impact of major issues on the economy, environment and people (including human rights) in the sustainable report after the integration. After the review of the Sustainable Development Committee, the report will be published after being submitted to the chairperson for approval.

Perform identification steps

1. Identify communication targets

7 major stakeholder groups

According to the five aspects of the AA1000 SES Stakeholder Engagement Standard: influence, attention, responsibility, dependence and multiple perspectives, the Sustainable Development Team sent questionnaires to the Company for statistics and verification, and then classified them into seven stakeholder groups according to their importance: customers, employees, investors/shareholders, competent authorities, suppliers, communities/public welfare groups, and media.

4. Sort the impact of major issues

8 questionnaires

The working group sent a "Major Issues Impact Assessment Form" to relevant units, and rated 7 major issues based on aspects such as increasing revenue, reducing costs, improving customer satisfaction, brand image, reducing operational risks, and stimulating innovation opportunities. A total of 8 valid questionnaires were collected. The working group further assessed the positive/negative impact of the operating activities related to the seven major issues on the economy, environment and

2. Collect sustainability issues

15 sustainable issues

Referring to international sustainable norms and standards (GRI Standard, SASB, SDGs, GRI Supplementary Guidelines for Financial Services Industry, TCFD), domestic financial industry cases and stakeholder communication process, the Sustainable Development Group summarized and listed 15 sustainable issues.

5. Confirm and disclose

6 GRI specific topics

According to the reporting requirements of each topic, this report reveals the response strategies, short, medium, and long-term goals, achievement performance, and management policies for major issues. A total of 7 major issues correspond to 6 GRI specific topics.

3. Identify major issues

79 questionnaires with 7 major issues

Through feedback from the "Stakeholder" area on the official website of Concord Securities, a total of 79 valid feedback on 15 ESG issues were received, and a matrix diagram of major topics was drawn. After the Sustainable Development Group has adjusted and identified 7 major issues, the operation impact assessment (including positive/negative impacts) will be carried out.

people (including human rights), the actual or potential probability. The major issues were resorted, and the impact of major issues on the value chain was understood.

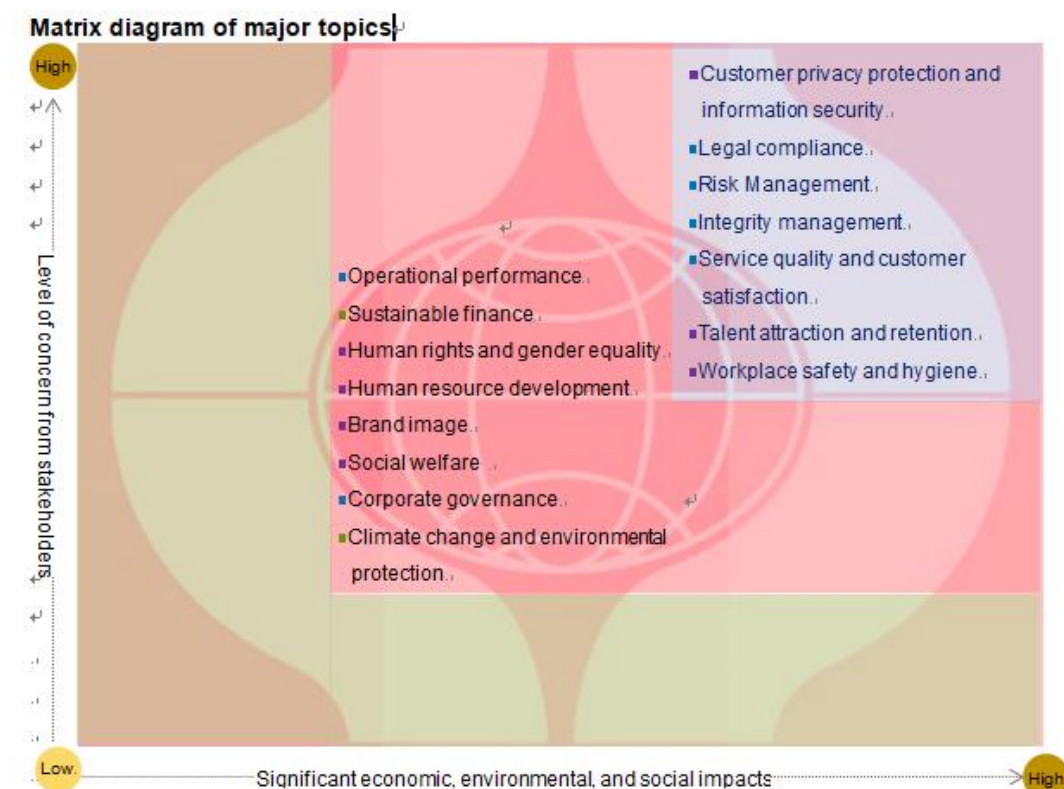
Major issues - impact significance assessment

The working group of the Sustainable Development Committee assessed the impact of the seven major issues on the economy, environment and people (including human rights), assessed the actual/potential, positive/negative impact degree and the actual or potential probability of occurrence, and summarized the results of the significance in order of impact degree as follows:

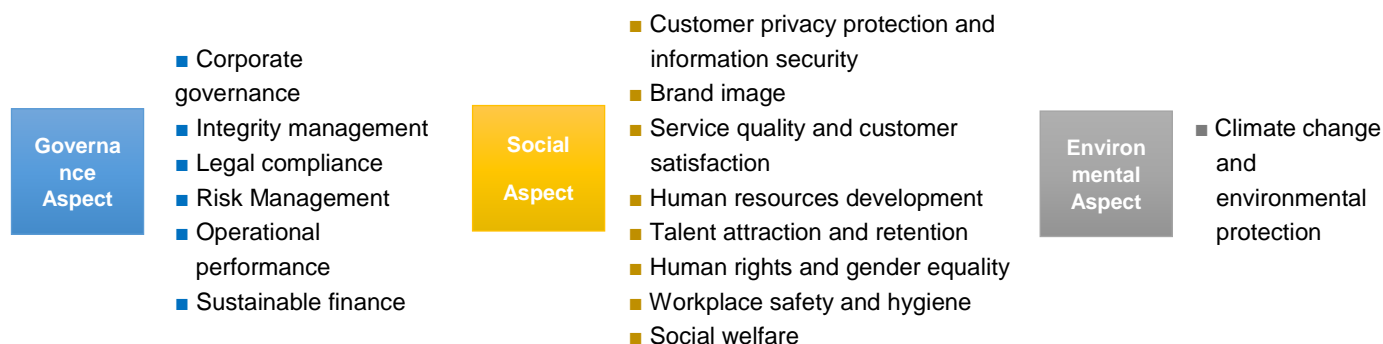
Major Topics/Aspects	Economy				Environment				People (including human rights)			
	Positive impact		Negative impact		Positive impact		Negative impact		Positive impact		Negative impact	
	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential	Actual	Potential
■ Talent attraction and retention	●						●		●	●	●	
■ Risk Management	●	●	●			●		●			●	
■ Legal compliance	●		●						●			
■ Integrity management	●		●		●		●		●	●	●	
■ Workplace safety and hygiene	●		●						●	●	●	●
■ Service quality and customer satisfaction			●						●	●	●	
■ Customer privacy protection and information security	●		●						●	●	●	●

Explanation of boundary and impact degree:

● Positive Material Impact ● Positive Potential Impact ● Negative Material Impact ● Negative Potential Impact











15 issues of Concern in 2022










Note: Description of material topic changes between 2021 and 2022:

1. Renamed the code of conduct as "Integrity Management", and incorporated the function of maintaining financial and capital markets into "Integrity Management".
2. Risk control/audit is renamed to "Risk Management".

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	Customers	Investors/S hareholders	Employees	Competent authority	Communitie s/Public welfare groups	Suppliers	Media
Talent attraction and retention   	Society	GRI 401 Employee Relations	5.1 Employee attraction and retention	Direct Impact		Contributive Impact	Direct Impact				
Risk Management 	Governance	No corresponding GRI Specific Topics	1.4 Risk Management	Direct Impact	Business Relation	Business Relation	Direct Impact	Contributive Impact			
Legal compliance  	Governance	GRI 419: Socioeconomic Compliance	1.6 Legal Compliance 1.7 Audit	Contributive Impact	Business Relation	Direct Impact	Direct Impact	Direct Impact	Contributive Impact	Business Relation	
Integrity management  	Governance	GRI 205: Anti-corruption	1.3 Corporate Governance 1.8 Ethics and Integrity	Direct Impact	Direct Impact	Contributive Impact	Direct Impact	Contributive Impact	Contributive Impact	Business Relation	

Workplace safety and hygiene  	Society	GRI 403: Occupational safety and hygiene		Direct Impact			Direct Impact				
Service quality and customer satisfaction   	Society	GRI 417: Marketing and labeling	4.3 Inclusive Finance 4.4 Customer Relationship Management		Direct Impact	Direct Impact	Direct Impact				
Customer privacy protection and information security  	Society	GRI 418: Customer Privacy	1.5 Information Security	Direct Impact	Direct Impact	Direct Impact	Contributive Impact				

Climate change response issues:

In response to global warming and climate change response issues, the Company passed the "ISO 14064-1:2018" greenhouse gas inventory verification in April 2023 and imported the ISO 14001 environmental management system+ISO 45001 occupational safety and health management system certification in 2022. The Company still actively participates in energy-saving and carbon reduction to meet the challenges of climate change.

2.5 Impact Description and Management Policy⁽³⁻³⁾

Material Topics	Policies and Commitments	Positive/Negative Impact Management	Action and Performance Evaluation	Corresponding Chapters (including relevant education and training)	Sustainable Development Strategic Goal Planning/Items
Talent attraction and retention	1. Provide multifunctional education, training and curriculum activities for employees. Through the performance evaluation mechanism, reward excellent employees, strengthen their competitive advantages, and improve the retention rate and employee engagement. 2. Implement the sustainable development of ESG enterprises, create	Positive: Provide student internship programs, improve workplace adaptability, and cultivate outstanding talents through scholarship sponsorship. By implementing talent retention measures, the Company aims to achieve talent retention, promote a positive loop, and ensure more stable development	◆Improve human resources quality, implement various training plans, and strengthen employees' professional abilities. ◆Regularly review the rationality of salary and compensation policies, reward outstanding personnel, and handle stock ownership trust. ◆Regularly hold labor	5.2 Talent Cultivation and Development	◆Goal 21: Friendly Workplace

	<p>high-quality working conditions for employees and establish a career development environment to enhance the competitiveness of enterprises.</p> <p>3. Implement the human rights policy declaration, ensure gender equality, establish a communication platform for employees' opinions, improve employee satisfaction, and implement the sustainable and sound operation of the Company.</p>	<p>of the enterprise.</p> <p>Negative: brain drain and loss of market competitiveness.</p>	<p>management meetings, establish a smooth communication platform, develop diversified welfare measures, and improve employee satisfaction.</p>		
Risk Management	<p>The Company's internal designs, implementation status, and the correctness of the information produced from formulating "Risk Management Policy", 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>	<p>Positive: With a well developed and sound risk management mechanism, as well as the market, products and new risk patterns implied by future business development and environmental trends, there is a positive loop of business income.</p> <p>Negative: Make the Company face operational and environmental risks and impacts.</p>	<p>◆Maintain risk management assessment level 2 (good level).</p> <p>◆Continuously deepen the disclosure of recommended projects based on the TCFD framework.</p> <p>◆Report the implementation of risk management to the board of directors quarterly.</p>	3.2 Risk Management	<p>◆Goal 3: Promote the introduction of "the Task Force on Climate-Related Financial Disclosures (TCFD) framework"</p>
Legal compliance	<p>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.</p>	<p>Positive: Implement legal compliance, establish a good corporate culture, comply with relevant laws and regulations, reduce operational and disciplinary risks, and improve business performance.</p> <p>Negative: The Company is subject to disciplinary action, affects the rights and interests of stakeholders, and damages its image.</p>	<p>◆Report the implementation status of legal compliance to the board of directors.</p> <p>◆Implement legal compliance efficiency and mechanism.</p> <p>◆Continuously promote policies to anti-money laundering and countering the financing of terrorism.</p> <p>◆Compliance with risk assessment and monitoring systems through continuous enforcement of legal compliance.</p>	3.3 Legal compliance	<p>◆Goal 31: Strengthen legal education and training in various businesses</p>
Integrity management	<p>Develop integrity management policies in accordance with regulations, such as the "Integrity Management Code", "Code of Ethical Conduct", and "Integrity Management Operating Procedures and Guidelines for Conduct". Establish a relevant code of conduct to inspect the Company's stakeholders. The goal is to prevent the Company from directly or indirectly providing,</p>	<p>Positive: Develop and supervise the implementation of integrity management policies and prevention plans, and regularly report to the board of directors. Actively assisting the board of directors in implementing their commitment to integrity management, supervising the Company's internal management and commercial activities to</p>	<p>◆The Company shall plan and organize training courses related to ethical management on a regular basis. In 2022, it held online courses including legal advocacy on financial consumer protection and the principles of fair treatment for consumers, legal advocacy on ethical management, and legal advocacy on acts</p>	3.4 Ethics and Integrity	<p>◆Goal 30: Plan diversified director training courses to enhance the professional functions of directors</p>

	promising, requesting, or accepting any illegitimate benefits, or performing other dishonest acts that violate good faith, are illegal, or breach fiduciary obligations.	comply with integrity management, positively impact both economic and commercial activities. Negative: Violation of integrity and conduct, resulting in damage to the Company's reputation, shareholder, employee rights, and partner rights.	prohibited for the personnel of securities business, with 3,357 persons participating in the training and 4,437.5 total accumulated hours.		
Workplace safety and hygiene	1. Establish four major plans for labor health services, eliminate occupational injuries and diseases, and ensure the safety and health of colleagues. 2. Committed to promoting physical and mental health programs and welfare measures that are superior to laws and regulations, providing employees with a friendly and excellent work environment.	Positive: Promote workplace health promotion activities, refine and improve workplace safety and hygiene. The goal is to achieve a workplace centered on people (including human rights). Effectively manage and promote the environmental protection and occupational safety and health management system, comply with relevant regulations and international standards, and commit to implement environmental protection and occupational safety and health policies. Negative: Unable to ensure employee safety, causing occupational disasters, and affecting employment relationships.	◆No major occupational disasters have occurred. ◆Implement issues related to "environmental safety and hygiene", such as safety and health education and training, labor health service plans, contract management, and hazard prevention measures. ◆The "Environmental Protection and Occupational Safety and Health Committee" shall be held regularly every quarter to review issues related to "Environmental Safety and Hygiene". ◆Continuously care for the physical and mental health of employees, conduct health lectures and health education campaigns.	5.3 Friendly working environment	◆Goal 21: Friendly Workplace
Service quality and customer satisfaction	Provided system quality is a high-quality and stable service system, which can efficiently solve customer needs, improve customer satisfaction in the interaction process with the Company, and achieve the best customer relationship management.	Positive: Starting from customer needs, Inclusive Finance has launched a high-quality and stable service system, as well as petty financial products, allowing all groups in society to access affordable financial services, which has positive economic benefits. In the environmental aspect, providing online account opening channels to reduce carbon emissions has a positive impact on business activities and people (including human rights). Negative: Affecting service quality, satisfaction, and customer loyalty.	◆Real time interaction with customers through community websites such as LINE @, Facebook, YouTube, Instagram, etc ◆Establish customer feedback email/appeal hotline/text customer service	4.4 Customer Relationship Management	◆Goal 12: Improve the self occupancy rate of electronic orders for digital users ◆Goal 13: Establish a separate account to provide investors with the ability to open securities accounts without the need to add a bank account, reducing the resource consumption of bank account opening ◆Goal 15: Holding financial management seminars for the

					elderly and people with mental and physical disabilities ◆Goal 19: Digital finance and innovation
Customer privacy protection and information security	Establish information security policies and goals, provide comprehensive information security protection, create a reliable financial transaction environment, ensure a complete information security system, and strengthen information security defense.	Positive: Continuously improving various standards and operating procedures, internal self-evaluation, self inspection, and regular education and training, strengthening employees' awareness of valuing customer privacy protection and information security, avoiding compensation and penalties imposed by competent authorities, which has a positive impact on the economy and people (including human rights). Negative: Damage to customer rights, resulting in an impact on loyalty and trust.	◆Passed ISO 27001 Information Security Management System verification. ◆Regularly completed the core system information security health check and improvement. ◆System vulnerability scanning and fixing twice a year. ◆Regularly completed external website penetration testing and fixing. ◆Regularly completed the incident collection and analysis platform construction and recorded core system incidents for analysis.	3.5 Information Security	◆Goal 16: Strengthen the mechanism of information security protection ◆Goal 17: Promote the introduction of international standards for information security protection ◆Goal 19: Digital finance and innovation

3. Sustainable Governance



Performance Highlights

- ◆ **Concord Securities won the four awards of 19th National Brand Yushan Award in 2022, including the "Outstanding Enterprise," "Outstanding Business Leader," "Best Product," and "Most Popular Brand."**
General Manager Chiu, Jung-Chen won the "National First Award" and the "Outstanding Enterprise Leader" award.
- ◆ **Won the Silver Award in the "Corporate Sustainability Reporting Category" - Finance and Insurance Industry TCSA Taiwan Corporate Sustainability Report Awards.**
- ◆ **The risk management assessments (from 2013–2022) have been ranked level 2 (good grade) for 10 consecutive years.**
- ◆ **The Company introduced the "ISO 27001 Information Security Management System" in 2010 and continued to pass the verification every year.**
- ◆ **Won "26th Outstanding Fund Golden Diamond Award", and Concord Capital Management won "KBI Alternative Energy Solutions Fund" the "Natural Resources Equity Fund Three-year Award" for the third consecutive year.**

3.1 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, improve information transparency and continuously improve corporate governance measures to operate sustainably and share the prosperity with society. Starting from May 8, 2019, a corporate governance supervisor was established to implement corporate governance standards. The aim is to improve the system and organizational structure, enhance the effectiveness of corporate strategic management, and supervise the behavior of managers, ensuring that the board of directors and manager can achieve operational goals in a way that is in line with the best interests of the Company and all shareholders, thereby enhancing overall competitiveness.

In 2022, the Taiwan Stock Exchange announced the results of the 9th corporate governance evaluation, and the Company was ranked among 6% to 20% of the companies. Efforts will continue to be made to improve the quality of corporate governance in the future.

Sustainable Development and ESG Performance Management

The board of directors is the highest governing unit of the Company. In addition to carrying out business in accordance with laws, regulations, articles of incorporation and resolutions of the shareholders' meeting, the Company's strategic plan, annual and quarterly financial reports, evaluation of the effectiveness of the internal control system, appointment (dismissal) of certified public accountants, and appointment and removal of managers must be approved by the board

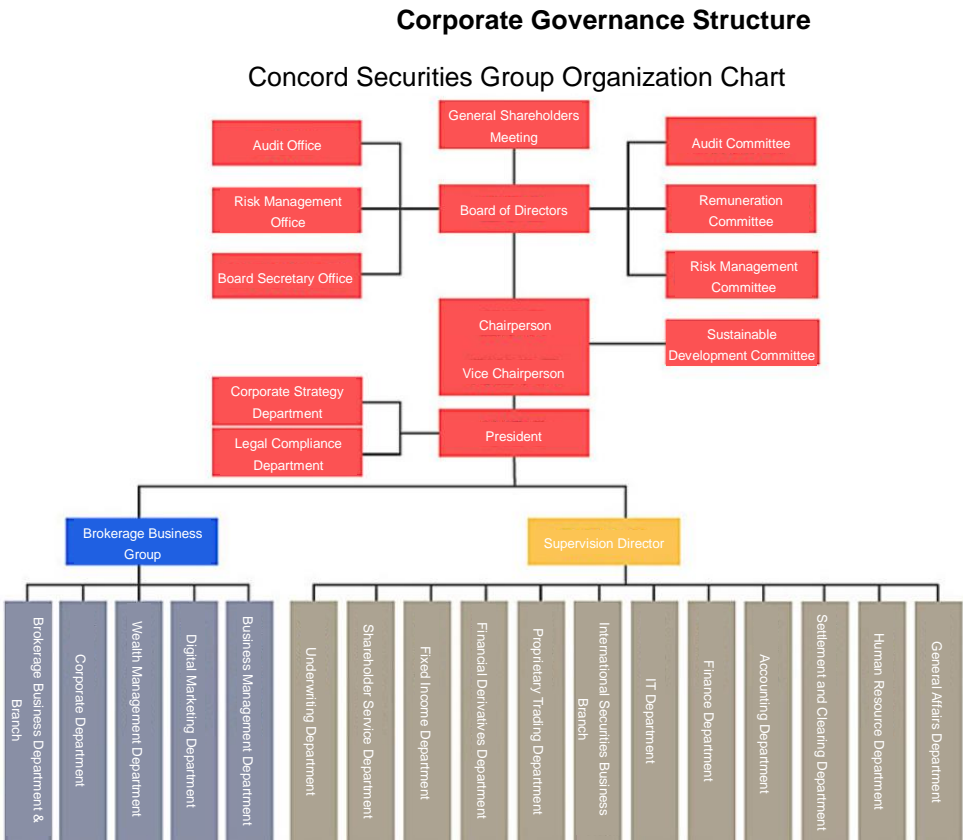
of directors. The board of directors, through regular and irregular meetings held several times within a year, authorizes the chairperson to deal with economic, environmental and social issues related to corporate governance in a hierarchical manner or directly delegate them to relevant units. The president is responsible for economic performance issues, and the Sustainable Development Committee is responsible for promoting issues, and reporting to the board of directors regularly and follow-up. In 2022, the committee of the Sustainable Development Committee will report the ESG short, medium and long-term goal strategy and performance to the board of directors twice.

Composition and 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. Of all the directors, only Director Cheng, Ta-Yu serves as the chairman, and other directors do not hold other positions in Concord Securities. The highest governance unit is the board of directors/chairman serves as the chairman, and the top management is the general manager, who reports to the chairman.

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.

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 (accounting for 72.73%) and 3 female members (accounting for 27.27%), who were elected via the candidate nomination system to serve a three-year term from July 12, 2021, to July 11, 2024.



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.

Directors' Independence and Conflict of Interest Management

Concord Securities currently has three independent directors, accounting for 27% of the total. All external directors are eligible for independence.

The Company has established the "Rules for the Scope of Duties of Independent Directors", which stipulate that "if an independent director has any objections or reservations, they shall be recorded in the minutes of the board of directors." The Company or the board of directors shall not obstruct, refuse or evade the performance of the duties of an independent director. "When it is deemed necessary for the performance of the duties of an independent director, the board of directors may request the appointment of relevant personnel or the hiring of experts to assist in handling the duties, to ensure that the independent director is able to perform their duties effectively, effectively enhancing the operation of the board of directors and the Company's operational performance.

Conflict of interest management:

Cheng, Ta-Yu, a director of the Company, holds 258,782 shares of related enterprise Concord Futures Co., Ltd., accounting for 0.32%.

The top ten shareholders in the Company's shareholding ratio, who are related parties, spouses, or relatives within the second degree, as well as the number of shares held by the Company, its directors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, shall be combined and calculated for comprehensive shareholding ratio, which shall be disclosed in our 2023 annual report PXX, or please link to the Company's official website <https://www.concords.com.tw/about/financial/AnnualReport.htm?mnu=02&submnu=02#>

The detailed information on the academic experience and professional background of the Company's directors is as follows:

Director's main academic experience as of January 31, 2022

Title	Gender	Educational background	Experience	Positions held concurrently in the Company and others companies
Chairperson Zhong Yang Investment Co., Ltd. Representative: Cheng, Ta-Yu	Male	Master of Information Management, Fairleigh Dickinson University	Chairperson of Concord Securities Co., Ltd. Chairperson of Concord Futures Co., Ltd.	Director of Concord Futures Co., Ltd. Director of Corporate Equity Investment Association R.O.C. Director of Taiwan Securities Association Deputy convener of the R&D Committee of Taiwan Securities Association Convener of the education, training and promotion Committee of Taiwan Securities Association
Director Zhong Yang Investment Co., Ltd. Representative: Chin-Te Chang	Male	Ph.D. in Accounting, U.S. Federal State International University Ph.D in Law, National Chung Cheng University	Superintendent of CROWN & Co., CPAs President 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	Superintendent of CROWN & Co., CPAs Chairperson of Guanbao International Consulting Co., Ltd. Independent director of JUKAO ENGINEERING CORP. Independent director of PharmaEssentia Corp. Independent director of Hua Eng Wire & Cable Co., Ltd. Chairperson of the Taiwan Institute of Business

			Technology Chair professor of the Department of Accounting & Information Systems, Asia University Independent director of Concord Securities Co., Ltd. Adjunct professor of the Department of Law, National Chung Hsing University	Director of the National Chung Cheng University Academic Foundation Arbitrator of the Chinese Arbitration Association, Taipei, and Taiwan Construction Arbitration Association
Director Zhong Yang Investment Co., Ltd. Representative: Chin-Shen Lee	Male	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. Supervisor 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 Popeye Marine Biotechnology Ltd. Supervisor of Concord Capital Management Corp.
Director Shikai Investment Co., Ltd. Representative: Chiung-Ling Chen	Female	Department of Statistics and Information Science, Fu Jen Catholic University	Vice President of Hwang Chang General Contractor Co. Ltd. Supervisor of Ho Chang International Contractor	Director of Hwang Chang General Contractor Co. Ltd.
Director Taiming Development Co., Ltd. Representative: Chuang-Yuan Lee	Male	College of Law, National Taiwan University	Executive vice president, SHINKONG CO., LTD. Executive vice president, SHINKONG TEXTILE CO., LTD. Chairperson of KUO CHUAN MACHINERY INDUSTRIAL CO., LTD. Director of China Airlines Chairperson 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	Chairperson 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 Yuan Lung Construction and Development Co., Ltd. Representative: Pei-Chun Ma	Female	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.	Director of Da Yuan Construction Co., Ltd. Director of Da Tian Investment Co., Ltd. Director of Yuan Long Construction and Development Co., Ltd. Director of the Happy Life Taiwan Foundation Supervisor of Chun Tung Asset Management Co., Ltd. Director of the Chinese Culture Foundation

				Supervisor of Lohas Social Enterprise Co., Ltd.
Director De Ye Investment Co., Ltd. Representative: Ming-Wang Yang	Male	Department of Public Finance, Feng Chia University	CEO of Yuan Ta Financial Holding Co., Ltd.	Chairperson of He Yi Investment Co., Ltd. Chairperson of De Ye Investment Co., Ltd. Chairperson of Te Chan Investment Co., Ltd.
Director JIAYI PROGRESSIVE ENTERPRISES LTD. Representative: Sung-Po Tsai	Male	Insurance Division, Tatung Institute of Technology	Director of Jing Hua Hotel Co., Ltd. Director of KOMPHORT ROYAL LIFE ENTERPRISE CO., LTD.	Supervisor of San Hua Ying Industrial Co., Ltd. Director of RIGUAN CO., LTD. Director of Hong Yuan Investment Co., Ltd. Director of Quan Hui Investment Co., Ltd. Chairperson of Min Yi Investment Co., Ltd. Chairperson of Minzhao Investment Co., Ltd. Director of Donghong Investment Co., Ltd. Chairperson of Xinguang Co., Ltd. Chairperson of Li Chin Management Consulting Limited Chairperson of Taijin Management Consulting Co., Ltd. Supervisor of Concord Investment Co., Ltd. Chairperson of SUN-CHUAN PUBLISHING CO., LTD. Supervisor of Huiming Investment Co., Ltd. Supervisor Huichu Investment Co., Ltd. Supervisor Huishuo Investment Co., Ltd. Chairperson of Zichuan Investment Co., Ltd. Supervisor of Zihui Enterprise Co., Ltd. Director of JIAYI PROGRESSIVE ENTERPRISES LTD.
Independent Director Chang, Yao-Ren	Male	Department of Civil and Construction Engineering, National Taiwan University of Science and Technology	Civil servant, Public Housing Office, Taipei City Government President of Baogu Construction Co., Ltd. Former president of the Rotary Club of Taichung Chungshin Chief technician of Jingfuxiang Construction Co., Ltd.	Partner accountant of Yuncheng United Accounting Firm Chief technician of Maozhan Construction Co., Ltd
Independent Director Huang, Tien-Chang	Male	Master's degree from the Department of Public Finance, National Chengchi University	Chairperson 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. Director of THE FIRST LEASING CORPORATION
Independent Director Hsiu-Hui Huang	Female	Ph.D., Department of Law, National Chung-Cheng University Master of Law, Graduate School of Science and	Legal consultant for the Taichung City Government Adjunct lecturer on mercantile law, Chaoyang University of Technology Adjunct lecturer on securities exchange law and financial	Chief attorney of Yongluke Law Firm Chairperson of Meiyi Rong (Stock) Company Member of the Employment Discrimination Review Committee, Central Taiwan Science Park, National Science Council Member of the Gender Equity and Sexual Harassment Investigation Panel, Taichung

		Technology, YunTech Master's degree from the Department of Finance, Chaoyang University of Technology	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 Chairperson of the Labor Law Advisory Committee, Taichung City Industrial Association	Customs, Customs Administration, Ministry of Finance
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Independence of the board of directors

The Company has 3 Independent Directors, accounting for 27% of the total Directors. Among the three Independent Directors, except for Huang, Tien-Chang, who serves as a Director at Concord Capital Management Corp., an affiliated enterprise of the Company, the other two Independent Directors do not serve as Directors, Supervisors, or Employees of the Company or its affiliated enterprise of the Company. For all Independent Directors, their spouse or relative within the second degree of kinship does not serve as a director, supervisor, employee of the Company or any affiliate of the Company; they or their spouse, relative within the second degree of kinship (or under others' names) neither hold shares of the Company nor serve as a director, supervisor, or employee of the Company that has a specific relationship with the Company; or they do not provide commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received compensation. The Company's Board of Directors conforms to the principle of independence. Among the 11 Directors (including 8 Directors and 3 Independent Directors), neither a spousal relationship nor a familial relationship within the second degree of kinship exists, and thus none of the circumstances referred to in Paragraph 3 and 4 of Article 26 - 3 of the Securities and Exchange Act have occurred.

Diversification of the Board of Directors

The Company has held a shareholders' meeting on July 12, 2021 and re-elected members of the 12th Term Board of Directors. With strong capabilities, the Board members not only oversees the management team on behalf of shareholders, but also assists the Company in the evaluation and judgment on making material decisions. The election of the Company's directors shall be resolved at the board of directors and submitted to the shareholders' meeting. The Company pays attention to diverse backgrounds of board members, including a wide diversity of age, gender, industrial experience, professional knowledge and skills, the board members having the extensive experience and expertise in the fields of finance, law, accounting, IT, business, social enterprise, merger, and management. As for Independent Directors, the Company's 12th Term Independent Directors all have professional knowledge and extensive practical experience in finance, law, and accounting, enabling the Company to significantly improve its implementation of risk management and internal control as well as internal audit. All the Independent Directors are impartial and forward-looking and fully undertake functions of supervision and guidance to continuously promote the Company's long-term development in strategic operations. Especially in the financial service industry, the business is running with special permission, making it even more dependent on the implementation of the independent director mechanism, thereby enhancing the function of the board of directors. The Company has set up an audit committee, a risk management committee, and a remuneration committee, all with an Independent Director acting as a convener. Through the three functional committees of the audit committee, the risk management committee, and the

remuneration committee, the Company's Independent Directors can deeply take part in the company's operation, implement corporate governance, and protect public interests. The Company's 12th Term Board of Directors has a total of 11 Directors (including 3 Independent Directors). They all have multiple capabilities of business judgment, leadership and decision-making, operational management, international market perspective, crisis management, and others, and equip themselves with profound industrial experience and professional abilities. Among them, those with industrial experience in investments and accounting include chairperson Cheng, Ta-Yu; Director Chin-Te Chang; Director Chin-Shen Lee; Director Chiung-Ling Chen; Director Pei-Chun Ma; Independent Director Huang, Tien-Chang, and those with professional expertise in law and rich practical experience are Director Chin-Te Chang; Director Chuang-Yuan Lee, Independent Director Hsiu-Hui Huang. Independent Director Hsiu-Hui Huang is a practicing attorney and Director Chin-Te Chang was appointed as a member of the Legal Affairs Committee of the National Audit Office in February 2022. Director Chin-Te Chang; Director Chin-Shen Lee; Director Chiung-Ling Chen; Director Chuang-Yuan Lee, Independent Director Chang, Yao-Ren not only specialize in finance related subjects, but also have a wide range of knowledge of construction, architecture, and machinery. Chairman Cheng, Ta-Yu; Director Chin-Te Chang; Director Chin-Shen Lee; Director Chuang-Yuan Lee, Independent Director Chang, Yao-Ren, Independent Director Huang, Tien-Chang have experience in information technology and management consulting; Director Chin-Te Chang, Director Sung-Po Tsai; Director Ming-Wang Yang; Director Chuang-Yuan Lee; Independent Director Chang, Yao-Ren; Independent Director Huang, Tien-Chang all dedicate themselves to public welfare and social enterprise. Director Cheng, Ta-Yu; Director Chin-Shen Lee; Director Chiung-Ling Chen; Director Pei-Chun Ma also actively participate in public welfare and social enterprises. Director Chin-Te Chang and Independent Director Chang, Yao-Ren playing key roles in the accounting firm have been revered for their practical experience of as professional accountants. All directors have extensive industrial experience in finance/banking and administration/management. In terms of academic achievements, Director Chin-Te Chang holds dual doctorate degrees in Accounting, Commonwealth International University, U.S.A. and Law, National Chung Cheng University, Taiwan. Director Chin-Shen Lee has a PhD from the Institute of Management Science (Finance), National Chiao Tung University. Independent Director Hsiu-Hui Huang, in addition to dual master's degrees in Finance and Law, she also obtained a doctorate degree from the College of Law, National Chung-Cheng University in January 2022. The average term of office for the Company's 12th Term Board of Directors is approximately 11 years. Among which, the average term of office for 8 Directors is approximately 14 years, and for 3 Independent Directors approximately 3.5 years. The two Directors Chin-Te Chang and Chin-Shen Lee originally served as the Company's Independent Directors but were transferred to be Directors in line with the continuation of tenure of corporate governance. For Independent Directors, two Independent Directors Huang, Tien-Chang and Hsiu-Hui Huang have a term of office of about 3 years, and Independent Director Chang, Yao-Ren's term of office is 5 years. All Independent Directors can have no more than three consecutive terms of office. All board members have Taiwan ROC nationality and the average age of is 65 years old, with an age distribution of 1 Directors aged 40-49, 3 Director aged 50-59, 2 Directors aged 60-69, and 5 Directors aged 70-79. The board composition also emphasizes gender equality. One out of the three Independent Directors of the Company is a female (accounting for 33%). Among the eight non-Independent Directors, two are females (accounting for 25%), which conforms to the principle of gender diversity for the Board of Directors. In general, the current board members include 3 females (one of them is an Independent Director), accounting for as high as 27%, the target proportion of female directors is expected to reach 1/3. In the future, we will continue to work on gender equality in the composition of the board of directors. There are 3 members of the Company's audit committee, consisting of 3 Independent Directors: Huang, Tien-Chang; Chang, Yao-Ren; Hsiu-Hui Huang. Independent Director Huang, Tien-Chang is elected as the convener of the current audit committee.

Operation Status of Board of Directors

The Board of Directors meets at least once every two months on average to review corporate performance, discuss ESG short-, medium- and long-term goals, strategies and performance, and key major events, including economic, environmental and social impacts, risks and opportunities. Confirm the responsible unit for follow-up processing through the meeting, and make a follow-up report on the processing status in the next meeting.

◆Board Meeting Unit: When providing various proposals and report materials to members of the Board of Directors, they will review in advance whether the submitted content is related to stakeholders and should be avoided

appropriately, and give counterparties prior reminders.

◆Chief Corporate Governance Officer:

On August 26, 2021, the Board of Directors of the Company passed a resolution that Tsai, Wan-Chi, the financial officer, would be the senior manager and concurrently the chief corporate governance officer.

On March 17, 2022, the Board of Directors of the Company resolved to add a corporate governance unit under the Board of Directors, the "Board Secretary Office".

The main duties of the Board Secretary Office include the following content:

- I. Handled matters related to the meetings of the Board of Directors and shareholders' meeting according to law.
- II. Assisted the minutes of the Board of Directors and shareholders' meetings.
- III. Assisted Directors in their appointment and continuing education.
- IV. Provided the information required by the Directors to execute their duties.
- V. Assisted Directors to comply with laws and regulations.
- VI. Other matters stipulated in the company's articles of incorporation or contract.

In 2022, the corporate governance unit "Board Secretary Office" performed the business as follows:

- I. Assisted in providing information required by Directors and Independent Directors in carrying out their duties.
- II. Assisted in arranging various training courses for Directors to enhance their professional knowledge.
- III. Assisted in the proceedings of the Board of Directors and shareholders' meetings.
- IV. Handled matters related to the meetings of the Audit Committee, the Board of Directors and the shareholders' meetings:
 1. Nine meetings of the Board of Directors and seven meetings of the Audit Committee were held in 2022, and the meetings were convened and information provided in accordance with the law, and the minutes of the meetings were prepared and completed within 20 days after the meetings.
 2. The shareholders' meeting was held on June 8, 2022. Prior registration by shareholders before the date of the shareholders' meeting, preparation of the meeting notice, meeting handbook and minutes of the meeting were completed in accordance with the law.

- V. Regular and irregular information subscriptions reporting by the Public Information Observation Post System.

Please refer to the 2022 annual report of the Company for details of the annual training of the chief corporate governance officer.

A total of 9 meetings were held in 2022, and the board members and attendance status were as follows:

Title	Name	Meeting attendance rate in 2022
Chairperson	Cheng, Ta-Yu	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	100%
Independent Director	Huang, Tien-Chang	100%
Independent Director	Hsiu-Hui Huang	100%
Independent Director	Chang, Yao-Ren	100%

The average age of Directors is 65 years old, and the analysis table of the number, age and percentage of Directors was as follows:

Age range	Number of people	Percentage %
40–49 years old	1	9.1
50–59 years old	3	27.3
60–69 years old	2	18.2
70–79 years old	5	45.4

Director Liability Insurance

Considering the importance of directors, and key staff in exercising rights and fulfilling obligations, liability insurance is purchased and renewed for all directors in order to improve the corporate governance mechanism and effectively

reduce the legal and financial risks borne by directors, and the Company. The insured amount, coverage, and premium rates for the Company's directors' liability insurance are reviewed and approved by the Board of Directors every year.

Board Performance Evaluation Mechanism

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. Participation in the operation of the Company.
- II. Improvement of the quality of the Board of Directors' decision making.
- III. Composition and structure of the Board of Directors.
- IV. Election and continuing education of directors.
- V. Internal control.

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

- I. Alignment of the goals and missions of the Company.
- II. Awareness of the duties of a director.
- III. Participation in the operation of the Company.
- IV. Management of internal relationship and communication.
- V. The director's professionalism and continuing education.
- VI. Internal control.

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

- I. Participation in the operation of the Company.
- 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 2022 director performance evaluation has been completed, and the evaluation results were submitted to the Board of Directors on March 9, 2023.

The Board of Directors' internal performance evaluation results in 2022 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 2022 "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.

Performance evaluation of directors' management of economic, environmental and human impacts

Regarding the performance evaluation of directors' management of economic, environmental and human impacts, the Company intends to include the performance evaluation indicators in 2027.

The external performance evaluation of the Board of Directors is expected to be included in the evaluation in 2027.

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 2022 is as follows:

Title	Name	Organizing Unit	Course Name	Training Hours for the Year
Chairperson	Cheng, Ta-Yu	Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	6
		Taiwan Securities Association	ESG and Sustainable Management in the Securities Industry	
Director	Chin-Te Chang	Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	13
		National Federation of CPA Associations of ROC	Response of CPAs to Anti-Money Laundering	
		National Federation of CPA Associations of ROC	Analysis of the Latest Tax Laws in Practice	
Director	Chin-Shen Lee	TWSE, QIC, Georgeson	An International Perspective on Independent Directors and the 2022 Shareholders' Meeting	7
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	
Director	Chiung-Ling Chen	Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	14
		TWSE, Taipei Exchange	Sustainable Development Pathway Industry Theme Convention	
		Taiwan Corporate Governance Association	Compliance with the Company's Act and Directors' Oversight Obligations	
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	
		Taiwan Corporate Governance Association	Corporate Sustainability and the Board of Directors Responsibilities	
Director	Pei-Chun Ma	Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	6
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	
Director	Sung-Po Tsai	Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	6
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	
Director	Ming-Wang Yang	Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	6
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	
Director	Chuang-Yuan Lee	TWSE, QIC, Georgeson	An International Perspective on Independent Directors and the 2022 Shareholders' Meeting	7

		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	
Independent Director	Chang, Yao-Ren	Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	9
		Taipei Exchange	2022 TE-listed Company - Independent Directors and Audit Committee Reference Guide on the Exercise of Powers and Functions and Directors' Briefing	
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	
Independent Director	Huang, Tien-Chang	TWSE, QIC, Georgeson	An International Perspective on Independent Directors and the 2022 Shareholders' Meeting	16
		Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	
		Taipei Exchange	2022 TE-listed Company - Independent Directors and Audit Committee Reference Guide on the Exercise of Powers and Functions and Directors' Briefing	
		Securities and Futures Institute	Introduction and Case Study of Short-Term Trading by Corporate Insiders	
		Securities and Futures Institute	Challenges and Opportunities for Sustainable Development Path and Introduction to Greenhouse Gas Inventory	
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	
Independent Director	Hsiu-Hui Huang	Taiwan Securities Association	Corporate Governance and Anti-Money Laundering Course	9
		Independent Director Association Taiwan	Practical Case Studies of Related Party Transactions and Unconventional Transactions	
		Taiwan Securities Association	Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	

In 2022, the hours of training for directors was 99 hours, and the average hour of training for directors was 9 hours. The content of the course was analyzed as follows:

Course	Hours	The content of the course
Corporate governance related	16 hours	<ol style="list-style-type: none"> 1. "Corporate Governance and Anti-Money Laundering Course" was hosted by the Taiwan Securities Association. "Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry". 2. "An International Perspective on Independent Directors and the 2022 Shareholders' Meeting" was jointly hosted by TWSE, QIC, Georgeson. 3. "Compliance with the Company's Act and Directors' Oversight Obligations" was hosted by Taiwan Corporate Governance Association 4. "2022 TE-listed Company - Independent Directors and Audit Committee Reference Guide on the Exercise of Powers and Functions and Directors' Briefing" was hosted by Taipei Exchange. 5. "Introduction and Case Study of Short-Term Trading by Corporate Insiders was hosted by Securities and Futures Institute. 6. "Practical Case Studies of Related Party Transactions and Unconventional Transactions" was hosted by Independent Director Association Taiwan.
Courses about Corporate Sustainability	8 hours	<ol style="list-style-type: none"> 1. "Challenges and Opportunities for Sustainable Development Path and Introduction to Greenhouse Gas Inventory" was hosted by Securities and Futures Institute. 2. The "Sustainable Development Pathway Industry Theme Convention" was jointly hosted by Taiwan Stock Exchange and Taipei Exchange. 3. "Corporate Sustainability and the Board of Directors Responsibilities" was hosted by Taiwan Corporate Governance Association.
Courses about ESG	3 hours	<ol style="list-style-type: none"> 1. "ESG and Sustainable Management in the Securities Industry" was hosted by the Taiwan Securities Association.
Other courses	10 hours	<ol style="list-style-type: none"> 1. "Response of CPAs to Anti-Money Laundering" and "Response of CPAs to Anti-Money Laundering" was hosted by the National Federation of CPA Associations of ROC.

Remuneration Policy for Directors and Senior Management Staff

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.

Remuneration policy of Directors (including Independent Directors)

The standards for remuneration of directors of the Company were as follows:

According to Article 21 of the Articles of Incorporation: The board of directors shall be authorized to determine the remuneration paid to all directors based on the degree of their participation in the Company's operations and value of contribution and by taking into account the general pay levels in the industry.

According to Article 25 of the Articles of Incorporation: If there is profit at the end of each fiscal year, the Company shall have 1% to 3% of profit distributable as employees' compensation, which may be distributed in the form of shares or in cash by a resolution to be adopted by the board of directors. The employees entitled to receive shares or cash include the employees of parents or subsidiaries of the company meeting certain specific requirements. The company shall appropriate not more than 5% of the above profit for remuneration to directors by a resolution to be adopted by the board of directors. 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.

Remuneration Policy and Review Process for Senior Management Staff

The Company's overall remuneration structure is divided into salary, allowances, performance bonuses and other items, and has established a "Verification Method for Remuneration". Managers should be remunerated with reference to their personal academic background, market and peer salary levels. The job titles and salaries should also conform

to the range specified in the Company's "Salary Scale for Job Titles and Salaries", and their work performance and contribution of natural person shall be regularly reviewed to achieve market competitiveness and the effect of retaining talents.

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

- 1 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.
- 2 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.
- 3 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 functions and powers, the Remuneration Committee periodically reviews the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors and managerial officers of the Company. And regularly assess the achievement of its performance goals, and determine the content and amount of its individual salary according to the assessment results obtained from the performance assessment standards, and submit it to the Board of Directors for discussion. The performance assessment and remuneration of directors and managers refer to the average payment of the same industry, and consider the results of personal performance assessment, time invested, responsibilities, achievement of personal goals, performance of other positions, and the remuneration paid by the company to persons holding similar positions in recent years. The achievement of the Company's short-term and long-term business goals, the Company's financial status are based to assess the rationality of the relationship between individual performance and the Company's operating performance and future risks.

Succession Planning for Board Members and Key Managers

(I) 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 about 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. In 2022, the hours of training for directors was 99 hours, and the average hour of training for every director was 9 hours.

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 Securities and 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 customers. "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 talents of various management levels, 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.

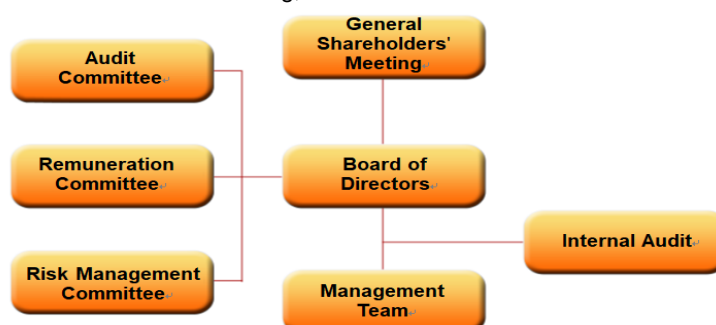
We also organize various executive training programs for different levels, such as courses or seminars on corporate governance, financial product planning and marketing, legal compliance, anti-money laundering and countering the financing of terrorism, data analysis for changes in the financial environment, 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.

Duties and Operation Status of Functional Committees

In order to play the valid functions of the Board of Directors and improve the decision-making quality of the Board of Directors, the Audit Committee, Remuneration Committee, Sustainable Development Committee and Risk Management Committee were set up under the Board of Directors according to their powers and functions. These committees are responsible for discussing important proposals and critical issues such as economy, environment, society, and risks. In order to make the committees' decisions and recommendations forward-looking, objective and comprehensive, the functional committees are composed of Independent Directors, or Independent Directors participated in the functional committees. The goal is to effectively implement the mechanism of independent

supervision and checks and balances to ensure that all resolutions and actions of the Board of Directors, and all proposals are submitted to the Board of Directors for reporting and discussion. If there is any stakeholder involving the director himself/herself or the legal person represented by him/her, he/she shall withdraw. Some proposals are also reported and discussed at the shareholders' meeting, which is in the best interests of stakeholders.



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.

<https://www.concords.com.tw/about/Company/CommitteeB.htm?mnu=03&submnu=02>

Operation Status of Audit Committee:

Held 9 meetings in 2021

Held 7 meetings in 2022

Title	Name	Meeting attendance rate in 2022
Independent Director	Huang, Tien-Chang (Convener) (reelected on 2021/07/12)	100%
Independent Director	Chang, Yao-Ren (reelected on 2021/07/12)	100%
Independent Director	Hsiu-Hui Huang (reelected on 2021/07/12)	100%

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 Remuneration 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. Regularly 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	Chang, Yao-Ren
Independent Director	Huang, Tien-Chang

Operation status:

Held 9 meetings in 2022.

Held 1 meetings as of March 2023.

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. Formulate risk 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	Chang, Yao-Ren (Convener)
Independent Director	Hsiu-Hui Huang
Independent Director	Huang, Tien-Chang
Director	Chin-Shen Lee
Chairperson	Cheng, Ta-Yu

Operation Status of Risk Management Committee:

Held 8 meetings in 2021.

Held 9 meetings in 2022.

3.2 Risk Management

Risk Management Policy

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).

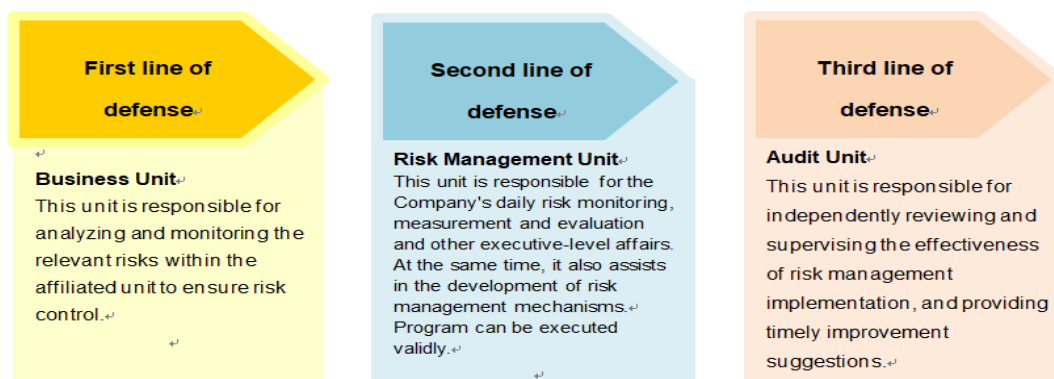
All risk management provisions shall be stipulated in this policy.

Risk Management Objectives



Three lines of defense for internal control

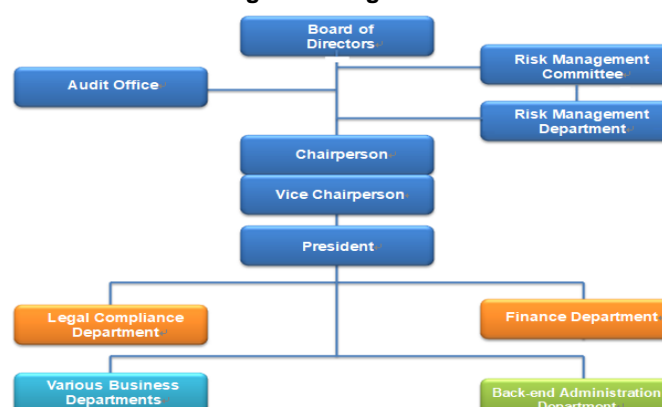
Risk management is the common duties of the whole Company. A deliberate and complete risk defense line has been established to prudently manage various operational risks through the three lines of defense for internal control and various risk management procedures.



Risk Management Organizational Structure and Execution

- **Board of directors:** The Company's board of directors is the highest unit of the enterprise risk management. With the aim of legal compliance and promoting and implementing the company's overall risk management, it shall clearly understand the risks faced by securities firms in operations, ensures the effectiveness of risk management, and take the ultimate responsibility for risk management. The risk management unit reports to the Board of Directors on the implementation of the Company's risk management at least once a quarter (at least four times a year). In fiscal 2022, a total of 9 reports have been made to the Board of Directors.
- **Risk Management Committee:** Under the board of directors, the Committee is composed of board members, with functions of assisting the board of directors in planning and supervising related risk management matters.
- **Risk Management Office:** The Company's Risk Management Office is an independent department under the board of directors, and is mainly responsible for the company's daily risk monitoring, measurement, evaluation and other implementation-level affairs, and determining whether the risks of the business units are within the company authorized limits. The appointment and discharge of the supervisors of the risk management implementation unit shall be approved by the board of directors. The unit is responsible for measuring, monitoring, and evaluating the securities firms' daily risk status.
- **Finance Department:** The Company's Finance Department is the fund allocation unit independent of each business department. It is responsible for monitoring the use of funds of each business unit, and setting up the emergency procedures for fund management to response the demand for funds when an emergency occurs in the market.
- **Auditing Office:** The Auditing Office of the company is an independent department under the board of directors. With job functions of auditing the business planning and implementation, it is responsible for audit matters with respect to finance, business operations, and the implementation status of internal control and legal compliance of the company and its subsidiaries to ensure the company conducting effective operational risk management.
- **Regulation Compliance Department:** The Regulation Compliance Department is responsible for the company's legal compliance and the legality review on transaction contracts and documents. To facilitate the control of such legal risk, the Regulation Compliance Department inspects internal regulations at all times, so that the Company can respond in a timely manner to the impact on the company's business as a result of changes in the regulations by the competent authority. In addition, it prepares the comprehensive review procedures to ensure the thoroughness and compliance of all the company's transactions.
- **Business units:** The supervisors of the business units are responsible for the first-line risk management. The business unit is responsible for analyzing and monitoring the relevant risks in the unit to ensure that the risk control mechanism and procedures can be effectively implemented.

Risk Management Organization Chart



Risk Management Mechanism

- **Market risk:** To avert the risks caused by market price changes, the Risk Management Office has established a risk control system and control mechanism to measure and make sure that the market risks are controlled within the limit on a daily basis. The methods for measuring market risk include nominal principal, fair market value, price sensitivity, and value at risk. Based on the characteristics of different products, the company sets risk limits and stop loss limits for positions in order to effectively control market risk.
- **Credit risk:** To ensure the completeness of credit risk management, credit limits are set and managed at different levels for counterparties with different credit levels. With a hierarchical management system, different transaction limits are given to counterparties and issuers with different credit ratings. The credit ratings of counterparties and issuers are regularly reviewed to control credit risks.
- **Liquidity risk:** The Company's liquidity risk is divided into market liquidity risk and funding 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.
- **Climate risk:** In order to deal with the risks and opportunities brought by climate change on operations, the Company has established a "Green Operations Team" to promote the implementation and management of climate actions. The "Responsible Investment Team" is responsible for investment in green finance and sustainable development, and gradually establishes climate-related risk management and opportunity management processes.

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 chairperson 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 chairperson 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 customer 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 formulated the "Reporting Guidelines for Reporting Operational Risk Events", if an employee is found to commit unethical acts (such as embezzlement of company funds, manipulation of account/fictitious transaction, bribery/kickback, insider transactions in non-company accounts, etc.), such acts shall be reported to the Risk Management Office and the president, and a review shall be conducted on the related operating procedures and personnel management with the improvement plan being developed to strengthen the prevention of such unethical acts.

3.3 Legal compliance

Operation Status of Legal Compliance

The Company's Regulation Compliance Department is responsible for handling legal compliance, anti-money laundering and handling legal affairs. The responsibilities of this department include cooperating with various domestic laws and regulations to formulate, update and review various internal regulations, provide legal compliance advice for new businesses and services, and supervise all units to regularly conduct self-assessment of legal compliance risks. The department also promotes and coordinates anti-money laundering and countering the financing of terrorism policies, reviews various contracts and handles legal cases to ensure that all operations and transactions are in compliance with laws and regulations. It is also responsible for strengthening the law-abiding awareness of each unit and establishing the Company's law-abiding 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. In addition, each business unit and 16 branches of the Company have set up an anti-money laundering supervisor to monitor the anti-money laundering. For the anti-money laundering and countering the financing of terrorism, organizational norms have been designed, and regular inspections of practical operations and financial reforms are proposed to achieve valid the goal of anti-money laundering and countering the financing of terrorism.

Legal compliance with relevant education and training

The Company continues to strengthen the internal concept of the rule of law through publicity, education and training, so as to achieve the purpose of implementing laws and regulations.

The Regulation Compliance Department irregularly schedule legal information and peer penalty cases to employees through internal websites and internal emails. It will also put relevant information on the Company's internal website for all colleagues to check and read; internal education and training also arranges different themed courses for colleagues to convey information, and conducts tests at the end of the courses to check the degree of understanding of the courses; cases of violations, laws and regulations' updating, and precautions that should be strengthened are scheduled to department heads, and conduct education and training and audit education and training for managers and financial supervisors to carry out thematic publicity. For directors, special courses such as whistle-blowing system, key events release, insider trading, insider equity changes, etc. are also conducted on the Board of Directors.

In 2022, a total of 4 internal control education and training sessions were held. Among them, the legal compliance course includes cases of sanctions, publicity of laws and regulations, and compliance requirements of various operations. A number of special courses were held. The statistics of the number of participants and course hours were as follows:

Course Name	Number of trainees	Percentage	Training Time
Financial Consumer Protection Act and Fair Treatment for Customers (internal training)	661	99.85	1983
ESG, Integrity Management and Fair Treatment for Customers (internal training)	59	96.39	147.5
Anti-money Laundering and Countering the Financing of Terrorism (internal training)	1,379	99.78	2,157
Anti-money Laundering and Countering the Financing of Terrorism (external training)	145	100	838.5
Personal Data Protection Law (internal training)	654	100	654
Whistleblowing System, Major Information Issue, Insider Trading, Insider Equity Change (internal training)	659	100	659

Insider Trading Prevention Management Method

In order to establish good internal major information processing and disclosure mechanism of the Company, avoid improper information disclosure, and ensure the consistency and accuracy of the Company's information released to the outside world, the "Procedures for Preventing Insider Trading Management" was formulated on March 25, 2011. At the same time, the Company organized insider trading prevention courses for directors and employees at least once a year. The course content includes insider trading regulations, constituent elements, penalties, case descriptions, etc., The course briefings and audio-visual files were placed on the Company's internal corporate learning network. In April 2022, the education publicity was carried out to all colleagues, and the Board of Directors announced it to all directors on December 16, 2022.

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. The Company has formulated the "Precautions for Anti-Money Laundering and Countering the Financing of Terrorism", which was approved for implementation by the Board of Directors on December 25, 2014, in accordance with the "Anti-Money Laundering Act", "Anti-Financing of Terrorism Act", "Financial Institutions' Anti-Money Laundering Measures", "Implementation Measures for the Internal Control and Audit System of the Securities and Futures Industry and Other Financial Institutions Designated by the Financial Supervisory Commission to Anti-Money Laundering and Countering the Financing of Terrorism" and the "Measures for Financial Institutions to Notify the Property or Property Interests and Locations of Designated Sanctioned Objects". In addition to establishing anti-money laundering and countering the financing of terrorism-related policies and norms, the Company has also developed an anti-money laundering operation system to assist in the inspection of money laundering in a systematic manner, and actively cooperate with the competent authorities in various anti-money laundering and countering the financing of terrorism policies to deter the occurrence of illegal activities. The Company has set up supervisors in each business unit and branch to supervising the implementation of the business unit's implementation of anti-money laundering and combating terrorism-related matters.

AML/CFT education and training

In order to strengthen the risk awareness of all employees in anti-money laundering and countering the financing of terrorism, the Company not only arranges for employees to conduct legal training courses or various seminars, but also organizes annual anti-money laundering and countering the financing of terrorism for senior executives and full staff. The training course will urge full staff to continue to learn, so as to ensure the actual implementation of various operations and achieve the goal of anti-money laundering and countering the financing of terrorism culture in nature and downward in direction.

2022 AML/CFT education and training courses are as follows:

Category	Number of Participants	Course Hours
Anti-money Laundering and Countering the Financing of Terrorism (internal training)	1,379	2,157 hours
Anti-money Laundering and Countering the Financing of Terrorism (external training)	145	838.5 hours

3.4 Ethics and Integrity

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 whistle-blower 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 "Corporate Governance Best Practice Principles" was approved by the Board of Directors, which includes:

- I. Protect shareholders' rights and interests
- II. Strengthen the functions of the Board of Directors
- III. Give full play to the function of the Audit Committee
- IV. Respect the rights and interests of investors and stakeholders
- V. Improve information transparency, etc., so as to implement corporate governance and improve the operating system.

Integrity Management Code and Integrity Management Operating Procedures 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 "Integrity Management Code" and the "Integrity Management Operating Procedures 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 Chief Corporate Governance Officer 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 that 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, duty of confidentiality, fair trading, protection and proper use of company assets, legal compliance, etc., for compliance by the Company's directors and managers.

Incidents Violating Integrity Management

In 2022, Concord Securities did not involve fraud, insider trading, anti-competitive behavior, anti-trust and monopoly behavior, market operation and other integrity management-related events, and related legal proceedings and fines were zero, and there were zero corruption incidents.

Anti-corruption, Education and Training

1. Board of Directors-Anti-Corruption, Education and Training

Course Name	Training Person/Time	Percentage/%	Training Time/H
Corporate Governance and Money Laundering Control	11	100	33
Control and Management of Stakeholders Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry	10	91	30
Implementation Status of the Business of Anti-money Laundering and Countering the Financing of Terrorism	11	100	5.5
2022 Whistleblowing System Promotion	11	100	5.5
2022 Legal Promulgation-Major Information Issue/Insider Trading/Insider Equity Change	11	100	5.5

2. Employees-Anti-Corruption, Education and Training

Course Name	Training Person/Time	Percentage/%	Training Time/H
H1 2022 Corporate Governance and Money Laundering Control Course	49	100	3
H2 2022 Corporate Governance Course (Control and Management of Interested Party Transactions and Conflict of Interest Avoidance in the Securities and Futures Industry)	28	100	3
ESG, Integrity Management and Fair Treatment for Customers	59	96.61	147.5

3. In 2022, all of the Company's business partners signed the "Ethical Management Terms" and the anti-corruption promotion of suppliers reached 100%.

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 chairperson 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. The audit office, the regulation compliance department and the strategy operation department of this company are the accepting units responsible for reporting cases, and the independent Audit Office with duties and authority is designated as the unit responsible for accepting and investigating whistleblower cases. The Company amended its "whistleblowing system" on August 26, 2022, in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", "Integrity Management Code 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 whistle-blower mailbox and a dedicated reporting line for whistleblower to report. The exclusive whistle-blower mailbox and dedicated reporting line referred to in the preceding paragraph shall be managed by the head of the audit office, and agents shall be set up.

Reporting hotline: (02-8787-1888 ext. 690).

Whistle-blower mailbox address <https://www.concords.com.tw/about/relationship/reportMail.htm?mnu=05>

In 2022, the Company accepted 2 external whistleblower cases and 2 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

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, customer service mailboxes, customer service hotlines, or the physical operation bases of each subsidiary.

The Company's website has an "investor" area, which provides investors with contact windows and related information, and regularly reports various financial and business information in the "Market Observation Post System" to maintain the transparency of information disclosure and protect investors' rights and interests.

Spokesperson	President Chiu, Jung-Cheng Tel.:(02)8787-1888#192
Acting Spokesperson	Assistant Vice President, Shou, Ning-Ning Tel.:(02)8787-1888#873
Shareholder Service Institution	Shareholder Service Dept., Grand Fortune Securities, Co.,Ltd. Tel.:(02)2371-1658 Address: 6F, No. 6, Sec. 1, Zhongxiao West Road, Zhongzheng District, Taipei City, Taiwan
Customer service hotline	Free customer service hotline (local calls only):0800-886-016 Service mailbox:service@6016.com
Employee service window	Name: Ms. Huang Title: Assistant Vice President Tel.:(02)8787-5488
Supplier service hotline	Name: Ms. Zou Title: Vice Manager Tel.:(02)8787-1888#515

Employee: The Company offers good knowledge training courses to its employees and provides a diversified dialogue channel, including investment in employee benefits, complete career planning, and understanding of various puzzles it faces in its work, from which a positive attitude can be established and the career development of its employees can be improved. A "whistle-blower mailbox" is set up within the Company to provide employee service channels.

Supplier: Based on the principle of ethical management, the Company conducts all business activities with suppliers through bidding and bargaining procedures, and through an open, transparent and fair competition environment, we seek cooperation among qualified manufacturers to provide excellent products and services.

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, 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 “recent update of the measures for financial institutions to implement joint declaration and due diligence review, and explanation of laws and regulations”, “the review and promotion of internal control audit”) 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 2022, 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	30 times
Project Audits	18 times
Follow-up Improvement Audits (monthly)	12 times

The Company's annual audit plans implemented by auditors in 2022 were as follows:

Audit Office	Grand Total
Daily Audits	246 times
Weekly Audits	51 times
Monthly Audits	12 times
Quarterly Audits	4 times
Semi-annual Audits	2 times
Annual Audits	1 time

Defects and Improvement Status

No Penalties Ordered by the Competent Authority in 2022.

3.5 Information Security

Information Security Management

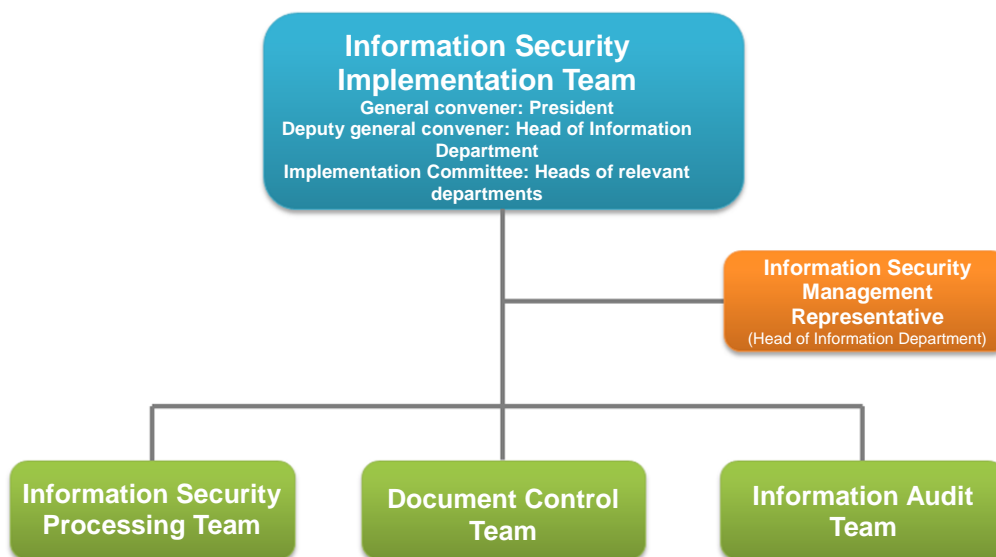
According to the regulations of the FSC, the Information Security Section was formally established in the Information Department in 2018, and the task-based team was upgraded to a normal organization, and the information security supervisor and two information security professionals were deployed to strengthen the maintenance, operation, security and control of information systems and the stability of business adjustment, so as to ensure that the organization can effectively carry out information security management operations and provide customers with the safest information trading environment.

Concord Securities is a third-class (C-class) securities firm according to the information security inspection mechanism for securities firms: classified protection. The company would like to abide by the fifteen items to be done in the classification. In addition to having completed 14 necessary items for tier-3 securities firms, such as continuous introduction and verification by an impartial third party, maintaining the professional license of information security, information system classification, network firewall, anti-virus software, email filtering mechanism, system penetration test, information security health diagnosis, information security threat detection and management mechanism, intrusion detection and defense mechanism, application firewall, equipment directly connected to corporate transaction-related networks, products that endanger national information security, business continuous operation drills and abnormal monitoring of network activities, the Company has also completed advanced persistent threat attack prevention measures for e-mail systems.

Information Security Policy

With the gradual popularization of digital finance, personal data security, information security protection, emotional threats and other issues have also become the focus of financial industry in recent years. In order to ensure the security of information materials, systems, equipment and network communication, and effectively reduce the risks of information assets being stolen, misused, leaked, altered or damaged due to human negligence, deliberate or natural disasters, the Company established the internal control system according to the handling criteria of various service enterprises in the securities and futures markets, and Taiwan Stock Exchange established the information security inspection mechanism for securities firms' information, ISO/IEC 27001:2013 (Information technology - Security techniques - Information security management systems - Requirements), and the "Information Security Policy" was passed by the board of directors; The chairman of the board of directors has approved the establishment of an information security management system through the enactment of "operating procedures for information security organization", "operating procedures for information security implementation", and "operating procedures for continuous management", and in April 2018, a dedicated information security unit was established 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 continuously to conduct 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
	Internal Audit	Information Security Implementation Team, Information Audit Team
C	Internal Audit	Information Security Implementation Team, Information Audit Team

A	Correction and Improvement	Information Security Implementation Team, Information Security Processing Team
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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 regular social engineering drills every six months 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 of information security detection, the period from January 1, 2018, to December 31, 2022, complies with the laws and regulations of the competent authority.

Information Security Incidents

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	2021	2022
Total Information Security Points	0	3
Loss of Customer Information due to Information Security Incidents	0	1
Number of Customers Affected by Information Security Incidents	0	758
Property Lost due to Information Security Incidents	0	0
B – Number of Data Leakage Incidents	2021	2022
Number of Data Leakage Incidents	0	1
Ratio of Personal Information Related Data Leakage Incidents	0%	100%
Number of Customers Affected by Data Leakage Incidents	0	758

※A-Information Security Incidents, B-Data Leakage Incidents were collected by Concord Securities itself.

Record of Information Security Incident Notification in 2022

Number	Unit	Notification Time	Impact Scope	Preliminary Notification	Official Notification	Termination Notification	Status	Reason
		Occurrence Time						
Securities Firm-8450-20 220816-1	Concord Securities	2022/8/16 15:18	Non-transaction	Review	Download	Download	Terminate	The customer relationship management platform (CRM) has abnormal query and SQL abnormal syntax query, and the system has been temporarily shut down.
		2022/8/16 15:05				Upload		
Securities Firm-8450-20 221102-1	Concord Securities	2022/11/2 16:27	Non-transaction	Review	Download	Download	Terminate	Received a notice from the securities regulatory authority that someone was selling our customer information on the dark web.
		2022/11/2 16:11				Upload		
Securities Firm-8450-20 221128-1	Concord Securities	2022/11/2 8 09:12 2022/11/2 8 09:06	Transaction	Review	Download	Download	Terminate	Abnormal transaction order placing _ cash sales trading

On August 16, 2022, the loss of customer data due to hacking was an abnormal access incident detected by the maintenance staff during routine monitoring. After checking the relevant records of the system, it was found that a hacker took advantage of system program vulnerabilities to obtain some customer data, and after confirming that the incident was an information security incident, they took the initiative to report it to the information security notification system of the securities and futures market, it was not an information security incident after a customer complained. Supplementary explanation on the handling and subsequent correction and prevention of the information security incidents and leakage incidents in 2022:

The hacking of CRM system resulted in the loss of some customer data. The main reasons were that there were some security bugs in the system program, and the internal APP of the system was publicly opened to Google Store, which led the hackers to obtain the system variable names by disassembly and carry out in-depth attacks on the system. On the day after the incident, the bug fixes of the system program and the CRM APP program were removed, and the

external service was stopped. At present, the system has completed the follow-up scanning of the original code and the bug fixes. For the customers who have lost their personal information, the business units have also notified the customers to prevent fraud.

Personal Data Management System Control

Concord Securities is committed to data protection for its customers. 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 customers, 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 customers' data.

Concord Securities uses customer information prudently and will continue to strengthen personnel education and training to improve the quality of our services.

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

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

2022 data security-related course promotion results:

Course Name	Teaching Method	Total Hours	Number of Participants
Education and Training of IoTs Managers	Online course	1 hour	20
Focus on Information Security (Threats and Response to Information Security Incidents)	Online course	1.5 hours	688
Information Security, zero trust (The way of enterprise protection in post-epidemic era)	Online course	1.5 hours	655

Investment status in funds for information security

Investment in funds for information security	2021	2022
Information budget	NT\$37,666,665	NT\$96,592,165
Information Security related budget	NT\$27,266,665	NT\$80,420,165
Ratio of information security budget to information budget cost	72.39%	83.26%
Number of information security personnel	2	4

International information security management standards and related verification

Concord Securities is committed to the spirit of information security management by providing comprehensive data protection for customers. 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's information security management has implemented the ISO 27001 information security management system since July 2011 and has continuously passed the verification, in addition to complying with the "Establishing Information Security Inspection Mechanisms for Securities Firms" regulated by Taiwan Stock Exchange.

In 2021, it was audited by SGS Company and awarded the certificate (ISO27001:2013), valid from January 4, 2022 to August 10, 2023.



Professional qualification ability of information security personnel

Two employees of the company have obtained international professional certificates

Information security personnel	Information on the responsibility of the security personnel	Certification unit	Name of Certificate
Wang, o-Chang	Full-time	TAF certification body	Management - ISO/IEC 27001:2013 Auditor/Lead Auditor
Chang, o-Ren	Full-time	TAF certification body	Management - ISO/IEC 27001:2013 Auditor/Lead Auditor

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 fixing, 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 fixes.
 - 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.

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 customers conduct online transactions to increase the security level of online transactions.

Electronic transaction password security:

- Initial passwords must be updated by customers 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.

4. Sustainable Finance



Performance Highlights

- ◆ Won the 4th weight growth Award and the 4th weight Efficiency Award in the "2022 Annual Warrant Issuer Award Activity" held by Taiwan Stock Exchange.
- ◆ Awarded the "Best Smart Financial Management Award" in the Non-Financial Holding category of the "2022 Excellence Securities Ratings".
- ◆ The proprietary "Risk Control Device and Method" developed in 2022 obtained an invention patent (invention No. I751586) from the Intellectual Property Office, Ministry of Economic Affairs.
- ◆ Won awards from the Taoyuan City Government Labor Bureau for providing a high-quality work environment for people with disabilities.
- ◆ Obtained the "Level-A Accessible Website" label mark from the National Communications Commission (NCC).

4.1 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 ESG sustainable development factors into consideration during the investment process. The goal is to enhance long-term value for the Company, customers, and shareholders while fulfilling the responsibilities.

In order to actively introduce the concept of responsible investment, the responsible investment is promoted by the "Responsible Investment Team" of the Sustainable Development Committee, and its members include the heads of important investment decisions, fund control, capital market, risk control and other related departments of the Company and the responsible persons of the project. According to the risk management structure of sustainable management, when using the Company's own funds, the standard investment unit can be in line with the United Nations Principles for Responsible Investment (PRI), and the environment, society and governance (ESG) aspects will be included in the investment decision-making evaluations.

Responsible Investment Implementation Status

In the face of global climate change risks, when handling self operated, underwriting, and reinvestment businesses, self owned funds should be used to invest in the three major aspects of ESG sustainable investment: environmental, social, and governance (hereinafter referred to as "ESG"), and other issues should be considered. Based on "the

Principles for Responsible Investment" (PRI) and the "Code of Due Diligence for Institutional Investors" proposed by UN Global Compact and the United Nations' Environment Programme's Finance Initiative (UNEP FI), this key point is formulated as a guideline for promoting and executing responsible investments, and responding to United Nations Sustainable Development Goals, SDGs. In 2020, the "Measures for the Management of Responsible Investment" was adopted by the board of directors for investment units to follow up.

Concord Securities' the "Measures for the Management of Responsible Investment" clearly stipulates that ESG issues must be included in the investment analysis and decision-making process. The investment analysis 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, it actively exercises ownership, integrates ESG issues into ownership management, and reviews the invested institutions to properly disclose ESG information and convey the expectations of ESG issues to the invested companies. 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 Company adheres to the "Due Diligence Principles for Institutional Investors" issued by the Taiwan Stock Exchange and the "New Version of Corporate Governance Blueprint" issued by the Financial Supervisory Commission, aiming to "improve the number of signatories to the Due Diligence Principles for Institutional Investors and the quality of due diligence information disclosure". The Company signed the new version of the Due Diligence Principles for Institutional Investors by the end of 2021, and disclosed the implementation status of annual due diligence on the "Due Diligence for Institutional Investors" area on the official website, expressing the Company's active goal of implementing responsible investment; The Company continues to pay attention to the relevant news, financial information, industrial performance, business strategy, environmental protection, social responsibility, corporate governance and other issues of the invested company. For more information on due diligence for institutional investors, please refer to the "Due Diligence for Institutional Investors" area on the Company's official website

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

Climate Risk Disclosure and Guidelines for Responsible Investment

According to the "Recommendations of the Task Force on Climate-related Financial Disclosures" proposed by the TCFD working group, TCFD divides the climate risks that the Company may face into "transition risk" and "physical risk". The former discusses the risks that the Company face during low-carbon transformation by controlling global warming within 2°C or even 1.5°C; The latter discusses that if the global temperature rises above 2°C unfortunately, the Company will face the impact of extreme climate and disasters caused by climate change, and this part should be included in the existing risk management of the organization.

1. According to the statistics of 105 invested companies from January 1, 2023 to March 31, 2023, the analysis of "physical risk" disclosed is as follows:

- (1) Among the 105 invested companies, 34% disclosed physical risks in their sustainability reports or company websites, while 66% of the invested companies did not prepare sustainability reports or disclose physical risks in their sustainability reports or company websites;
- (2) Among the 34% of the invested companies that have disclosed "physical risk", climate change is considered as a factor causing extreme climate and disasters. 94% think they are at risk of typhoon and rainstorm; 64% think they are at risk of an increase in mean temperature; 33% think they are at risk of drought; 25% think they are at risk of sea-level rise; 3% said they are at risk of a global infectious disease.

Figure: Proportion of physical risks disclosed by invested companies

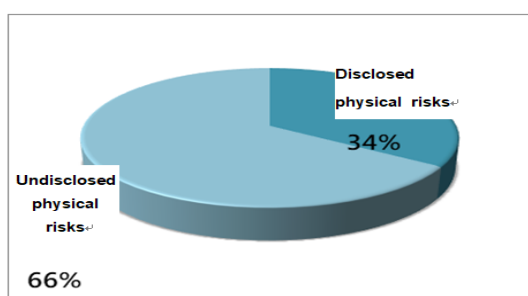
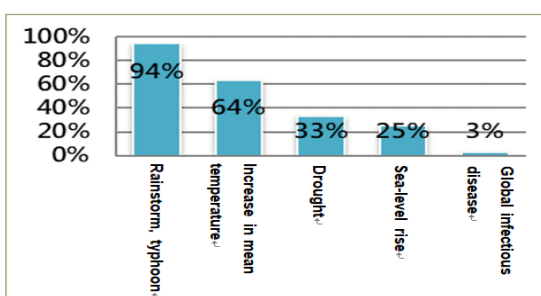


Figure: Types of climate change risks faced by invested companies



Source: sustainability report, company website; statistics of Concord Securities

2. According to the statistics of 105 invested companies from January 1, 2023 to March 31, 2023, the analysis of "transition risk" disclosed is as follows:

- (1) Among the 105 invested companies, 34% disclosed transition risks in their sustainability reports or company websites, while 66% of the invested companies did not prepare sustainability reports or disclose transition risks in their sustainability reports or company websites;
- (2) Statistics show that the invested company faces "transition risk", and the analysis is as follows:

Policy and regulatory risks	This risk refers to the increasing strictness of government regulations and policies in response to global climate change. With the revision and promulgation of various relevant regulations, such as greenhouse gas reduction and management laws, renewable energy development regulations, carbon border taxes, etc., enterprises will be forced to improve the efficiency of computer room equipment, energy efficiency of operating sites, and the construction of renewable energy equipment in accordance with regulations, increasing the cost of enterprise operation and management; Among the existing 105 invested companies, 97% invested companies face this risk;
Market risk	This risk refers to the increase in raw material costs and consumer awareness of environmental sustainability, which will result in changes in the products produced by the enterprise, leading to an increase in operating costs. Among the existing 105 invested companies, 67% invested companies face this risk;
Technical risk	This risk refers to the investment of new raw materials and process development costs for developing low-carbon products. Among the existing 105 invested companies, 47% invested companies face this risk;
Energy supply risk	This risk refers to the risk of electricity instability or shortage caused by green energy policies, which may result in government power rationing measures and directly or indirectly cause interrupted operations. Among the existing 105 invested companies, 11% invested companies face this risk.

Figure: Proportion of transition risks disclosed by invested companies

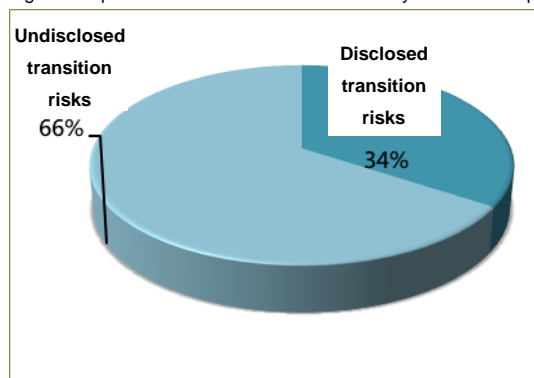
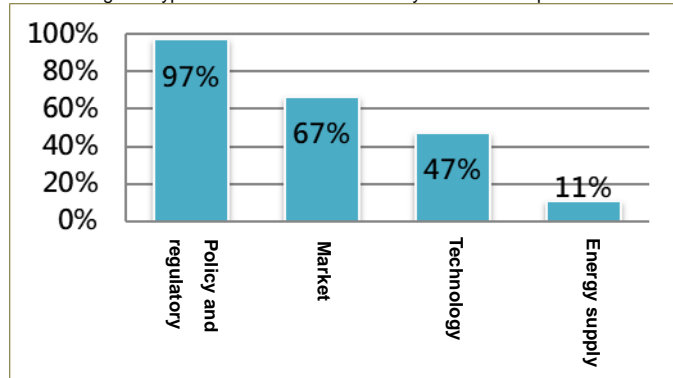


Figure: Types of transition risks faced by invested companies



Source: sustainability report, company website; statistics of Concord Securities

Understand the current situation of customer response to carbon reduction and transformation

Greenhouse gas emissions are divided into three scopes, namely scope 1, scope 2, and scope 3. Scope categorizes the operating boundaries that generate greenhouse gas emissions. "Scope" categorizes greenhouse gas emissions generated by the organization itself or other relevant organizations (such as power suppliers or transportation companies) as follows.

Scope 1	Direct emissions refer to emissions from processes or plant facilities, as well as from vehicles, that are sources owned or controlled by the Company.
Scope 2	Indirect emission refers to the indirect emission of energy utilization such as electricity, heat or steam purchased by the Company for its own use.
Scope 3	Other indirect emissions refer to all indirect emissions generated outside the Company, including employee commuting or business travel, as well as emissions generated during the product lifecycle.

3. According to the statistics of 105 invested companies from January 1, 2023 to March 31, 2023, the analysis of "greenhouse gas emission" information disclosed is as follows:

- (1) Among the 105 invested companies, 74% have already disclosed information on greenhouse gas emissions

(mainly in scopes 1 and 2), while 26% of the invested companies have not yet disclosed information on greenhouse gas emissions.

- (2) According to the Greenhouse Gas Reduction and Management Measures, enterprises that emit more than 25,000 tons of greenhouse gases every year are defined as major emitters of greenhouse gases. Currently, 74% of the invested companies that have exposed greenhouse gas emissions have been audited, of which 35% are major emitters of greenhouse gases, mainly in the electronics industry.

Figure: Proportion of greenhouse gas emissions disclosed by invested companies

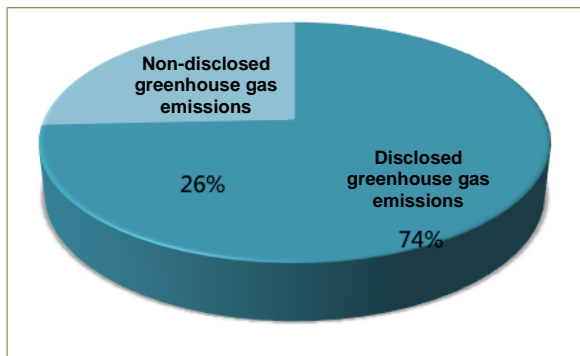
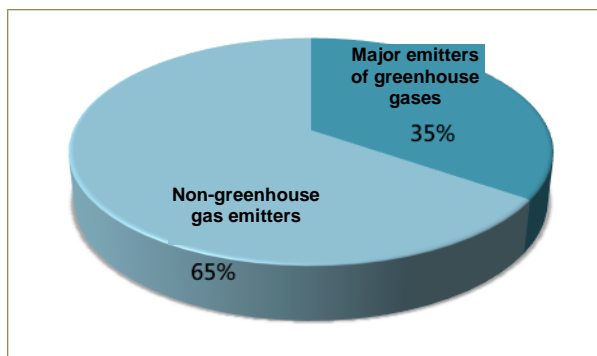


Figure: Proportion of invested companies as major emitters of greenhouse gases



Source: sustainability report, company website; statistics of Concord Securities

Table: Statistics of the industries in which the invested companies are the major emitters of greenhouse gases

Industry	Number of Companies
Electrical cable industry	1
Electronics industry	20
Paper industry	1
Electrical machinery industry	1
Shipping industry	2
Chemical industry	2

Source: Market Observation Post System; statistics of Concord Securities

Encourage customers to make a net zero plan and accelerate the sustainable transformation

In the face of underwriting and counseling customers, evaluate whether the applicant company has properly expressed its implementation of promoting sustainable development in its prospectus in accordance with the “Guidelines for Matters to be Recorded in Prospectus for Applying for Securities to be Traded on the TPEx of Securities Firms”; And evaluate whether the self evaluation report of the applicant company's corporate governance evaluation is appropriate to express its implementation status of corporate governance. If it is a company with high carbon emissions, relevant peer company cases will be provided for consideration, encouraging them to propose measures to improve greenhouse gas emissions.

Concord Securities attaches great importance to the physical and transformational risks faced by invested companies in the face of global climate change, and follows the climate risk disclosure and guidelines for responsible investment. The purpose of responsible investment transaction is medium and long-term investment. The main investment scope covers ESG trends such as carbon neutrality perspective, energy policy, industrial decarbonization. In the investment process, ESG risk and performance of the invested company are considered, and the sustainable development of the invested company is promoted by continuously paying attention to the invested company, attending the shareholders' meeting, exercising voting rights and constructive dialogue. Through responsible investment negotiation, customers are encouraged to develop net zero programs and accelerate sustainable transformation. The risk control of investment positions follows the risk management mechanism developed by the Company.

Responsible investment performance

Sustainable product investment

Unit: NT\$ thousand

Investment type	2022		
	Investment scale (a)	Total investment (b)	Ratio of total investment (%) (a/b)*100
ESG sustainable industry	438,970	2,000,000	21.95%
ESG sustainable industry	200,000	2,872,440	6.96%
Total	638,970	4,872,440	13.11%

ESG products

ESG is an important element of today's business, highlighting the impact of enterprises on the environment, society and governance. With the increasing concern for the environment, more and more enterprises begin to pay attention to environmental problems and take measures to reduce the impact on the environment. In addition, in terms of labor conditions, human rights and fair trade, enterprises should also seriously consider their own responsibilities, and promote enterprises to assume environmental, social and management responsibilities by focusing on ESG related issues, to create a more green, just and sustainable society.

Concord Securities attaches great importance to ESG-related issues. By the end of December, 2022, the market value of Concord Securities' ESG warrants reached NT\$68.47 million, accounting for 64.15% of the total outstanding market value of Concord Securities' warrants. A total of 547 ESG target warrants were issued, accounting for 73.92% of Concord Securities' total listed warrants. A total of 91 of the warrants' targets conformed to ESG, and Concord Securities' target conformed to 48.15% of the ESG targets in the whole market, showing the importance and contribution of Concord Securities to ESG.

The end of December 2022	Warrant market	Issuance volume	Issuance volume of target companies
Whole-market issuance of ESG warrants	2.45 billion	15,863	189
Concord Securities issuance of ESG warrants	68.47 million	547	91
Market share of Concord Securities' ESG warrants	2.79%	3.45%	48.15%

Sustainable development of bonds and underwriting:



Underwriting performance

A total of three green energy, circular economy and environmental protection-related cases were underwritten by or in cooperation with IPO and SPO of Concord Securities in 2022. Concord Securities, in implementing guidance to

customers on TWSE/TPEX listing and accepting the financing of an issuing company, followed TWSE/TPEX listing review criteria and relevant evaluation and audit procedures prescribed by the competent authority, carried out due diligence operations that clients should not apply delivery, and assisted the applicant company in strengthening information disclosure in compliance with laws and regulations through the audit and counseling process

“ESG Innovation and Circular Economy Forum” of Concord Securities

The Year 2022 was the first year of ESG of Concord Securities and the "ESG Innovation and Circular Economy Forum" was held in October 2022. Cheng, Ta-Yu, Chairman of the board of directors of Concord Securities, first emphasized in the introduction of his speech that the most important thing of ESG was to implement the "circular economy", which was also one of the government's "5+2" industrial innovation policies at the current stage. Taipei Exchange is invited to give lectures on multi-level markets and share ESG trends and responses with Green Foundation. Yi Chun Green Technology, Taiwan Steel Union (6581) and Infinite Resources are also invited to participate in the forum. All three industries have one thing in common, that is, recycling wastes is a pragmatic approach to truly implement ESG, and it is also an important promoter and model industry to promote the circular economy.

Green underwriting statistics

Accumulated statistics of cases related to green energy, circular economy and environmental protection in the current year	2022/Number of Cases	Underwriting amount/thousands of NT\$
Organize/Co-organize counseling on new cases (Infinite, Yi Chun, Revivegen)	3	0
Participate in cases underwritten by or in cooperation with IPO and SPO	5	91,927

Concord Securities assists the green industry to hold the lecture of "ESG Innovation and Circular Economy Forum"

Year	Number of Companies	Sessions	Number of Participants	Venue
2022	3 companies (Yi Chun Green Technology, Taiwan Steel Union, Infinite Resources)	1	83 persons	Le Méridien Taipei

Bond performance

Unit: NT\$ thousand

Type	2022			
	Bond value	Total bond underwriting value	Proportion of total bond underwriting value	(%)
Green bond	200,000	600,000	1/3	33%

Investment in sustainable development bonds:

Type	Bond code	Name of issuer	Investment amount (NT\$)
Green bond	B618DC	Taiwan Semiconductor Manufacturing Co., Ltd.	NT\$100,000,000
Green bond	B903YJ	Taiwan Power Co., Ltd.	NT\$200,000,000

Environment and climate change, promoting sustainable energy resources

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	2021	2022	Difference
KBI Ecological Series Fund AUM	NT\$1,128.4 million	NT\$1,130.5 million	NT\$2.09 million
Overall Fund Inventory AUM	NT\$1,161.08 million	NT\$1,130.5 million	NT\$-30.58 million
Proportion of KBI Ecological Series Fund	97%	100%	3%

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 commercial fire insurance for solar energy equipment, comprehensive insurance for electronic equipment, and fire insurance products "residential green energy upgrade clause" for residential use to promote green environmental protection. The goal is to subsidize green environmental protection development while assisting customers in identifying and evaluating risks and maximizing insurance benefits for the global environment.

Insurance items	2022	Number of Cases
Micro-insurance	Shin Kong Life/Song-Ai-Sin Small Amount Whole Life Insurance China Life/Universal Small Amount Whole Life Insurance	3
Green Energy Insurance	Electronic Equipment Comprehensive Insurance	2

※Electronic equipment comprehensive insurance covers such green energy sustainability related areas as solar PV, uninterruptible power supply system, and backup system.

Internationally Aligned Corporate Governance Information Security Standards

Concord Insurance Agent established Information Security Management System (ISMS) and Personal Information Management System (PIMS) and completed the pre-evaluation of BSI ISO/IEC 27001:2013 Information Security Management System and BS 10012:2017 Personal Information Management System, international validation bodies in 2021. With regard to the internet threats and risk changes brought about by the financial environment, it has regularly reviewed and confirmed the suitability of relevant norms and measures, and conducted social engineering drills, information security and personal data protection education and training within the Company; The company effectively implements information security management system and personal information management, continuously values information security and safeguards customer information security.

Explanation of violations of information security in the past two years	2021	2022
Number of major information security incidents	0	0
Number of incidents violating customer privacy	0	0
Number of customers affected by information leakage	0	0
Penalty amount for information security incidents	0	0

4.2 Financial Innovation and Services



Concord Securities has always been committed to promoting inclusive financial policies. In addition to launching the "Thousand Dollar Share Deposit", it has once again created a regular investment platform "Good Fun Investment" in 2022, which is different from depository. Based on market trends and customer needs, it provides more convenient digital financial services.

The pain points of small fund investors, busy people, and long-term investors have all been addressed in "Good Fun Investment". Flexible deduction dates and amounts, as well as regular and intelligent investment frequencies, can effectively eliminate panic caused by human psychological factors. Its market competitiveness lies in the design concept and inspiration developed for non-profit purposes, which first addresses the pain points of investors. The product features are summarized to distinguish it from its peers, aiming to enable small fund, young and busy people to invest in more flexible ways, in order to eliminate panic and greed, and achieve the function of mechanized investment. It can also avoid losing valuable investment opportunities due to being busy and forgetting to place an order, so that investors can make a lot of money from a small amount of money and become more sensible about investing, and move towards the road of wealth freedom, in order to achieve the goal of inclusive finance and integrate with the international community.

Innovative service

FinTech innovation has become a key topic in the financial industry. 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 customers.
- To practice inclusive finance, the Company launched the "Thousand Dollar Share Deposit", "Good Fun Investment" applications for small fund investors, whereby customers can easily set up a regular monthly investment 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.

Innovative service products:

Category	Function Features
"Good Fun Investment"	<ol style="list-style-type: none">1. E-commerce based operation interface, intuitive operation to reduce obstacles for beginners.2. 768 intelligent stock selection and retirement trial function allows investors to easily select ideal investment targets without the need for professional knowledge.3. Regular investment selects dynamic triple, which can construct a personalized intelligent investment model based on the rise and fall of the target.4. Risk monitoring is conducted on a case by case basis to ensure that investors are disciplined in investing and accumulating wealth.
Thousand	<ol style="list-style-type: none">1. Investors set their own commission price, so they don't have to worry about buying more expensive than others.

Dollar Share Deposit	<ol style="list-style-type: none"> 2. There are many issuance volume of investment target companies, mostly the top 50 companies and ETFs in Taiwan, which are 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. Can be in advance for the entry and exit prices for the volatility or rebound, so as to avoid staring at the market or worrying about the stock price rise and fall, which will affect the investment opportunity.
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 customers 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.
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.

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 416 people have obtained on-the-job training licenses for securities, futures, wealth management, etc., and successfully obtained or extended their licenses in 2022.
Course Lectures	<ol style="list-style-type: none"> 1. Monthly popular industry analysis education and training courses are held to enable business colleagues to better grasp industry trends in real-time. 2. Established an enterprise learning network to develop marketing strategies for digital transactions according to customer trading habits to increase customer cohesion. 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. 4. In 2022, 44 lectures were held.

Intellectual Property Management Plan

The future development of the securities industry and the decisive battleground lie in science and technology. Concord Securities 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 keep core value and sustainable competitiveness, the Company has set up the patent review task force in August 2016, dedicated to intellectual property management and promotion. The convener of the patent review task force is the President, and

the task force members include supervisors of business, IT, and compliance units.

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.

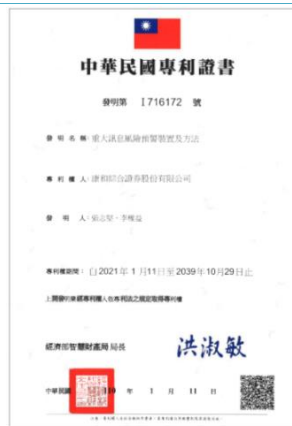
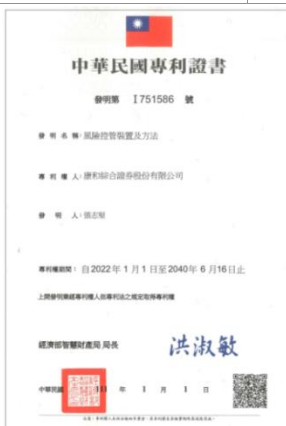
Implementation Status in 2022

- On October 19, 2022, the patent for "Material Information Risk Early Warning Device and Method" was awarded the Best Product Award at the National Brand Yu Shan Awards.
- On November 08, 2022, the patent application and rewards criteria were revised and the approval level was adjusted to the Board of Directors.
- The implementation status of the Company's intellectual property management plan was reported to the board of directors in December 16, 2022.

Achievement of Obtaining Intellectual Property

From 2020 to 2022, the Company has obtained a total of 3 "invention" patents approved by the Intellectual Property Office, Ministry of Economic Affairs.

Items	Invention No./Valid Period	Status	Total
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 and 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 and Valid	1
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 and Valid	1
Total			3



4.3 Inclusive finance



Provide Small Financial Products and 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 customer care interviews and use customer service personnel telephone interviews to discover and reduce the risk of illegal behavior.

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, customers 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-amount share deposits" and "deposit-type custom leveraged equity options." 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.

Trading volume of thousand dollar share deposit

Item/Year	2021	2022	Difference ratio
Cumulative number of customers agreed to use	9,512 accounts	11,203 accounts	+17.77%
Total amount invested for the year	NT\$121,744,707	NT\$117,629,286	-3.38%

2. Dr. Zheng Smart Order Service

Because customers cannot stare at stock indices all day, they may miss opportunities to place orders during rapid price fluctuations. Therefore, to help customers place orders at the right time, Concord Securities has launched a cloud-based, long-term mobile smart ordering function. 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 anytime, anywhere with the phone to significantly reduce missing chances of ordering at the right moment.

Dr. Zheng Smart Order Service:

Year	2021	2022	Growth rate
Number of users	540	502	-7.04%
Number of transactions	6,660	5,469	-17.88%
Total transaction amount for the year (NT\$)	973,747,306 (Note)	916,188,453	-5.91%

Note: In 2021, the amount was originally NT\$972,296,106, which was amended to NT\$973,747,306

3. Buy funds on a regular fixed-amount basis

In order to meet the needs of investors at different stages of their lives, enable small fund investors, senior citizen and fund users to easily participate and buy funds on a regular fixed-amount basis, Concord Securities offers the concept of long-term investment, regular fixed-amount investments and saving good stocks to earn interest as a new choice for retirement financial planning.

Friendly Financial Services

The Company's Nankan Branch complies with the regulations on the number of people with disabilities and specifications, and 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".

1. 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:

2. 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 customers to open accounts. The other 5 locations have slightly taller counters, but there are round tables next to the counters designed to facilitate customer interaction and provide zero-barrier services. Thus, the ratio is 100%.
- (3) If the hardware equipment is deficient, a dedicated person will provide individual customer services.

4. Senior Citizen Services:

- ◎ To implement the protection of financial consumers of senior citizen (elderly customers) and provide a friendly senior citizen financial environment, the branch is equipped with love bells, reading glasses and wheelchairs for those in need to use at any time.
- ◎ Implement the protection of financial consumers of senior citizen (elderly customers), strengthen the care and goodwill care customer interview operation, offset loss care questions, and repeat entrusted care questions.

5. Non-counter Services

- ◎ Telephone voice, web and mobile platforms for various financial services and customer service.
- ◎ Accessible facilities: lifts, ramp design, etc.
- ◎ Professional reception by service staff.
- ◎ Customer service hotline and official website reservation counter service.

6. Social Media Management:

As young stockholders continue to actively enter the market, Concord Securities focuses on using new media to communicate with the new generation, interacting with customers on the official Concord Securities social media platforms (FB fan group/Instagram/LINE@), not only for marketing activities when new products are launched, but also to provide valuable and interesting content to enhance brand goodwill.

康和LINE@



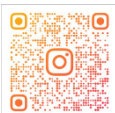
The cumulative number of friends on the official Concord Securities LINE@ account has reached over 18,000 to date. The official LINE@ account provides investors with various services such as one-click order placement, online account opening, official website, and the ability to bind accounts for account enquiries, providing exclusive and personalized services.

康和Facebook



The official fan group of Concord Securities has so far reached a total of over 6,000 followers, with an annual growth rate of over 20%. It provides investors with correct investment concepts, proactive reminders on information security to avoid fraud, domestic and international diverse market information and financial management knowledge, as well as synchronizing information on major company events and promoting digital account opening and electronic trading services for online orders. It regularly provides a daily news round-up before the opening of the market, also irregularly shares information on brand events and subscription lotteries, and shares the right investment concepts with current hot topics, as well as producing monthly greeting cards for fans to download and forward.

康和Instagram





7. Inclusive finance - Free financial management seminar for corporate groups

Concord Securities provides financial education to the underprivileged groups who lack financial services, and has proposed three main themes: "Retirement Planning", "Investment Turnaround" and "Parent-Child Financial Management", and also actively offers free financial management seminars on financial management to corporate bodies on topics appropriate to their financial education needs.

A total of 10 seminars were held in 2022, with a total of 269 participants from 10 companies and groups from all over the North, Central and South, and a certificate of appreciation was presented by the business owner.

Sessions of free financial management seminars for corporate groups:

Sessions	Date	Time	Theme	Corporate groups	Number of Attendees
1	2022/8/19	1200~1330	Investment turnaround: give profit, multiply profit, increase real profit	LiTV Technology	24
2	2022/8/26	1200~1300	Investment turnaround: give profit, multiply profit, increase real profit	Power KY	19
3	2022/8/31	1230~1400	Retirement Planning in Four Parts - Creating a Rich Retirement Life	Hsi Hung Travel Service	27
4	2022/9/2	1200~1330	Investment turnaround: give profit, multiply profit, increase real profit	Shun Hing Lane, Taoyuan	48
5	2022/9/7	1200~1330	Retirement Planning in Four Parts - Creating a Rich Retirement Life	Neihu Branch	25
6	2022/9/14	1200~1330	Retirement Planning in Four Parts - Creating a Rich Retirement Life	CHINA FINEBLANKING	23
7	2022/9/16	1200~1330	Investment turnaround: give profit, multiply profit, increase real profit	Acer eDC	10
8	2022/9/23	1200~1330	Investment turnaround: give profit, multiply profit, increase real profit	Hsinchu Branch	22
9	2022/9/24	1000~1100	Investment turnaround: give profit, multiply profit, increase real profit	Kamioka Shekou Community Development Association	40
10	2022/9/30	1100~1200	Investment turnaround: give profit, multiply profit, increase real profit	YIHO	31
Total					269



4.4 Customer relationship management

Implementing the "Principles of Equitable and Fair Treatment of Customers in the Financial Services Industry" policy and commitment

Concord Securities values the rights of its customers and has incorporated the spirit of equitable and fair treatment of customers into its corporate culture, and has implemented the "Principles of Equitable and Fair Treatment of Customers in the Financial Services Industry" laid down by the FSC. Concord Securities is committed to caring for its customers and has incorporated the principle of equitable and fair treatment of customers into its daily core business, and has set up a dedicated "Equitable and Fair Treatment of Customers Promotion Committee", with the President as the convener, to hold regular meetings to plan, review and improve the implementation of the equitable and fair treatment of customers principle and product review, and to report to the Board of Directors on the status of implementation, with a view to strengthening implementation from the top down. It also assists departments in the implementation of the "Principles of Equitable and Fair Treatment of Customers" policy, incorporates internal compliance and codes of conduct into education and training programs, and provides internal controls and audits for the company.

Education and training on the principles of Equitable and Fair Treatment of Customers

Year	Sessions	Number of trainees	Training Time	Completion rate (%)
2021	1	653	1,905	100%
2022	2	720	2,130.5	100%

Customer Complaint Cases

In 2022, the business unit received 14 customer complaints or reports, which was a reduction of 1 cases compared to the 15 customer complaints or reports received in 2021. In 2021, the business unit received 15 customer complaints or reports, which was a reduction of 6 cases compared to the 21 customer 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. However, the nature of cases and transaction issues account for 36%, warrants account for 21.5%, and business advertising solicitation accounts for 21.5%. The complaints indicated that there is still room for improvement in terms of trading problems, solicitation of business advertisements and warrants in the New Financial Instruments Division for the brokerage business unit in order to create a good corporate image.

※In order to reduce customer complaints and improve service quality, the Company has taken the following measures:

- (1) Strengthen quarterly awareness of laws and regulations for business colleagues.
- (2) Enhance interaction with customers, and the branch is serviced quarterly by the supervisor or its designated personnel of the business unit entrusted with the sale and purchase of goods.

- (3) The salesperson conducts "Goodwill Care Customer Interviews" and keep relevant audio records and documents.

Customer Complaint Form

2022	Transacti on Issues	Service Attitude	Accounti ng Issues	Account Opening Issues	Information Recommen dation	Warrant Related	Business Advertising Solicitation	Breach of Contract	Total	Difference in the last 2 years
Number of Cases	5	-	-	2	-	3	3	1	14	-1
Percentage	36%	-	-	14%	-	21.5%	21.5%	7%	100%	
2021	Transacti on Issues	Service Attitude	Accounti ng Issues	Account Opening Issues	Information Recommen dation	Warrant Related	Business Advertising Solicitation	Breach of Contract	Total	Difference in the last 2 years
Number of Cases	5	4	-	2	1	3	-	-	15	-6
Percentage	33%	27%	-	13%	7%	20%	-	-	100%	
2020	Transacti on Issues	Service Attitude	Accounti ng Issues	Account Opening Issues	System Issues	Warrant Issues	Business Advertising Solicitation	Breach of Contract	Total	Difference
Number of Cases	9	1	5	2	1	3	-	-	21	-
Percentage	43%	5%	24%	10%	5%	14%	-	-	100%	

Promotion of employee participation in penalty cases in 2022:

Year/Item	2021	2022
Legal Compliance Department: Hold legal news + penalty cases + education and training	189 times	248 times
Audit Office: Handle common defect inspections and classification summary + penalty case advocacy	12 times	12 times

Customer 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.

The Company has established the "Financial Product Know your Customer and Product Suitability Review Procedures" to provide a basis for customers to engage in equity guarantee related to financial product contract transactions; if derivative financial product trading services are provided to customers other than professional institutional investors and high net worth investment corporations, the risk attribute rating of customers shall be reviewed at least once a year to ensure that the products or services are provided in a manner that is fair and reasonable to the customers and to reduce customer complaints.

"Anti-fraud promotion" to protect people's assets

Fraudulent techniques are constantly evolving as technology evolves, making it difficult to guard against fraud, especially for the elderly who are particularly vulnerable to fraud because they are less aware of current affairs, with relatively distant interpersonal relationships and less familiar with technology products. We appreciate the trust our customers have placed in us over the years and have made "anti-fraud promotion" a key activity in the community care.

Through the power of various strongholds, we share case studies and anti-fraud tips to raise public awareness of fraud.

A total of 5 anti-fraud promotions were held in 2022, benefiting a total of 135 people.

2022 Lejoy Financial Management and Anti-Fraud Promotion Summary Sheet - Lejoy Group

Sessions	Date	Time	Seminar Venue	Number of participants
1	November 22	1430~1630	Concord Securities/Neihu Branch	23
2	November 29	1430~1630	Taipei Hsi Hung Coffee Waiting Room	20
3	December 6	1430~1630	Taichung Branch, Concord Securities	25
4	December 13	1430~1630	Banjiao Branch, Concord Securities	43
5	December 14	1430~1630	Chiayi City 85° C (Chiayi Shixian Store)	24
Total				135



5. Happy Workplace



Performance Highlights

- ◆ Won the "Happiness Enterprise Gold Award" in the 1111 Job Bank financial Management category for the first time.
- ◆ Establish employee stock ownership trust - Implemented employee stock ownership trust since 2022 to implement sustainable development of enterprises.
- ◆ Awarded the "Healthy Workplace Promotion Badge" - Awarded the "Healthy Workplace Promotion Badge" by the Health Promotion Administration, Ministry of Health and Welfare in 2021.
- ◆ First awarded the 7th Corporate Vaccine Alliance Rising Star Award for Epidemic Prevention by the Taiwan Immunization Vision and Strategy (TIVS) in 2022.
- ◆ Nankan Branch won the High-performing Agency for Employment of Persons with Disabilities excellence award from Taoyuan City Government.
- ◆ Passed ISO 14001 Environmental Management System + ISO 45001 Occupational Safety and Health Management System Certification

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.

5.1 Employee attraction and retention

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 2022, Concord Securities and its subsidiaries have hired 834 employees with an average age of 45.12 years.

Human resources structure statistical table:

1. Group employees according to region and gender: (The ratio of the Company's male to female employees in 2022 was 1:1.410)

2022/12/31 On-the-job	North Region		Central Region		South Region		All group	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Female	373	2	35	0	78	0	486	2
Male	276	1	26	0	43	0	345	1
Total	649	3	61	0	121	0	831	3

Note:1. North Region: Head Office, Taipei, Shipai, Neihs, Yanping, Renai, Yonghe, Banqiao, Nankan, Hsinchu; Central Region: Taichung; South Region: Chiayi, Tainan, Kaohsiung, Pingtung, Penghu

2. All full-time employees are on irregular labor contracts and appointed managers. All part-time employees are work-study students (no unguaranteed hours).

3. No part-time employees in 2022.

2. Group employees according to company and gender:

2022/12/31 On-the-job	Securities	Futures	Capital Management	Insurance Agent	Asset Management	Total
Female	399	76	7	4	2	488
Male	260	69	14	2	1	346
Total	659	145	21	6	3	834

3. The Group's employees according to educational background: (In 2022, 16.31% of the Company's employees had a master's degree or higher)

Educational background		2021	2022
Education distribution ratio (%)	Ph.D.	0.12%	0.24%
	Master	15.60%	16.07%
	College	70.50%	70.50%
	High school	13.78%	13.07%
	High school or lower	0.00%	0.12%

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

Year		2021	2022	Difference
Number of Employees	Management Staff	73	82	9
	General Staff	754	752	-2
	Total	827	834	7
Average Age		44.14	45.12	0.98
Average Seniority		10.06	10.07	0.01

Note: Managers are responsible for administering the management of a department or unit.

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

2022		All Employees			
Gender	Age range	Supervising Positions	General Positions	Total	Percentage
Male (41.49%)	50 years or older	38	99	137	16.43%
	31-49 years old	24	128	152	18.23%
	30 years or younger	0	57	57	6.83%
	Total	62	284	346	
Female (58.51%)	50 years or older	12	186	198	23.74%
	31-49 years old	8	225	233	27.94%
	30 years or younger	0	57	57	6.83%
	Total	20	468	488	
Total		82	752	834	100%

Note: Including part-time staff working-students.

6. Average age and seniority of Group employees

2022/12/31	Average Age	Average Seniority
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Male	44.54	8.25
Female	45.52	11.37
Full staff	45.12	10.07

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

New Employees in 2022		Number of People/Percentage		
Gender	Age	Total	Percentage	Proportion of total employees
Male	50 years or older	15	10.79%	1.80%
	31–49 years old	29	20.86%	3.48%
	30 years or younger	30	21.58%	3.60%
Female	50 years or older	10	7.19%	1.20%
	31–49 years old	29	20.86%	3.48%
	30 years or younger	26	18.72%	3.12%
Total		139	100%	16.68%

Note: Excluding 5 reinstated employees.

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

Gender	Age	Total	Percentage	Proportion of total employees
Male	50 years or older	17	12.41%	2.04%
	31–49 years old	32	23.36%	3.84%
	30 years or younger	18	13.14%	2.16%
Female	50 years or older	15	10.95%	1.80%
	31–49 years old	32	23.36%	3.84%
	30 years or younger	23	16.78%	2.76%
Total		137	100.00%	16.44%

Note: Resigned personnel include those who remain on duty without pay

9. Non-employee workers

Non-employee workers: refers to those who have signed a labor contract with our partner company and are assigned to our company by that company, including one security guard and three cleaning staffs.

Complaint mechanism and communication channels

Complaint system

In order to provide communication channels for employees to strengthen labor-management cooperation relationship and assist them in resolving matters relating to their personal rights and interests or unfair treatment at work, the Company has established the "Employee Complaint Procedure", under which employees may lodge complaints with the Human Resources Department, the complaint handling unit, and the complaint handling unit shall refer the investigation result to the Reward and Punishment Committee for disciplinary action against the complaine, depending on the severity of the case.

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 address: complaint.hr@concords.com.tw

In 2022, 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.

5.2 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 management. To meet the diversified investment needs of customers, 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.

Financial talent formation

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 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. The colleagues are free to choose from a variety of multimedia digital courses, and can preserve and share professional knowledge through online learning, quizzes, and problem discussions, etc. The platform currently covers digital teaching materials for various businesses to equip staff with the correct knowledge of the products and to share and inherit practical knowledge and self-learning and improve learning efficiency, enabling employees and the Company to grow together.

3. Concord finance university prepares elite talent

To improve the overall workforce quality of Concord Securities Group, the quality of employees, and cultivate management talent, build corporate consensus, the Company continues to prepare middle and high-level talent, strengthen their professional knowledge and skills, and assist colleagues in career planning, stimulate the development potential, and train talent for specific positions, and 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." In 2022, the Company conducted a total of 30,071 employee training sessions for a total of 36,224 training hours, with an increase of 24.53% compared to the average training hours in 2021.

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
2022	9	18	8	3	38	0

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

Employee Training Hour Statistics in2022

Year	2021			2022			Training Time (hours)
Gender	General Positions	Supervising Positions	Average Hours	General Positions	Supervising Positions	Average Hours	Increase/Decrease of Average Hours from the Previous Year
Female	48.88	34.21	44.36	56.40	57.65	56.71	12.35
Male	48.14	38.34	43.69	53.24	50.64	52.17	8.48
Total	48.64	36.22	44.10	55.33	54.04	54.92	10.82

Note: 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.

2022 Education and Training Hour Statistics

Category	Items	Total Attendance	Total Hours	Total Cost
Internal Training	Professional skill training	24,153	17,776	660,000
	Supervisor competency training	203	669	399,803
	General training	3,651	5,471	19,000
	Corporate governance	87	261	75,048
	Principles of Equitable and Fair Treatment of Customers in the Financial Services Industry	661	1,983	0
	Subtotal	28,755	26,160	1,153,851
External Training	Firefighter and work safety training	9	67	15,680
	Profession training	56	758	541,180
	Qualification and refresher courses	340	2,384	266,950
	Pre-employment, on-the-job training, and other securities and futures-related courses	911	6,855	801,450
	Subtotal	1,316	10,064	1,625,260
Other training costs: transportation costs, degree subsidies		167,203		
Total		30,071	36,224	2,946,314

Performance Management

Employee Performance Evaluation and Development

The Company has regularly implemented performance evaluations, formulated "Performance Appraisal Management Measures", and evaluated employees' annual work performance. The Company 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.

(Those who have served for less than three months prior to the performance appraisal benchmark date will not be considered for the appraisal).

The number of participants in the Company's assessment in 2022 is 629.

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.

Reward Activity - Senior Employee 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 43 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)

2022 Outstanding Employee Commendation		
High Performance Departments	Outstanding Brokerage Business Executives	Outstanding Insurance Salespersons
Outstanding Profit Branches	Securities Market Share Award	Outstanding Personnel in Securities Lending Business
Outstanding Futures IB Performance Personnel	Outstanding Fund Business Personnel	Outstanding Sub-brokerage Performance Personnel
Outstanding Contribution Award	Outstanding Employee Award	Outstanding Account Opening Personnel

5.3 Friendly working environment



Establish an occupational safety and health management system

Concord Securities is committed to promoting workplace health promotion activities, refining and improving workplace safety and health, bringing the company's safety into line with international standards and achieving the goal of a "people-oriented" workplace. For this reason, in the first phase of 2022, the headquarter first introduced ISO 14001 environmental management system and ISO 45001 occupational safety and health management system certification, and its activities covered the securities business service and management of the headquarter. There are 304 employees and 4 security and cleaning personnel signing labor contracts, which have been verified by British Standards Institute (BSI) in early January 2023 and disclosed in official website. Later, it is planned to add the scope of activities to branches and subsidiaries in stages ^(Note 1), which will build an environmental safety protection network and create a good environment and a safe and hygienic workplace.

In order to effectively manage and promote the environmental protection and occupational safety and health management system, the President of Concord Securities supervises and leads the whole bank to comply with relevant laws and regulations and international standards, and provides relevant resources to commit to the

implementation of Concord Securities' environmental protection and occupational safety and health policy, and all departments fully cooperate and assign staff to form an environmental protection and occupational safety and health management system promotion team to continuously optimize the system in a PDCA cycle every year through internal and external issues, stakeholder needs and expectations, regulatory non-conformities, and risk assessments, we identify high-risk or significant opportunities to improve safety and health, and set measurable goals consistent with our environmental protection and occupational safety and health policy, emergency response drills, internal audits, and management reviews to create a safe and healthy working environment.

(Note 1 The head office and branches of Concord Securities have a total of 16 locations. The scope of internal and external audits or certifications for the ISO 45001 management system in 2022 includes only the head office, and the workplace area is B1, B2, part of 9th floor, part of 10th floor, part of 14th floor, and 15th floor, No. 176, Sec. 1, Keelung Road, Xinyi District, Taipei City. The number of workers, including non-employees, was 308, accounting for 38%.)

Hazard identification, risk assessment and incident investigation

In order to effectively identify workplace hazards and promote workplace safety and health, Concord Securities uses the PDCA management cycle as the framework and the relevant laws and regulations of the Occupational Safety and Health Act as the base, each departments assigned personnel through external lecturers for occupational safety and health hazard identification and risk opportunity assessment training courses to complete the assessment of personnel. The scope of identification is divided according to the authority and responsibility of each unit and the name of the operation/process. In addition to the planned and routine operations, the incidental events that are not planned and routine are also considered. Re-evaluate and update in the third quarter of each year or when the work and operating environment changes to understand the risk factors of hazards in the workplace. In order to prevent the possible occurrence of various procedures, activities, services, facilities, etc. that may cause injuries or accidents to internal and external personnel (including contractors), which may result in safety, health, and financial losses to personnel and stakeholders in the premises, the "Hazard Identification and Risk Assessment Management Regulations" are specified to continuously identify, assess, and control risks and minimize them through continuous hazard identification, risk assessment, and the adoption of appropriate prevention or implementation of necessary control measures.

In order to ensure that workers can follow appropriate handling methods to minimize injuries, Concord Securities has established "Accident Investigation and Handling Rules", which specifies the procedure for reporting and handling occupational hazards and dangerous conditions, through a complete investigation process so that the incident can be properly handled, and investigate and review the cause of the incident and prevention methods, and then incorporate it into the risk assessment process to re-evaluate the risk level, to recognize the hazard, assess the hazard and control the hazard, in order to reduce the hazard factor.

The occupational safety and health officers and nurses analyzed the issues of musculoskeletal injury (long-time computer work), visual fatigue (long-time computer work) and psychological stress (front-line work) as moderate risk and the issues of engineering construction work and electrical and mechanical equipment management work (risk of climbing and falling, electric shock, etc.) of the General Affairs Dept. as high risk in 2022, and then scheduled the courses related to the four major programs and requested the contractors to provide qualified safety and health related training materials for their work during the procurement, and informed the personnel of the work about the hazards before the work.

Set up a special unit for occupational safety and health

The General Affairs Dept. of the Company is a specialized unit for occupational safety and health, and has a specialized officer for occupational safety and health, which has been reported to the competent authorities and approved by the Labor Inspection Office of Taipei City in accordance with the law.

Establishment of the environmental protection and occupational safety and health committee

In order to implement the management of environmental protection and occupational safety and health, Concord Securities established the "Environmental Protection and Occupational Safety and Health Committee" in accordance with the Occupational Safety and Health Management Regulations, with 1 chairman and 14 members, including 6 labor representatives (43%) elected by the labor-management meetings. Regular quarterly meetings are held to review and coordinate business related to occupational safety and health. In order to achieve internal consensus on the safety and health management system, and to establish a channel for internal employees, external contractors and

relevant stakeholders to commit to and communicate with each other on safety and health management, we have established the "Consultation and Communication Practice" to ensure the rights and interests of internal and external stakeholders of our company, so that their opinions can be fully expressed.

Environmental protection and occupational safety and health related education and training

In order to ensure that our employees have the necessary skills to perform their duties and responsibilities in the area of occupational safety and health, Concord Securities has established the "Environmental Safety and Health Education and Training Management Regulations" to provide regular general safety and health education and training to our employees (including non-employee workers) to enhance their awareness of safety and health. In addition, in order to implement source management and control construction risks, the "Environmental Safety and Health Management Practice Guide for Contractors" requires that contractors should have environmental safety and health related licenses or safety and health training records when they enter the work site at the completion stage of procurement contracting, and hold safety and health hazard notification meetings before construction, and explain that in accordance with Article 18 of the Occupational Safety and Health Act, when there is an immediate risk of danger in all workplaces, the employer or the person in charge of the workplace should immediately order to stop the operation and make the workers retreat to a safe place, etc. to ensure the safety awareness of the employees.

Key promotion items:

In order to strengthen the colleagues' knowledge of disaster prevention and escape, we hold fire safety drills and emergency evacuation drills once a year to enhance fire-related awareness by practicing fire drills to maintain the safety of individuals and groups; we regularly conduct electrical safety checks, air conditioning equipment and monitoring system checks, and disinfection and cleaning of the workplace.

2022	Number of trainees/people	Total hours/hour	Completion rate
General safety and health education training	304	3	100%
Firefighting, notification and evacuation training	198	3	100%
Fire prevention management staff education and training	4	6	100%
Occupational safety and health personnel	3	6	100%
First Responder Personnel	3	6	100%
Four major projects (Overwork, Sexual harassment prevention and tracking harassment prevention, human factors) elective	336	6.8	100%

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 operation problems, promoting communication between labor and management, preventing various labor problems, and respecting gender equality by eliminating gender discrimination.

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.

Occupational safety and health license:

Concord Securities headquarters and 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 concept and awareness, strengthen the attention and awareness of all units to occupational safety. The number of colleagues holding safety and health licenses increased to 56 in 2022. Concord Securities attaches great importance to the employee work environment and 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
2021	2 people	15 people	20 people	15 people	52 people
2022	1 people	18 people	21 people	16 people	56 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, in order to implement the environmental protection and safety and health of the workplace, the Company selects and trains employees to obtain the qualification of fire prevention manager, first aid personnel and occupational safety and health business supervisor. 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 and commercial fire insurance to protect the rights and interests of customers 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 in accordance with the regulations, and cleaners are employed to clean the office environment, and the office floor is cleaned regularly to ensure a neat and hygienic working environment; In addition, in order to provide a safe and healthy workplace for employees, a central air conditioning system and adequate lighting are installed in the office, and in accordance with the designated office monitoring program, an operating environment monitoring organization approved by the central authority is appointed to regularly test the carbon dioxide concentration and illumination level, and to replace the ergonomic office chairs every year in order to enhance the efficiency of employees. In 2022, a total of NT\$776,700 was purchased for ergonomic chairs to provide a comfortable working space for employees.

Occupational Health and Injuries

In the past three years, there have been no work-related fatalities and no occupational disasters (including non-employees) for Concord Securities. In addition, for false alarm incidents, the person who occurred or witnessed the incident should inform the supervisor verbally in advance and fill out the "Incident Investigation (including False Alarm) Report Form" and submit it to the General Affairs Dept. for filing and promoting that no false alarm incidents occurred in 2022. If there is no accident, it will be reported and potential hazards will be reviewed and improved to prevent injuries from occurring.

Year	2020	2021	2022
Disabling frequency rate (FR)	0	0	0
Disabling severity rate (SR)	0	0	0
Occupational disease rate	0	0	0
Total damage index	0	0	0

Description of the calculation formula:

1. Disabling frequency rate (FR) = Annual number of disabled and injured persons/total hours worked *10⁶
2. Disabling severity rate (SR) = Annual number of days lost/total hours worked*10⁶
3. Occupational disease rate = (Number of occupational diseases/total hours experienced)*10⁶
4. Total damage index= $\sqrt{FR \times SR / 1000}$

There were no occupational diseases related to the Company's duties in 2022.

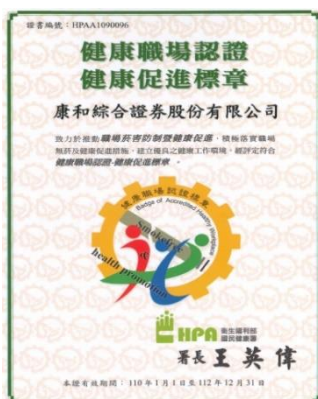
Appoint Contracted Doctors and Nurses

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. In 2022, the total number of on-site services of contracted vocational medical specialists was 18; the total number of nurse practitioner services was 75. According to the annual plan, the nursing staff published nine health columns with "Balanced Diet and Weight Loss" and "Self-Health Management Resources" as the core, hoping to promote relevant knowledge and auxiliary tools through the health columns, so that the staff can implement personal health management to achieve the purpose of health promotion.

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. The certification is valid from January 1, 2021 to December 31, 2023. 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.



Awarded Corporate Vaccine Alliance Rising Star Award for Epidemic Prevention by the Taiwan Immunization Vision and Strategy

Concord Securities first awarded 7th Corporate Vaccine Alliance Rising Star Award for Epidemic Prevention in 2022, which proved that the epidemic prevention plan was successful and the health care of employees was also implemented.

It has been nearly three years since the development of COVID-19. In order to reduce the risk of employees contracting the epidemic, Concord Securities actively formulated various epidemic prevention measures at the beginning of the epidemic, including promoting workplace crowd control and access control, implementing a split-level, off-site and home-based office system, extending flexible working hours and switching to video conferencing for meetings, and requiring employees to take their body temperature every morning and evening. In the workplace, disinfection of the office environment is carried out every Friday, and epidemic prevention supplies such as masks, protective masks and home screening agents are purchased for use by employees to build a safe office environment.

Starting from 2021, in order to improve the protection, reduce the medical expenses of employees who have contracted the disease and improve the quality of medical care for confirmed employees, in addition to the company's existing group insurance, all employees are additionally insured against the disease. The effectiveness of Concord Securities' implementation of epidemic prevention is shown in the employee vaccination rate. As of December 31, 2022, the first dose vaccination rate was 96.54%, the second dose vaccination rate was 93.98%, and the third dose vaccination rate was 82.41%, all of which were higher than the national vaccination coverage rate.

Employee Health Exam

Concord Securities provides free employee health exams (free annual health checkup for employees over 65 years old) every two years. 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.

Employee Health Consultation Status

Year	Hospital	Consultation sessions
2021	Cardinal Tien Hospital Contracted Doctor	3
2022	Taipei Medical University Hospital Contracted Doctor	3

Employee Health Seminar Organization Status

Year	Topic	Instructor
2022	Online - Human-caused hazards and pain prevention	The Company's On-site Physician
	Video - Small tips to prevent overwork	Clinical psychologist
	Online - Office stretching exercises	Taipei Medical University Hospital
	Fire safety (including online)	Xinyi District Fire Brigade
	Sexual harassment prevention and tracking harassment prevention (including online)	Taipei City Maternal and Child Police Force
	Did you know that the calf muscle is the key to your life?	Nutritionist
	What "Depression" taught me	Happy social enterprise with heart

In 2022, 1,883 employee health activity courses were held, with a total of 2,068 hours for an average of 3.14 hours per person.

Health Measures

Measures and Plans	Content
Conduct Employee Health Exams	<ul style="list-style-type: none"> ◆ Conduct full employee health exams every two years and provide health exam items that are superior to those required by regulations. (Annual application for employees over 65 years old) ◆ 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 Mental Health Management Measures	<ul style="list-style-type: none"> ◆ The Company's internal website – The health supply station provides a "mood thermometer" questionnaire to understand employees' emotional distress levels instantly and refer them to mental health services in a timely manner according to their needs. ◆ 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.
Implement a Flexible Working System	<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.
Other COVID-19 Prevention Measures	<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. ◆ 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. (subsequently terminated due to non-renewal of the insurance company from July 2022) ◆ 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.

Employee injury leave status

Items	Gender/Item	Number of work injuries	Injury leave days	Work injury rate	Ratio of lost days	Occupational disease 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%	90	279	0	0	0.32%
	Female	0	0	0%	0%	0%	135	523	36	44	0.47%

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.

There were no occupational diseases related to the Company's duties in 2022.

5.4 Compensation, Benefits, and Employee Care

Concord Securities insists on hiring talent and adheres to the principle of rewarding outstanding performers, and has constructed a comprehensive set of appointment and compensation management system. Salary is based on objective conditions such as each employees' academic experience and job position, and gender does not make any difference. Through a complete probationary appraisal system and performance appraisal system, we implement project promotion and salary adjustment every year, and if there is any special contribution or excellent performance, we will give merit awards and hold awards irregularly.

The Company has a salary scale for job titles based on job standards, which is better than the lowest basic salary standard of the Labor Standards Law. In order to attract talented people to join us, and to uphold the principle of sharing with employees, we set the following salary policy goals:

1. Basic salary: Starting salary for new employees 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. Food allowance: NT\$2,400 per person monthly.

3. Overtime pay: Overtime pay or compensatory time off will be given according to the number of hours of overtime work performed by employees. Overtime pay will be granted for any unused compensatory time off at the end of the year in accordance with the law.
4. 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 diversification bonuses according to the performance achievement status.
5. Appraisal bonus: To reward work performance achievements, we have established the "Employee Annual Appraisal Bonus Scheme". annual appraisal bonuses (about 1~2 months per year on average) 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. Performance Bonus: To share the Company's annual operating results, the "Annual Bonus Allocation Criteria" and the method of releasing each performance bonus are established, and the amount is determined based on the Company's profitability and achievement of organizational goals, and then employees participate in the annual performance bonus allocation based on their performance and contribution.
7. Employee compensation: According to the "Company's Articles of Incorporation", the Company shall allocate 1% to 3% of its annual profits to employee compensation and distribute them in accordance with the employee compensation distribution method in order to implement the concept of profit sharing.
8. Salary adjustment and promotion: To retain talents, we regularly perform performance appraisal every year, and make reference to the current year's price level, employees' performance and the Company operation results, etc., to handle employees' salary adjustment or job promotion.
9. Competition bonus: Organize various competition activities and provide a diversified incentive system to reward employees for excellent performance.
10. Festival bonuses: A fixed amount of festival bonuses is issued every year at the Dragon Boat Festival and Mid-Autumn Festival.

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.

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

All aspects of salary, promotion, rewards and punishments, performance appraisal, vacation, retirement benefits, etc. are based on the basic spirit of labor related laws and regulations, and the Company's system is sound. The principle of benefiting labor is comprehensive planning, fair and objective, to achieve the goal of properly taking care of employees.

Employee Benefits

1. Employee stock ownership trust: In order to safeguard the welfare of employees and to assist them to save and accumulate wealth in the long term so as to secure a stable life after retirement or leaving the company in the future, an employee stock ownership trust was established in August 2022, and a subsidy was provided to purchase the Company's shares in accordance with the respective employee's job grade and position.
2. Childcare discount: The Company offers special childcare discounts to take care of employees' childcare needs.
3. Special store discounts: The Company offers discounts on shopping, dining, travel, accommodations, etc.
4. Welfare Committee subsidies: Various subsidies from the Welfare Committee such as birthday coupons, children's education scholarships, as well as childbirth allowance, wedding, funeral, and emergency subsidies.
5. Health supply station: It offers various health promotion policy announcements, health columns, nurse practitioners, and special

physician appointment platforms.

6. Travel subsidies: It provides employees with travel subsidies and regular employee health checks.
7. Participate in public welfare: 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.
8. Continuing learning: The Company encourages employees to participate in courses administered by external agencies and provide education and training fund subsidies.
9. Voluntarily contribute to the regular pension: Employees are encouraged to voluntarily contribute to the regular monthly pension to improve retirement life quality in old age.
10. Leisure sports: The head office has a leisure sports fitness center, a KTV lounge, a library reading room etc. They are designed to improve employees' physical and mental well-being.
11. Maternal protection: To take care of female employees, there are nursing rooms and changing rooms, and the Company cooperates with childcare centers to provide convenience for childcare.

Employee Benefits and Remuneration Statistics

Salary expenses of the Company 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. In 2022, the decrease in bonuses was caused by poor company profits and a decrease in performance bonuses for business colleagues was caused by the shrinkage of shares market trading volume. Therefore, the average salary expenses decreased. The median annual total salary of the natural person with the highest salary in 2022 is 12.25 times of that of other employees.

Employee Rights

The Company has strengthened communication with employees to create a professional work environment to provide customers 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 statutory notice period, 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.

Diversity and Inclusion

Pay Ratio According to Gender

Salaries for non-supervisory positions Male:Female	1 : 1.06
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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.

Ratio of average salary to basic salary for new colleagues:

Average salary for women: current base salary	1.62:1
Average salary for men: current base salary	2.07:1

Note: The basic salary for 2022 was NT\$25,250.

Colleagues with Physical and Mental Disabilities

The Company believes that each employee has their own unique abilities, and hiring individuals with physical and mental disabilities can contribute to the overall society and move the Company towards a more inclusive and equal direction. The colleagues with physical and mental disabilities hired by the Company are as follows:

Number of people hired	Female	Male	Total
2021	3	4	7
2022	3	3	6

Group's unpaid parental leave status

Items	Male	Female	Total
Number of eligible employees for parental leave in 2022	17	20	37
Actual number of applications for parental leave in 2022	3	2	5
2022 estimated number of returnees (A)	2	0	2
2022 actual number of returnees (B)	2	0	2
2021 actual number of returnees (C)	0	1	1
Number of people who returned in 2021 and are still employed 12 months after reinstatement (D)	-	1	1
Reinstatement rate (B/A)	100%	-	100%
Retention rate (D/C)	-	100%	100%

※Number count of eligible employees for parental leave:

According to Paragraph 1, Article 16 of the Gender Equality in Work Law:

After serving for six months and before each child reaches the age of three, the employee shall apply for a suspension of pay for childcare and retention until the child reaches the age of three, but not exceeding two years. For those who raise two or more children at the same time, the period of parental leave without pay shall be calculated together, with a maximum of two years for the youngest child to be raised.

Human Rights Policies

In order to uphold the basic human rights of employees and create a fully protected environment for human rights, the Company recognizes and supports various international human rights conventions such as the United Nations Universal Declaration of Human Rights, the Global Covenant, and the International Labor Organization Convention. And the Company requires cooperative manufacturers to operate activities, eliminate any violations or violations of human rights, and ensure that both internal and external members of the Company can receive fair and dignified treatment. The Company formulated the "Human Rights Policy of Concord Securities Co., Ltd." on April 14, 2022, which was approved by the Board of Directors to implement a policy dedicated to safeguarding and protecting basic human rights, including respecting workplace human rights, implementing equal pay for equal work, providing employees with a healthy and safe workplace, supporting labor negotiation and the freedom of association of colleagues, observing personal data protection, implementing information security and other projects. All human resources management and salary policies also have no differential treatment in terms of gender, race, class, age, marriage and family status, so as to implement the equality and fairness of employment, employment conditions, salary, welfare, training, assessment and promotion opportunities.

Education and Training on Relevant Issues

Courses	Number of People	Total Hours
Personal Data Protection	654	654
Occupational Safety and Health-Related Lectures	1,489	2,724
Introduction and Response to the Financial Consumer Protection Act (Equitable and Fair Treatment of Customers)	661	1,983
ESG Integrity Management and Principles of Equitable and Fair Treatment of Customers	59	147.5
Total	2,626	4,206.5

Note: In 2022, every employee participated in education and training on human rights issues with an average of 6.38 hours of training per person.

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 2022, NT\$2,423,535 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 E-coupons 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 40 times a month on average in 2022.

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
2021	2020 academic year	226 people	NT\$464,000
2022	2021 academic year	229 people	NT\$480,000

6. Environmental Sustainability



Performance Highlights

- ◆ Passing the "ISO 14064-1:2018" greenhouse gas inventory verification, the scope covers a total of 16 locations of domestic headquarters and branches, with a coverage rate of 100%
- ◆ Cumulatively developed 12 proprietary administrative forms by 2022 to promote the digitalization policy.
- ◆ By 2022, the accumulated carbon emissions of vegetarian day have been reduced by 5.581 (metric tons).

According to Greenpeace, the climate crisis has become a test that global governments must face. Many countries and regions have successively proposed goals and plans to achieve net zero greenhouse gas emissions by 2050. In addition to energy transformation and industrial planning, various new forms of trade norms have also been developed. Carbon reduction is no longer just an environmental requirement, but has evolved into an important condition for economic competitiveness. Concord Securities is fully aware of the importance of sustainable environmental management, it was verified and disclosed on the official website by the British Standards Institute (BSI) in April 2024. In order to continuously reduce the energy consumption of the office buildings and operating sites of Concord Securities Headquarter, the Company will update the operating equipment to improve the power efficiency and promote the power management measures. The Company hopes to improve the overall energy efficiency through the two pronged approach of updating the equipment and changing the habits of employees, and actively develops relevant countermeasures to demonstrate our commitment to the sustainable development of ESG environment.

6.1 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. In terms of operations, Concord Securities continues to promote green and low-carbon initiatives, including measures such as "Energy Conservation and Carbon Reduction Digitalization Policy", "Greenhouse Gas and Energy Management", and "Green Procurement and Supplier Management".

In 2022, ISO14064-1:2018 greenhouse gas inventory was conducted, and third-party certification was obtained in 2023, moving towards a sustainable environmental outlook.

The Company complies with the government's environmental policies and regulations, and there is no violation of environmental regulations and related penalties in 2022.

Climate Situation

According to the statistical data of natural disasters in Taiwan from 1958 to 2021, it can be found that natural disasters occur every year, with a high frequency of at least one event per year and a maximum of 14 events per year. On average, there is an increasing trend in the number of natural disasters in Taiwan, from an average of 4.1 natural disasters per year during the 30-year period from 1958 to 1987 to 7.8 natural disasters per year during the 30-year period from 1988 to 2017. From the perspective of disaster types, typhoons account for 66% of disaster events, floods/floods account for 22%, earthquakes account for 8%, and other disaster types account for 4%. This shows that Taiwan's main disaster types are similar to global trends and are also hydrological and meteorological disasters (typhoons, floods/floods).

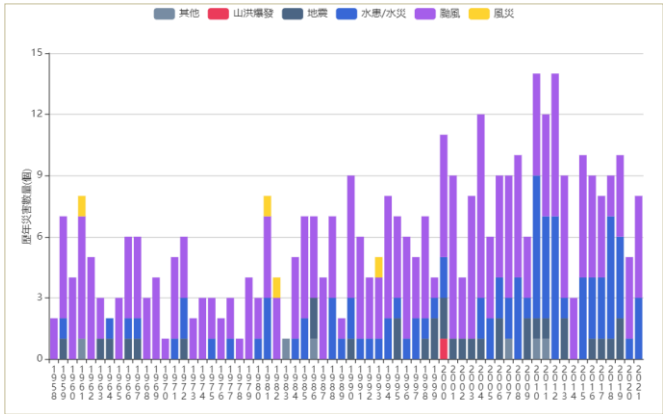


Figure: Number of natural disasters in Taiwan over the years from 1958 to 2021

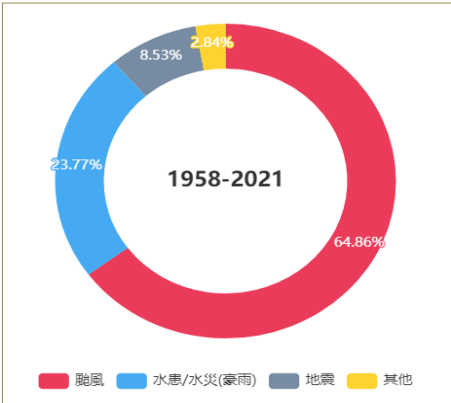


Figure: Types of natural disasters in Taiwan over the years from 1958 to 2021

Source: Fire Department of the Ministry of the Interior Affairs, 2022

According to the data from the Climate Change Disaster Adaptation Platform of the National Center for Disaster Prevention and Rescue (NCDR), high-risk locations in Taiwan are analyzed at the township and urban scale. In the future, there is a significant increasing trend in the hazard level across Taiwan; High vulnerability areas are located in the central southern and Yilan regions; The high exposure is mainly concentrated in the Six Metropolitan Areas, with Taipei City having the highest population density. The flood disaster risk map composed of three indicators: hazard level, vulnerability level, and exposure level. The observed values in the northern, southern, and some Huadong regions are high-risk areas. In the future, the disaster risk level of each county and city shows an increasing trend.

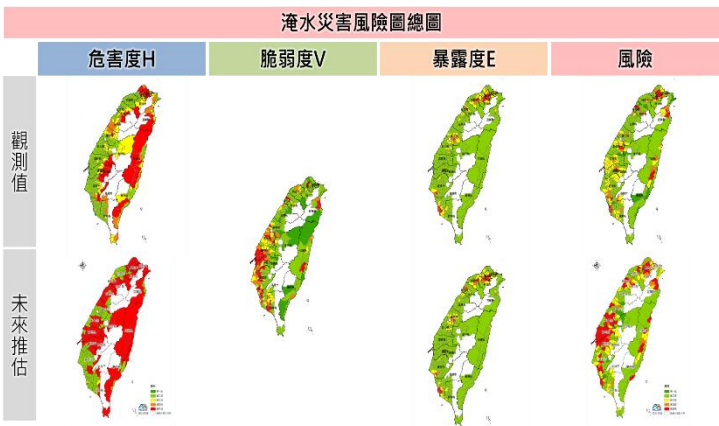


Figure: Various indicators of flood disaster risk in the context of global warming at 2°C

The risk level description here refers to the flood risk level, which is mainly based on the Hazard X Vulnerability X Exposure Grading Map of the Climate Change Disaster Adaptation Platform of National Science and Technology Center for Disaster Reduction (NCDR), and is defined as five levels from Level 1 to Level 5 based on the level of risk. This level considers both the natural hazards of extreme rainfall and the spatial distribution of the vulnerability of the environment. The highest level of flooding risk is Level 5 (red), and the lowest level is Level 1 (dark green).

Risk factor	Definition of the factor	<div><div>Level 1</div><div>Level 2</div><div>Level 3</div><div>Level 4</div><div>Level 5</div></div>
Hazard level	Extreme rainfall probability	
Vulnerability level	Degree of susceptibility to flooding	
Exposure level	Population density	

In summary, the analysis of the flooding risk situation for Concord Securities' operating sites is as follows:

Risk Identification Results

Under the higher future physical risks, rainstorm will become more frequent and serious, leading to floods. Concord Securities' operating sites located in high-risk areas across Taiwan may be damaged as a result, resulting in operational interruptions, an increase in repair costs, or a decrease in the value of its own assets.

Response strategies

1. According to the Central Meteorological Bureau's forecast of the potential range of each typhoon's path and the special report of heavy rain, the Company will notify all units to prepare various safety precautions in advance.
2. In order to ensure uninterrupted operation, specific "Emergency Response Handling Rules" are established, and relevant primary and secondary backup units are grouped and arranged for business support processing methods to ensure that all operations do not stop in the event of heavy rainfall events, and to minimize losses. The relevant physical risk adjustment plan will be applicable to existing and new operating sites for at least 5 years.

Environmental policy and management

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. In terms of operations, Concord Securities continues to promote green and low-carbon initiatives, including measures such as "Energy Conservation and Carbon Reduction Digitalization Policy", "Greenhouse Gas and Energy Management", and "Green Procurement and Supplier Management".

In 2022, ISO14064-1:2018 greenhouse gas inventory was conducted, and third-party certification was obtained in 2023, moving towards a sustainable environmental outlook.

2022 Green Spending

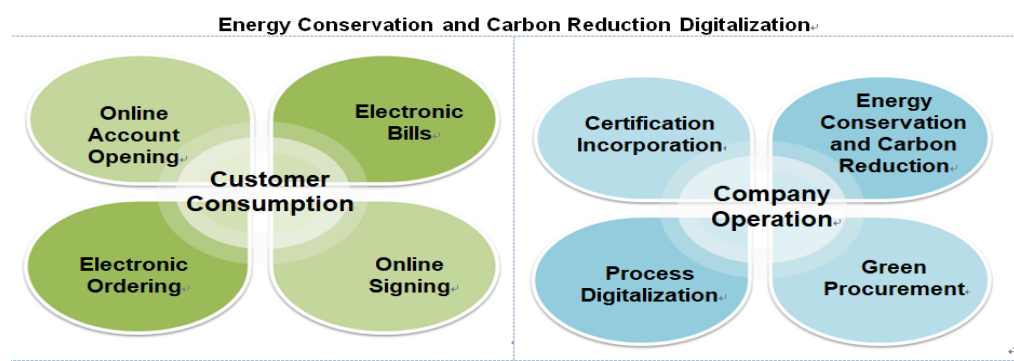
Items	Content	Benefits	Expenditure
Environment Cleaning	Environmental cleaning includes – inside and outside the office for areas such as toilets, pantries, safety ladders, the surrounding environment of the building, and waste removal	Maintain a clean environment	NT\$1,352,400
Exterior Wall Cleaning	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\$148,500
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\$617,500
Green Procurement	Toilet equipment replacement (headquarter)	Energy-saving stamp certifications are provided for all equipment	NT\$200,302
	Kaohsiung and Chiayi Generator replacement project	Energy-saving stamp certifications are provided for all equipment	NT\$1,099,500
	Shareholders' meeting souvenirs Antibacterial soap for epidemic prevention and cleaning products	Industrial Bureau of the Ministry of Economic Affairs Green factory stamp	NT\$1,777,114

Electricity conservation plan	Replacement of Antiquated Equipment	Improving energy efficiency	NT\$1,020,000
	Adding a light control sensor to the toilet on the floor of 15.14.10.9.B1.B2	Energy conservation	NT\$48,000
	Major maintenance of air conditioning host	Reduce energy consumption	NT\$766,135

6.2 Energy Conservation and Carbon Reduction Digitalization Policy

Strategies, Actions, and Results of Energy Conservation and Carbon Reduction Digitalization

Concord Securities uses various energy conservation action plans, including replacement of high energy consuming equipment, replacement of LED energy-saving lamps, induction lighting, use of regulated electric equipment, upgrading of air conditioning system, replacement of old vehicles, and conducts education and publicity, to strengthens employees' awareness of energy conservation, carbon reduction and environmental protection, so as to reduce the potential risk of carbon emissions from the Company's operations and mitigate the impact of climate change.



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.

Specific Actions

Aspects	Actions	Strategies	Results
Customer Consumption	Cross-site Services	The cross-site service mechanism was launched on May 13, 2019, whereby customers 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 2021: 497 (Note1) Number of cross-site services in 2022: 551 Number of cross-site services increased by 10%
	Online Account Opening	Online account opening service was launched in December 2019. Customers can open accounts electronically, which saves the transportation	Percentage of online accounts opened in 2021: 9%. Percentage of online accounts opened in 2022:

		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.	6%. (The securities industry publicly announces the number of accounts opened, all disclosed in percentage)
	Electronic Bill Digitalization	Continue to promote and encourage customers to use electronic bills to reduce paper consumption, conserve energy, and reduce carbon emissions.	In 2021, a total of 337,527 statements were delivered, of which 119,469 were electronic statements. (Note 2) In 2022, a total of 297,087 statements were delivered, of which 110,440 were electronic statements. ※Despite a sharp decrease in market trading volume in response to global stock market changes in 2022, the Company's electronic statements have grown by 1.77% compared to 2021. ※The Financial Derivatives Department has fully adopted electronic delivery for its customized products with discretionary leverage equity options.
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 7 forms were digitized.

(Note 1) Correction explanation: In 2021, the number of cross site services was originally 551, which was corrected to 497.

(Note 2) Correction explanation: The total number of statements sent in 2021 was 212,056; electronic statements:117,264; Corrected as the total number of statements sent: 337,527; electronic statements:119,469.

Paperless Carbon Reduction Action

The Company is implementing the paperless policy and promoting various paper reduction measures. In 2022, the Company launched an inventory of the use of paper-based reports and forms by various units, actively promoting paperless reports, and improving operational efficiency by simplifying operating procedures. Besides, the Company promotes online meetings and educational training, which not only reduces the amount of paper used for meetings, but also reduces the carbon emissions of transportation for attending meetings. The implementation results show that the paper reduction in 2022 compared to 2021 is approximately 147,500 sheets, equivalent to a reduction of 1,062 metric tons of CO₂e greenhouse gas emissions.

The quantifiable paperless actions are as follows:

- ◆Paperless operation: Digitization of general business processes, Paperless ETF subscription/redemption, accounting treatment, and declaration.
- ◆Paperless meetings: Meetings materials are provided in electronic format, tablets are used in major meetings (board of directors and audit committees, and daily affairs and business communication are made as much as possible through video conferencing, reducing travel and improving administrative efficiency.
- ◆Paperless training: The Company sets up online teaching system and E-Learning platform, develops common platform system cloud, database and e-teaching materials; The physical classroom is conducted through video or iPad presentations.
- ◆Paperless business services: The Company imports digital services into marketing, trading, payment, accounting, and other processes (electronic statements/ online account opening/ online ordering, etc.).
- ◆Paperless life: The Company reduces the use of paper cups, lunch boxes, etc.

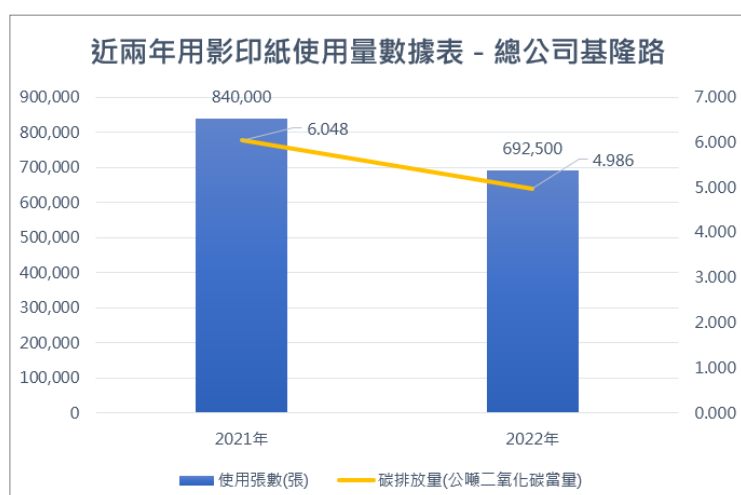
Comparison of Photocopying Paper Consumption and Carbon Emissions

Photocopying Paper Consumption Statistics Table for Past 2 Years – Keelung Route of the Headquarters			
Year	2021	2022	Difference
Amount of paper (sheets)	840,000	692,500	-147,500
Carbon Emission volume (tonnes of CO ₂ e)	6.048	4.986	-1.062

Note: 17.56% reduction in carbon emissions is achieved by Energy Conservation and Carbon Reduction Digitalization

Policy of the Company in 2022.

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.



6.3 Greenhouse Gas and Energy Management

Important Norms of Environmental Management In November 2022, the Board of Directors of Concord Securities approved the revision of the "Code of Practice for Sustainable Development" as the basis for the development of sustainable environment and the specific code of action to promote environmental protection and energy conservation.

Environmental Management Framework

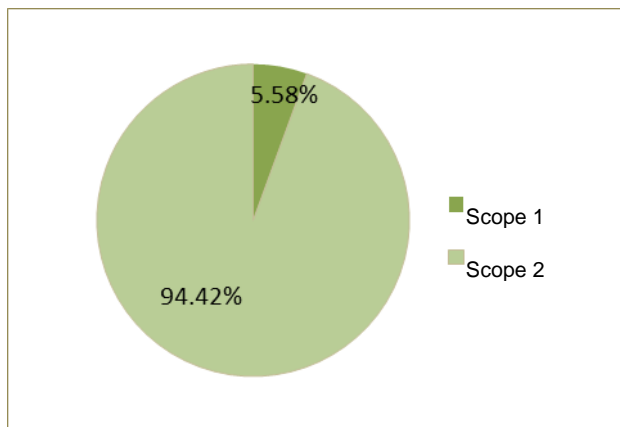
The General Affairs Department shall regularly review the changes in the energy consumption (water, electricity, waste, etc.) of the General Affairs Dept. building compared with the same period last year, and monthly review the water and electricity consumption of each business unit, establish specific objectives and practices for environmental protection and energy conservation, and implement proper environmental management.

Imported ISO 14064 Greenhouse Gas Inventory and Verification

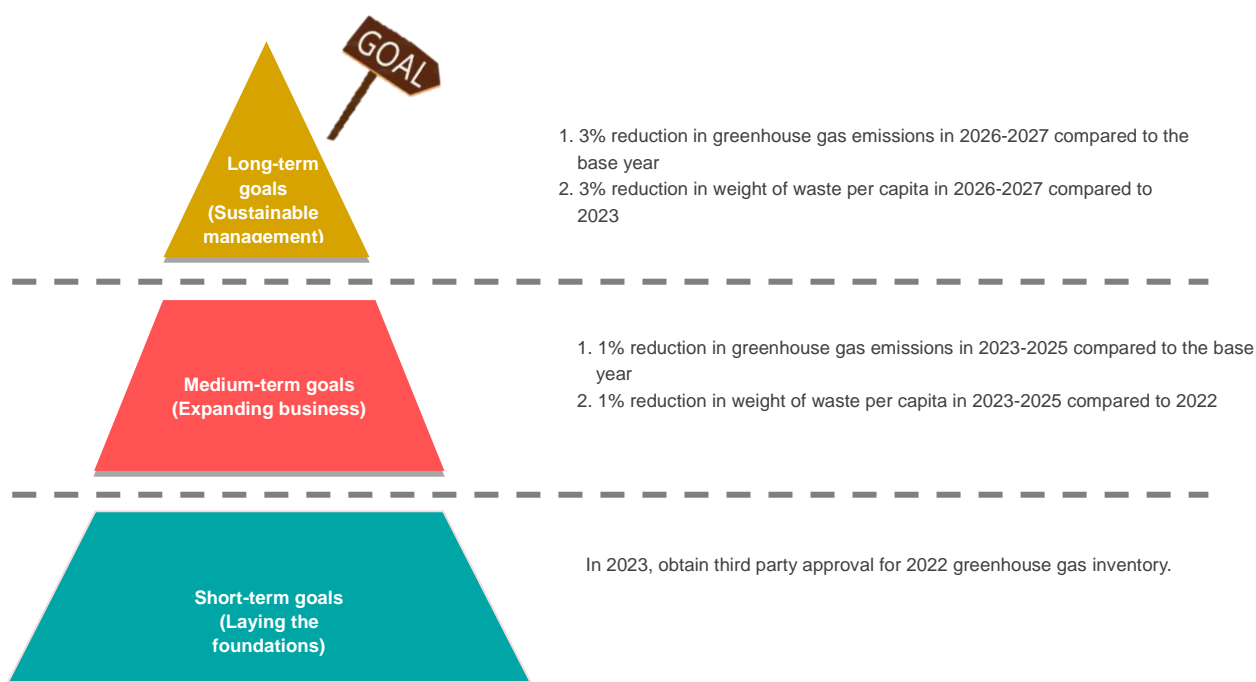
In response to the planning of the "Sustainable Development Path Map of TWSE/TPEX Listed Companies", the Company introduced ISO14064-1 for verification in 2022. The verification boundary is the headquarters building, which also includes 15 branches in the three northern, central and southern districts, a total of 16 locations. In the future, the Company will effectively implement the control of carbon reduction, energy conservation, water conservation and industrial waste, and comprehensively improve the environmental management efficiency.

(I) 2022 Base Year Validation Results

Greenhouse Gas Emissions		tonCO ₂ e	Percentage
Scope 1	Category1: Direct greenhouse gas emissions and removal	86.870	5.58%
	1.1 Stationary combustion	4.6336	
	1.2 Mobile combustion	22.0314	
	1.4 Fugitive emissions from anthropogenic systems	60.2045	
Scope 2	Category2: Indirect greenhouse gas emissions from energy inputs	1,468.625	94.42%
	2.1 Indirect discharge of electricity inputs	1,468.6245	
Total		1,555.4940	100%



(II) Short-, medium- and long-term goals for greenhouse gases



(III) Energy management

The main source of electricity used by Concord Securities in its operations is purchased electricity (non-renewable energy), with a small portion of petrol and diesel.

Energy management measures:

- Newly installed and upgraded lighting fixtures are fully equipped with energy-saving LED lighting.
- The air conditioner is a variable frequency high power unit with a thermostatic control device and is set to an average room air conditioning temperature of not less than 26°C.
- Smart energy-saving sensor lighting has been installed in the toilets on all floors of the Headquarters.
- The energy policy is posted on all floors of the Company and on the internal website to remind all colleagues to save electricity at all times in order to achieve the reduction goal.

Comparison of Electricity Consumption and Carbon Emissions

Year	2021	2022
Power usage readings (kWh)	1,644,917	1,715.8948
Electricity emission factor (kgCO ₂ e/kWh)	0.502	0.509

Carbon Emission volume (tonnes of CO ₂ e)	825.7483	873.3905
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Note: The above table shows Keelung Route of the Headquarters.

The carbon emission coefficient for electricity in 2021 is calculated based on the 0.502kgCO₂e/kWh announced by the Bureau of Energy, Ministry of Economic Affairs for 2020.

The carbon emission coefficient for electricity in 2022 is calculated based on the 0.509kgCO₂e/kWh announced by the Bureau of Energy, Ministry of Economic Affairs for 2021.

Gasoline use status:

Year	2021	2022	Difference
Gasoline use volume (liter)	2,866	3,875	1,009
Carbon Emission volume (tonnes of CO ₂ e)	8.655	11.703	3.047

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) Water resource management

The water resources used by Concord Securities are tap water, 100% of which comes from the water supply company. It does not draw on any groundwater or other water supply, mainly for cleaning, drinking and air-conditioning cooling systems, and so there is no significant negative impact on the water supply. The domestic sewage generated after use is discharged in accordance with local laws and regulations. In order to save water, the Headquarters has gradually replaced the water-using equipment in the toilets and reduced the water consumption by 6% in the past two years. In the future, the Company will continue to control the water consumption of its operational sites to set water saving targets.

Tap Water Usage Comparison

Water Consumption Statistics Table for Past 2 Years – Keelung Route of the Headquarters			
Year	2021	2022	Difference
Water bill (cubic meter)	7,784	7,328	-456

(IV) Waste management

The waste generated by Concord Securities' headquarters building is mostly general 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 customer data leakage.

Waste management measures:

- ◆ Stop using paper cups completely.
- ◆ Beautify the outdoor space in the community of the building.
- ◆ Strengthen the promotion of resource recovery.
- ◆ The digitalization of the general business process, replacing the previous paper-based sign-off operation with a digital system improves administrative efficiency and reduces paper consumption.

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

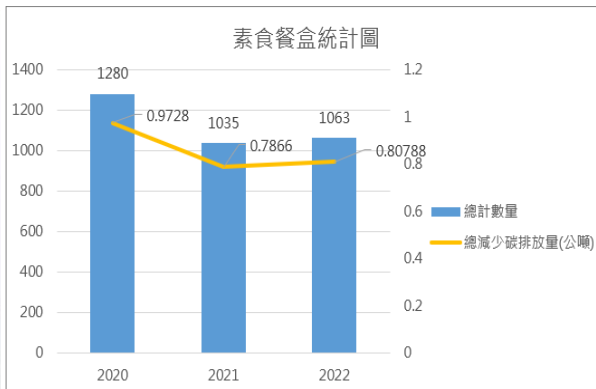
Employees are the most important assets of an enterprise. In addition to providing a good and high-quality work environment and training for employees' career learning and growth, we also want to select, cultivate, utilize, and retain talents. We attach great importance to the health of our employees 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 and used environmentally friendly lunch boxes, with a total of 7,344 boxes by 2022, which is equivalent to a reduction of 5.581

tonnes of carbon emissions since August 2017 to advocate eating more vegetables and less meat, developing the character of energy conservation and carbon reduction, and maintaining good health.

Achievements of reducing carbon emissions of vegetarian lunch boxes in recent three years

Year	Total number	Total Reduction of Carbon Emission Volume (Tonnes)
2020	1,280	0.9728
2021	1,035	0.7866
2022	1,063	0.80788

Note: The US Environmental Working Team estimates that one meal without meat can reduce carbon emissions by 760g.



6.4 Green procurement and 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 with the Company are divided into "renovation projects," "software/hardware maintenance," "machine procurement," "data services," "gifts/tours," and "others." Most of the manufacturers signed the procurement contracts in 2019 are based in Taiwan. In order to contribute to society's pursuit of environmental protection, energy saving and carbon reduction, we have specified in our procurement management measures that the principles of procurement targets must comply with specific environmental safety and health regulations for various items, and meet the standards of green environmental protection and corporate social responsibility. We hope to achieve energy saving, carbon reduction and lower operating costs by managing at source, incorporating green procurement and green concepts into our established systems. Concord Securities actively responds to green procurement activities and the amount of related purchases increases year on year. In 2022, the total amount of green procurement items, including sanitary equipment, air-conditioning equipment, power generation equipment and green building materials for decoration, will be NT\$2,222,802. We will continue to support low-carbon products, green building materials and sustainable commodities through green procurement to enhance the efficiency of resource utilization.

Green procurement principles: ◆ Green environmental protection and sustainable development as the procurement standard.

- ◆ Give priority to purchasing equipment that comply with green building materials and environmental protection labels.

(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 has established the "Human Rights and Environmental Sustainability Clause Commitment", signed the "Vendor Environmental Safety and Health Clause Commitment" and managed its vendors in accordance with the "Contractor Environmental Safety and Health Management Practice Manual" and the "Procurement Management Measures", in order to contribute to the pursuit of environmental protection, energy saving and carbon reduction in society.

A total of 24 of suppliers of the Company have signed the "Human Rights and Environmental Sustainability Clause Commitment."

7. Social Co-prosperity





Performance Highlights











- ◆ The activity "1919 Bikeathon" raised NT\$1.56 million.
- ◆ Held a 4-in-1 blood donation activity and participated in the response to blood donation and love, raising a total of 210 bags and 52,500CC of blood.
- ◆ A total of 1,224 items of clothing were collected for the "Concord's Old Clothes, Keep the Love Alive".
- ◆ The Caring Children's Home sent warmth to 17 nurseries in North, Central, South and Penang.
- ◆ Donated NT\$300,000 to Pumen Home for the elderly, with approximately 72 elderly beneficiaries.
- ◆ Supported for national sport with an ongoing donation of NT\$350,000 to the Daojiang Youth Baseball team, with 57 student beneficiaries.
- ◆ Donated NT\$420,000 to the School of Financial Technology, Ming Chuan University, with 32 student beneficiaries.
- ◆ Visited the Nantou Family Support Center's Puli Service Office to apply for the "Money Education is a must in life" program, with 12 family beneficiaries.

7.1 Public welfare goals and strategies

With the concept of "what is taken from the society is used for the society", Concord Securities is actively involved in social welfare activities, one step at a time. Social development and financial services are a system of coexistence and prosperity. Financial services support the needs of the economy and society, but they also depend on the sound development of society; without a stable society, business development will be challenged. Therefore, how to enhance the public interest in culture, health, education and living of the society is a long-standing area of effort and concern. In addition to social engagement and participation in related activities, the Company also serves the communities around its operations and contributes to the development of the financial market and the nurturing of human resources in line with its corporate core strategy, with specific objectives and actions to implement the "UN Sustainable Development Goals" (SDGs).

Strategies and goals

Response to SDGS	Strategies	Core/driving force	Long-term goals
 	Public welfare care	<p>We are concerned about social change and encourage our subsidiaries to integrate their operations with the concept of giving back to the community, working with stakeholders to increase their social impact.</p> <p>With a long-term focus on the disadvantaged groups, we use our core competencies in financial services to help build a platform for charitable donations, linking shareholders,</p>	<ul style="list-style-type: none"> ◆ Using financial services in conjunction with public service, we provide assistance to public welfare groups to address issues such as lack of materials and inequality of opportunity for the rural and disadvantaged groups due to economic hardship. ◆ We support the activities of social welfare units and invite

 		<p>customers, employees, communities and the media to help children from rural and disadvantaged families, the physical and mental disabilities and the disadvantaged groups to enjoy equitable access to socio-economic resources and to narrow the gap between urban and rural areas.</p>	<p>stakeholders to join us in caring for children from rural and disadvantaged families, the physical and mental disabilities and disadvantaged groups, to leverage the influence of the enterprise, and build good relationships.</p>
  	<p>Education support and talent cultivation</p>	<p>We continue to support education, expand the number of beneficiaries, protect the rights of disadvantaged students to fair and high quality education, provide employment opportunities and help young people to become self-reliant.</p> <p>With the spirit of "what is taken from the society is used for the community", we actively participate in various cultural, educational and social welfare activities to help talented young people from disadvantaged families to study with peace of mind, to protect the rights of students to enjoy fair and high-quality education and learning; and to promote the knowledge and skills of sustainable development.</p>	<p>◆ We provide assistance with higher education scholarships to encourage and support the development of related industries and the cultivation of professional talents.</p> <p>◆ We continue to help disadvantaged groups to turn their lives around through education and employment opportunities, and to raise the profile of our company.</p>
    	<p>Common good of Community</p>	<p>Use business locations as relay station for community communication, deepen community interaction, construct a safety net for assistance, pay attention to social issues, and prioritize cooperation with strategic partners.</p> <p>By collaborating with campuses, social welfare units, and nursing institutions, we aim to establish operational bases as the core of community development, regularly organize blood donation and public welfare activities, deepen community interaction, construct a community assistance safety net, and become a relay station for community communication, promoting an inclusive, safe, and sustainable living environment.</p>	<p>◆ Cultivate local social organizations or groups, enhance community welfare, and become a relay station for community communication.</p> <p>◆ Utilize the spirit of financial institutions to deeply serve customers in their neighborhoods, deepen the interaction and connection between stakeholders, and assist in resolving issues of concern.</p>

Achievement status

Item	Targets in 2022	Achievement status	Mid- & Long-term (2024)	Mid- & Long-term (2026)
Sponsoring public welfare groups	Continuously paying attention to rural children and disadvantaged groups, and promoting financial knowledge education	Complete cooperation between rural children, disadvantaged groups, and industry and education	Continuously paying attention to rural children, disadvantaged groups, and industry school cooperation	Continuously paying attention to rural children, disadvantaged groups, and industry school cooperation
Donate old clothes to help Eden	Implement ESG, initiate a cycle of love and kindness, and help vulnerable families	Completed	Continuously donating old clothes and supporting environmental	Continuously donating old clothes and supporting environmental

			sustainability	sustainability
Organize blood donation activities	Hold 1 activity	Completed	Hold 1 activity	Hold more than 1 activity
1919 Public welfare activities	Call on Concord warriors to ride bicycles around Taiwan and rescue emergency families	Completed	Continuous operation	Continuous operation
Donation of touring medical vehicles	Donate a touring medical vehicle to the Hsinchu Branch of NTU Hospital for rural medical tour.	Ongoing	Continuously monitor the current status of medical tour	Continuously monitor the current status of medical tour

Achievement benefits

Strategies	Public welfare projects	Amount	Number of beneficiaries/Number of Companies	Description
Public welfare care	◆ Donation Consortium Legal Person Taiwan Private Pumen Home	NT\$300,000	72 people	Standing at the forefront of public welfare for a long term, caring for major social issues, working together with stakeholders to provide practical assistance.
Education support and talent cultivation	◆ Donate to the Daojiang Youth Baseball Team ◆ Donate to the School of Financial Technology, Ming Chuan University with scholarships and grants	NT\$610,000	89 people	Invest resources to help disadvantaged students complete their studies, help young people become self-sufficient, and cultivate professional talents.
Common good of Community	◆ The Caring Children's Home sent warmth to childcare centers in North, Central, South and Penghu regions	NT\$122,060	17 companies	Use business locations as relay station for community communication, combine with the strength of volunteers, construct a stable safety net for assistance.

7.2 Public welfare highlight activities

Public welfare care

Continue 1919 Bikeathon – Emergency Families Relief Program



Chairperson Cheng, Ta-Yu of Concord Securities led the company's colleagues to support public welfare with action by forming the Concord Warriors 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. Chairperson Cheng, Ta-Yu 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. The activity "1919 Bikeathon" raised NT\$1.56 million in 2022.

Disadvantaged people strengthen their ability to handle "Concord's Old Clothes, Keep the Love Alive"



Concord Securities advocates for a shared circular economy, with the theme of wardrobe circular economy, and launches the "Concord's Old Clothes, Keep the Love Alive" activity, calling on employees to donate old clothes. In just three days, the activity raised 16 large boxes of 1,224 pieces of clothing, far exceeding the expected target. All old clothes were donated to the Eden Social Welfare Foundation, with practical actions to support environmental sustainability, implement ESG, and launch the Love Cycle to help disadvantaged families.

Care, look after and facing the issue of population aging



With the improvement of medical standards, awareness of food safety, and the prevalence of sports, Chinese people are living longer and the average lifespan has increased by 2.1 years in the past 20 years. Taiwan has also entered the super elderly society ahead of schedule, and elderly care has become an important 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.

Education support and talent cultivation

Supported for national baseball and continuously cultivate sports talents



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. Daojiang High School of Commerce Baseball Team has achieved significant results in recent years. The team made it to the top 8 for the first time in the history of participating in the National Black Panther Flag Competition in 2022! Concord continuously encourage the students to fully exert their skills, become the backbone of society, and transmit positive energy.

Investing in Future Talents Donating the School of Financial Technology with scholarships and grants



Concord Securities encourages young students to seek knowledge and fulfill their dreams, donating 420,000 to the Student Award of the School of Finance and Technology at Ming Chuan University. Through this, we hope that more enterprises can fulfill their corporate social responsibility while pursuing profits, and support students from poor families and excellent grades to strive for knowledge and progress. We also hope that these students can achieve success in their studies and utilize their strengths in the future, and can convey their caring and helpful deeds and give back to society.

Common good of Community

Love does not stop: Concord and Taipei Chung Shing 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.

Caring for Children's Home



All branches of Concord Securities have extended their care to North, Central, South and Penghu and other regions. There are 17 care objects, which include Chung Yi Nursery Home, Grace Home, Keelung Daguang Children's Home, Yikuang Nursery Home, Harmony Home, Rong-Guang Social Welfare Institution, Chongai Development Center of the First Social Welfare Foundation, Northern Region Children's Home of the Ministry of Health and Welfare, Holy Word Children's Home, Taoyuan Private Muhsang Sweet Home, Catholic Delian Children's Center in Hsinchu County, private Cixin Children's Home in Taichung County, private Xiuyuan Kindergarten in Chiayi City, private Charity Home Kindergarten in Tainan City, Cihui Garden of Red Cross Kindergarten Center, private Christian Faith Hope Love

Concord spreads love

The Company is committed to fulfilling its corporate responsibility, taking public welfare as the starting point, and combining financial management talents with the theme of financial emotional intelligence education from a young age. We aim to enhance financial intelligence knowledge, alleviate poverty, become rich, and embrace life. At the same time, we care for vulnerable groups and take substantial care actions to eliminate any gaps in life. We inspire children to have a correct financial management concept, and enable families in adversity to still hope and fly. On December 4, 2022, we visited the Nantou Family Support Center's Puli Service Office to apply for the "Money Education is a must in life" program. We invited Ma Ha, a parent child financial expert, to plan courses and prepare puzzle games and gifts on the spot.

Beneficial families: 12.

Gags and videos <https://youtu.be/UWLK1cju52M>



Park Adoption

Siwei park located next to Rui'an Street has been adopted for 20 years now. In order to promote the beautification of the city's appearance and park, and to transform the love for the natural environment into practical actions by Concord Securities, we hope that adopting the park can not only extend citizens' access to more green space, but also increase the space for high-quality activities, allowing everyone to enjoy a comfortable living environment and create a clean and comfortable city.

Recent adoption expenses:

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



8. Appendix

GRI Standards Index Comparison Table

GRI 2: General Disclosure 2021			
GRI Standard	Disclosure Items	Disclosure of chapters/reasons for omission	Page
1. Organizational and Reporting Practices			
2-1	Organizational Details	About this Report 1.1 Company Profile	4 14
2-2	Entities included in organizational sustainability reporting	About this Report This report is compiled by Concord Securities as the main body	4
2-3	Reporting period, frequency, and contact person	About this Report	5
2-4	Restatements of information	About this Report	4
2-5	External assurance	About this Report	5
2. Activities and Workers			
2-6	Activities, Value Chain, and Other Business Relationships	1.1 Company Profile - Organizational Supply Chain System There is no major change in the Company's organization and its supply chain	15
2-7	Employees	5.1 Employee attraction and retention	85-87
2-8	Non-employee workers	5.1 Employee attraction and retention	84
3. Governance			
2-9	Governance structure and composition	2.3 Sustainable governance 3.1 Corporate governance	24 36
2-10	Nomination and selection of the highest governance unit	For details, please refer to the Company's website - Board Members https://www.concords.com.tw/about/Company/bod.htm?mnu=03&submnu=01	-
2-11	Chairman of the highest governance unit	3.1 Corporate governance	36
2-12	The role of the highest governance unit in supervising impact management	2.3 Sustainable governance 2.3 Stakeholder Communication	24 26
2-13	Grant responsibility to manage impact	2.3 Sustainable governance	24
2-14	The role of the highest governance unit in sustainable reporting	2.2 Sustainable Governance	24-25
2-15	Conflict of interest	3.1 Corporate governance	37
2-16	Communication of Key Major Events	2.3 Sustainable governance	24
2-17	Group intelligence of the highest governance unit	3.1 Corporate governance	35-40
2-18	Performance evaluation of the highest governance unit	3.1 Corporate governance Regarding the performance evaluation of directors' management of economic, environmental and human impacts, the Company intends to include the performance evaluation indicators in 2027; The external performance evaluation of the board of directors is expected to be included in the assessment in 2027.	43-44
GRI Standard	Disclosure Items	Disclosure of chapters/reasons for omission	Page
2-19	Remuneration policy	3.1 Corporate governance	46
2-20	Remuneration decision process	3.1 Corporate governance	47
2-21	Annual total remuneration ratio	5.4 Compensation, Benefits, and Employee Care	95
4. Strategy, policy and practice			

2-22	Statement on sustainable development strategy	Message from the Chairperson	6
2-23	Policy commitments	3.1 Corporate governance 3.4 Ethics and integrity 3.5 Information security 4.1 Sustainable Responsible Investment 5.4 Compensation, benefits, and employee care - Human rights policies	37 54 58 65 97
2-24	Incorporate policy commitments	5.3 Friendly working environment	89-90
2-25	Procedures for remedying negative impact	3.5 Information security	61-62
2-26	Mechanism for soliciting suggestions and raising doubts	3.4 Ethics and Integrity - Establishing a whistleblowing system	56
2-27	Regulatory compliance	3.3 Legal compliance Violation of integrity management, establishment of whistleblowing system, defects and improvement	55-56
2-28	Membership of associations	1.1 Company Profile – Participation in Domestic Organizations	16
5. Negotiation of stakeholders			
2-29	Stakeholder negotiation policy	2.3 Stakeholder communication and negotiation	26-27
2-30	Collective bargaining agreements	Although the Company has not established a union or a collective bargaining agreements, it holds regular labor-management meetings every year and has transparent communication channels.	-
GRI 3: Major Topics Disclosure Project			
GRI Standard	Disclosure Items		Page
GRI 3: Major Topics 2021			
3-1	Major topics decision process	2.4 Analysis of major issues	28-31
3-2	Material Topics List	2.4 Analysis of major issues	28-31
3-3	Material Topics Management	2.5 Impact Description and Management Policy	32-34
Customer Privacy and Information Security			
GRI 3: Major Topics 2021	3-3	Material Topics Management	2.5 Impact Description and Management Policy
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.5 Information security
GRI Standard		Disclosure Items	Page
Legal compliance			
GRI 3: Major Topics 2021	3-3	Material Topics Management	2.5 Impact Description and Management Policy
GRI 206: Anti-competitive behavior	206-1	Legal actions of anti-competitive behavior, anti-trust and monopoly behavior	3.4 Ethics and integrity

2016				
Risk management				
GRI 3: Major Topics 2021	3-3	Material Topics Management	2.5 Impact Description and Management Policy	32-34
Integrity management				
GRI 3: Major Topics 2021	3-3	Material Topics Management	2.5 Impact Description and Management Policy	32-34
GRI 205: Anti-corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	3.4 Ethics and integrity	55
	205-3	Confirmed incidents of corruption and actions taken	3.4 Ethics and integrity	55
GRI 405: Diversification of employees and equal opportunities 2016	405-1	Diversification of governance units and employees	3.1 Corporate governance 5.1 Employee attraction and retention	36 、 43 82-84
Service quality and customer satisfaction				
GRI 3: Major Topics 2021	3-3	Material Topics Management	2.5 Impact Description and Management Policy	32-34
Talent attraction and retention				
GRI 3: Major Topics 2021	3-3	Material Topics Management	2.5 Impact Description and Management Policy	32-34
GRI 401: Employment Relations 2016	401-1	New employees and resigned employees	5.1 Employee attraction and retention	84
	401-2	Benefits to full-time employees (excluding temporary or part-time employees)	5.4 Benefit and Retirement System	94
	401-3	Parental leave	5.4 Benefit and Retirement System	97
Workplace safety and hygiene				
GRI 3: Major Topics 2021	3-3	Material Topics Management	2.5 Impact Description and Management Policy	32-34
GRI 403: Occupational safety and health 2018	403-1	Occupational safety and health management system	5.3 Friendly working environment	88
	403-2	Hazard identification, risk assessment and incident investigation	5.3 Friendly working environment	89
	403-3	Occupational Health Service	5.3 Friendly working environment	91-92
GRI Standard	Disclosure Items		Disclosure of chapters/reasons for omission	Page

	403-4	Participation, consultation and communication of workers related to occupational safety and health	5.3 Friendly working environment	90
	403-6	Worker health promotion	5.3 Friendly working environment	91
	403-7	Prevent and mitigate the impact of occupational safety and health directly related to business relations	5.3 Friendly working environment	89
	403-8	Workers of occupational safety and health management system	5.3 Friendly working environment	88
	403-9	Occupational injuries	5.3 Friendly working environment	91

SASB sustainable accounting standard comparison table

Disclosure Topics	Disclosure Indicators	Indicator Code	Page	Description
Diversification of employees	(1) Management staff, (2) Non-management personnel, (3) Professional staff, (4) Proportion of gender and race representation of all other employees	FN-IB-330a.1	P82-84	See “5.1 Employee attraction and retention” for details
ESG factor into investment bank and securities business	Disclose the total income of (1) underwriting, (2) consulting and (3) securitization transactions that have integrated ESG factors by industry	FN-IB-410a.1	P69-70	See “4.1 Sustainable responsible investment” for details
	Disclose the (1) number and (2) value of investment and loans that have integrated ESG factors by industry	FN-IB-410a.2	P69-70	See “4.1 Sustainable responsible investment” for details
	Explain the incorporation of ESG factors into investment bank and securities business processes and strategies	FN-IB-410a.3	P69-70	See “4.1 Sustainable responsible investment” for details
Business ethics	Total monetary losses caused by legal proceedings against fraud, insider trading, anti trust, anti competitive behavior, market manipulation, malfeasance or other relevant financial industry laws or regulations	FN-IB-510a.1	P55	See “3.4 Ethics and integrity” for details
	Whistleblower system and procedures	FN-IB-510a.2	P52	See “3.4 Ethics and Integrity - Establishing a whistleblowing system” for details
Professional integrity	Number and ratio of employees with records of investment-related investigations, customer complaint cases, private civil lawsuits or other regulatory procedures	FN-IB-510b.1	p61-62 P79-80 P55	3.5 Information security - Information Security Incidents See 4.4 Customer relationship management - Customer Complaint Cases for details See “3.4 Ethics and integrity - Incidents Violating Integrity Management for details
	Number of conciliation and arbitration cases relating to professional integrity (including duty of care)	FN-IB-510b.2	-	There were no mediation and arbitration cases related to professional integrity in 2022
	Total financial losses arising from legal proceedings related to professional	FN-IB-510b.3	-	There were no legal proceeding cases related

	integrity (including duty of care)			to professional integrity in 2022
	Specify the method of ensuring the professional integrity (including duty of care)	FN-IB-510b.4	P54-58	See "3.4 Ethics and integrity" for details
System Risk Management	Global systemically important bank (G-SIB) score	FN-IB-550a.1	-	The Company's non-global systemically important bank
	Explain the stress test results and how they are integrated into capital adequacy planning, the company's long-term strategy and other business activities	FN-IB-550a.2	P50-52	See "3.2 Risk Management" for details
Risk tolerance	Proportion of total salary changes for major risk bearers	FN-IB-550b.1	-	Further disclosure plans will be made on this information
	Proportion of total salary changes for major risk bearers to which the remuneration recovery clause applies	FN-IB-550b.2	-	No compensation recovery terms are applicable to the Company's significant risk bearers.
	Disclose policies on the monitoring, control and validation of Level 3 asset and liability evaluations	FN-IB-550b.3	-	For details, please refer to P101-260 of the Company's 2022 consolidated financial report and CPA audit report
Activity indicators	Number and amount of underwriting, consulting and securitization transactions	FN-IB-000.A	P69-70	See "4.1 Sustainable responsible investment" for details
	Disclose the number and amount of proprietary trading investments and loans by industry	FN-IB-001.A	P69-70	See "4.1 Sustainable responsible investment" for details
	Number of market-making transactions with derivatives (futures/options/warrants) and total transaction amount	FN-IB-002.A	P69-70	See "4.1 Sustainable responsible investment" for details

Climate Information for TPEx-listed Companies

Risks and opportunities caused by climate change and the measures taken by the Company to address them

Items	Implementation Status	Page
<p>1. Describe the Board's and management's oversight and governance of climate related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances (short, medium, and long term).</p> <p>3. Describe the financial impact of extreme weather events and transformational actions.</p> <p>4. Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.</p> <p>5. If a situational analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors and key financial impacts used should be described.</p> <p>6. If there is a transformation plan to manage climate-related</p>	<p>◆For details of the implementation of items 1 to 7, please refer to "Four Dimensions of Task Force on Climate-Related Financial Disclosure (TCFD) Framework" below.</p> <p>◆In 2023, the Company expects to conduct scenario analysis for the identified climate risk factors, and develop mitigation or adjustment measures based on the results of the scenario analysis.</p>	P10-12

risks, describe the contents of the plan and the indicators and targets used to identify and manage physical and transformation risks. 7. If internal carbon pricing is used as a planning tool, the basis for price setting should be stated.		
8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress of achievement and other information should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	<p>Environmental Management System</p> <p>Concord Securities introduced ISO 14001:2018 environmental management system in 2022, and was certified in early 2023, declaring "environmental protection policy". In order to continuously reduce the energy consumption of the office buildings and operating sites of Concord Securities Headquarter, the Company will update the operating equipment to improve the power efficiency and promote the power management measures. The Company hopes to improve the overall energy efficiency through the two pronged approach of updating the equipment and changing the habits of employees.</p> <p>Greenhouse gas inventory - organization inventory</p> <p>Concord Securities is a financial service industry without large-scale waste pollution, but it is still committed to building it into a comprehensive green enterprise, adhering to the business philosophy and service spirit of "integrity, stability, service and sustainability". ISO 14064-1 greenhouse gas inventory certification has been launched in 2022. The total greenhouse gas emissions of scopes 1 and 2 in 2022 were 1,496 tons. According to the 1.5°C warming scenario, the reduction targets of scopes 1 and 2 were set. Taking 2022 as the base year, the per capita electricity consumption was 349.4kW·h(2,777,404kW·h/7,949 persons). By 2025, the energy consumption will be reduced by 1% compared with the base year, and by 2030, the energy consumption will be reduced by 3% compared with the base year. Accordingly, Concord Securities will continue to update energy-saving equipment in the future, implement energy-saving management to improve electricity efficiency, and plan to purchase renewable energy, continuously promote low-carbon transformation and implement the concept of environmental protection, and strive for the sustainable and balanced development of enterprises and the environment.</p>	-
9. Greenhouse gas inventory and status of assurance (also filled in 1-1).	Please refer to 1-1 Greenhouse gas inventory and confirmation of the situation	P122



1-1 Greenhouse gas inventory and confirmation of the situation

- The Company can conduct greenhouse gas inventory according to the following standards:
 - Greenhouse Gas Protocol (GHG Protocol).
 - ISO 14064-1 issued by International Organization for Standardization (ISO).
- A certification institution shall comply with the relevant requirements for certification of sustainability reports formulated by Taiwan Stock Exchange Corporation and TPEX Listed Companies.
- Subsidiaries may fill in the forms individually, by consolidation (for example, by country or region), or in a combination (Note 1).
- The intensity of greenhouse gas emissions can be calculated by unit product/service or turnover, but at least the data calculated by turnover (NT\$ 1,000) should be disclosed (Note 2).
- The proportion of the operating site or subsidiary not included in the inventory calculation shall not be more than 5% of the total emissions, the total emissions referred to in the preceding paragraph refers to the emissions calculated in accordance with the instructions 1, the mandatory inventory range.
- The description of assurance shall summarize the contents of the assurance report of the assurance agency and upload the assurance statement (Note 3).

Company Profile	According to the Corporate Governance -Sustainable Development Roadmap, at least the following should be disclosed:
<input type="checkbox"/> Companies with capitalization of over NT\$10 billion, steel industry, cement industry	<input type="checkbox"/> Parent company individual inventory <input type="checkbox"/> Consolidated financial report subsidiary inventory
<input checked="" type="checkbox"/> Companies with capitalization over NT\$5 billion and less than NT\$10 billion	<input checked="" type="checkbox"/> Parent company only assurance <input type="checkbox"/> Consolidated financial report subsidiary assurance
<input type="checkbox"/> Companies with less than NT\$5 billion in capital	

Scope 1	Total emissions (MtCO2e)	Intensity (MtCO2e/NT\$'000) (Note 2)	Assurance Agency	Description of assurance (Note 3)
Parent Company	82.870	0.065	BSI British Standards Institution	On April 24, the inventory certification was completed. Please refer to P124 for description of assurance
Subsidiaries	The subsidiary is expected to conduct inventory in 2026 and complete verification in 2028			
Total	82.870	0.065		
Scope 2	Total emissions (MtCO2e)	Intensity (MtCO2e/NT\$'000) (Note 2)	Assurance Agency	Description of assurance (Note 3)
Parent Company	1,468.625	1.102	BSI British Standards Institution	On April 24, the inventory certification was completed. Please refer to P124 for description of assurance
Subsidiaries	The subsidiary is expected to conduct inventory in 2026 and complete verification in 2028			
Total	1,496.46	1,496.46/(turnover in 2022)		
Scope 3 (voluntary disclosure)	Total emissions (MtCO2e)	Intensity (MtCO2e/NT\$'000) (Note 2)	Assurance Agency	Description of assurance (Note 3)
Parent Company	297.939	0.224	BSI British Standards Institution	On April 24, the inventory certification was completed. Please refer to P124 for description of assurance
Subsidiaries	The subsidiary is expected to conduct inventory in 2026 and complete verification in 2028			
Total	297.939	0.224		

BSI GRI Code Independent Assurance Statement

獨立保證意見聲明書

康和證券集團 2022 永續報告書

英國標準協會與康和證券股份有限公司(簡稱康和證券)為相互獨立的公司。英國標準協會除了對康和證券集團 2022 永續報告書進行評估和驗證外，與康和證券並無任何財務上的關係。

本獨立保證意見聲明書之目的，僅作為對康和證券集團 2022 永續報告書所界定範圍內的相關事項進行保證之結論，而不作為其他之用途。除對康和證券集團 2022 永續報告書外，對於其他目的之使用，或閱讀此獨立保證意見聲明書的任何人士，英國標準協會並不負有或承擔任何法律或其他之責任。

本獨立保證意見聲明書係根據英國標準協會董事會與康和證券提供之相關資訊所作出之結論，因此本聲明書內基於並列限在這些提供的資訊內容之內。英國標準協會的為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，請向康和證券一併回覆。

查證範圍

康和證券與英國標準協會協議的查證範圍包括：

1. 本查證作業範疇與康和證券集團 2022 永續報告書揭露之報告範圍一致。
2. 依照 AA1000 保證標準 V3 的第 1 應用類型評估康和證券遵循 AA1000 當責性原則(2018)的本質和程度，不包括對於報告書揭露的資訊/數據之可信程度的查證。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結康和證券集團 2022 永續報告書內容，對於康和證券之相關運作與永續績效則提供了一個公中的觀點。基於保證範圍限制事項，康和證券所提供資訊與數據以及披露之測試，此報告書並無重大之不實陳述。我們相信有關康和證券的環境、社會及治理等績效資訊是誠實且無誤地呈現。報告書所揭露之永續績效資訊展現了康和證券對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準 V3 查證能力之團隊執行，以及規劃和執行這部分的工作，以獲得必要之訊息資料及說明。我們認為康和證券所提供之足夠證據，表明其符合 AA1000 保證標準 V3 的報告方法與自我聲明依據 GRI 永續性標準準則係屬公的。

查證方法

為了收集與作成結論有關的證據，我們執行了以下工作：

- 對來自內部團體的組織相關於康和證券政策進行訪談，以確認本報告書中聲明書的合適性
- 與管理層討論有關利害關係人參與的方式，然而，我們並未直接接觸外部利害關係人
- 訪談目前與永續性管理、報告書編製及資訊提供有關的員工
- 審查有關組織的關鍵性發展
- 審查內部稽核的發現
- 審查報告書中所作之支持性證據
- 針對公司報告書及其相關 AA1000 當責性原則(2018)中有關包容性、重大性、回應性及衝擊性原則之流程管理進行審查

結論

針對 AA1000 當責性原則(2018)之包容性、重大性、回應性及衝擊性與 GRI 永續性標準準則的詳細審查結果如下：

包容性

2022 年報告書反映出康和證券已持續尋求利害關係人的參與，並建立重大永續主題，以發展及達成對永續具有責任且策略性的回應。報告書中已公正地報告與揭露環境、社會及治理的訊息，足以支持適當的計畫與目標設定，以我們的專業意見而言，這份報告書涵蓋了康和證券之包容性議題。

重大性

康和證券公司有對組織及其利害關係人之評估、決策、行動和績效產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言，這份報告書適切地涵蓋了康和證券之重大性議題。

回應性

康和證券執行來自利害關係人的期待與看法之回應。康和證券已發展相關溝通政策，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言，這份報告書適切地涵蓋了康和證券之回應性議題。

衝擊性

康和證券已識別並以平衡和有效之量測及揭露方式公正展現其衝擊。康和證券已建立監督、量測、評估和管理衝擊之流程，從而組織內實現更有效之決策和結果管理。以我們的專業意見而言，這份報告書適切地涵蓋了康和證券之衝擊性議題。

GRI 永續性標準準則

康和證券提供有關依據 GRI 永續性標準準則 2021 之自我宣告，並對每個披露其行案準則和具相關性的 GRI 主題準則之重大主題，其揭露項目係符合全部標準要求的相關資料。基於審查的結果，我們確認報告書中參照 GRI 永續性標準準則之永續發展相關揭露項目已被報告、部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了康和證券之永續性主題。

保證等級


依據 AA1000 保證標準 V3 我們審查本聲明書為中度保證等級，如同本聲明書中所描述之範圍與方法。

責任


這份永續報告書所屬責任，如同責任信中所宣稱，為康和證券負責人所有。我們的責任為基於所描述之範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於 1901 年成立，為全球標準與驗證的領導者。本查證團隊係由具專業背景，且接受過 AA1000AS、ISO 14001、ISO 45001、ISO 14004 及 ISO 9001 之一系列永續性、環境及社會管理標準的訓練，具有主事稽核員資格之成員組成。本保證報告依據 BSI 公平交易準則執行。



For and on behalf of BSI: Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2022003
2023-05-23

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ISO 14001:2015+ISO 45001:2018 Environmental Safety and Health




Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015

This is to certify that: Concord Securities Co., Ltd.
B1,B2,9F,10F,14F,15F,
No. 176, Sec. 1, Keelung Rd.,
Xinyi Dist.,
Taipei City
110408
Taiwan

康和證券股份有限公司
臺灣
台北市
信義區
基隆路1段176號
B1、B2、9樓部分、10樓部分、14樓部分、15樓
110408

Holds Certificate No: **EMS 781902**

and operates an Environmental Management System which complies with the requirements of ISO 14001:2015 for the following scope:

The provision of securities business service and management in the headquarter building
總部大樓證券業務服務與管理

For and on behalf of BSI:


 Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2023-01-17
Latest Revision Date: 2023-01-17

Effective Date: 2023-01-17
Expiry Date: 2026-01-16

Page: 1 of 2




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Certificate of Registration

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018

This is to certify that: Concord Securities Co., Ltd.
B1,B2,9F,10F,14F,15F,
No. 176, Sec. 1, Keelung Rd.,
Xinyi Dist.,
Taipei City
110408
Taiwan

康和證券股份有限公司
臺灣
台北市
信義區
基隆路1段176號
B1、B2、9樓部分、10樓部分、14樓部分、15樓
110408

Holds Certificate No: **OHS 781905**

and operates an Occupational Health and Safety Management System which complies with the requirements of ISO 45001:2018 for the following scope:

The provision of Securities business service and management in the headquarter building
總部大樓證券業務服務與管理

For and on behalf of BSI:


 Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2023-01-17
Latest Revision Date: 2023-01-17

Effective Date: 2023-01-17
Expiry Date: 2026-01-16

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ISO14064-1 ISO 14064-1:2018 Greenhouse Gas Inventory Certificate

bsi.
Opinion Statement

Greenhouse Gas Emissions
Verification Opinion Statement

Concord Securities Co., Ltd.
B1, B2, 9F., 10F., 14F., 15F.
No. 176, Sec. 1, Keelung Rd.
Xinyi Dist.
Taipei City
110408
Taiwan


康和證券股份有限公司
臺灣
台北市信義區
基隆路1段176號
B1、B2、9樓部分、10樓部分、
14樓部分、15樓
110408

Holds Statement No: GHGEV 784891
Verification opinion statement

As a result of carrying out verification procedures in accordance with ISO 14064-3:2006, it is the opinion of BSI with reasonable assurance that:

- The Greenhouse Gas Emissions with Concord Securities Co., Ltd. for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 86,870 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 1,468,625 tonnes of CO₂ equivalent.
- No material misstatements for the period from 2022-01-01 to 2022-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity for year 2022 is not published by Taiwan government so far, the emission factor used for electricity is 0.509 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emission estimates.

The other selected indirect GHG emissions listed in the attached table on the next page were also reported and thus verified with limited assurance, and data quality was not considered unacceptable in meeting the principles as set out in ISO 14064-1: 2018.

For and on behalf of BSI: 
Managing Director BSI Taiwan, Peter Pu

Originally Issue: 2023-05-15 Latest Issue: 2023-05-15 Page: 1 of 3

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Holds Statement No: GHGEV 784891

The greenhouse gas emissions information reported by the organization for the period from 2022-01-02 to 2022-12-31 is as follows:

EMISSIONS	Notes	tonnes CO ₂ e
Category 1: Direct GHG emissions and removals		86,870
1.1 Stationary combustion		4,6336
1.2 Mobile combustion		22,0314
1.3 Industrial processes/anthropogenic systems		0,0000
1.4 Fugitive/anthropogenic systems		60,2045
1.5 Land use, land use change and forestry	N/A	-
Direct emissions in tonnes of CO ₂ e from biomass		0,0000
Category 2: Indirect GHG emissions from imported energy		1,468,625
2.1 Indirect emissions from imported electricity	location-based approach	1,468,6245
2.2 Indirect emissions from imported energy (steam, heating, cooling and compressed air)	N/A	-
Category 4: Indirect GHG emissions from products used by organization		297,939
4.1 Emissions from Purchased goods	Upstream emissions of purchased fuel, water and energy	263,7871
4.2 Emissions from Capital goods	NS	-
4.3 Emissions from the disposal of solid and liquid waste	Solid waste only	34,1516
4.4 Emissions from the use of assets	NS	-
4.5 Emissions from the use of services that are not described in the above subcategories	NS	-

* NS: Non significant; N/A: Non available.

Originally Issue: 2023-05-15 Latest Issue: 2023-05-15 Page: 2 of 3

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CPA Limited Assurance Report of Deloitte Taiwan

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會計師有限確信報告

會證字第 22010993 號

康和證券股份有限公司 公鑒：

本事務所受康和證券股份有限公司（以下稱「貴公司」）之委託，對 貴公司 2022 年度永續報告書所報導之關鍵績效指標（以下稱「所選定之關鍵績效指標」）執行有限確信。本會計師已確信完畢，並依據結果出具有限確信報告。

本確信報告之範圍與適用 貴公司所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用 貴公司 2022 年度永續報告書第 124 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 4 頁之「報告邊界與範疇」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「證券商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。

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「證券商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，以編製永續報告書所選定之關鍵績效指標，並維持與所選定之關鍵績效指標編製有關之必要內部控制，以確保所選定之關鍵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 3000 號「非屬歷史財務資訊查核或核閱之確信案件」，對所選定之關鍵績效指標執行確信工作，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形，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，包括辨認所選定之關鍵績效指標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。固有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：

- 對參與編製所選定之關鍵績效指標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，以及相關之內部控制，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，對所選定之關鍵績效指標採取樣本進行包括查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

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
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此報告不對 2022 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，2022 年度永續報告書中屬 2021 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理規範 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、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用 品質管理準則 1 號「會計師事務所之品質管理」，因此維持獨立之品質管理制度，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，未受限制。

本簽證多項確信項目涉及非財務資訊，相較於財務資訊之確信受有更高先天性之限制，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，本會計師並未發現所選定之關鍵績效指標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「證券商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編製而須作修正之情形。

其他事項 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 貴公司網站公布後任何所選定之關鍵績效指標或適用 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 吳尚燦

中華民國 112 年 6 月 2 日

Sustainable disclosure index of securities firms

Number	Indicators	Annual disclosure status	Corresponding Chapters	Page																		
I	The number of information leakage incidents, the ratio of information leakage incidents related to personal information, and the number of customers affected by information leakage incidents.	<div>Number of data leakage incidents of Concord Securities in 2022:</div> <table><tr><td>A - Information Security Incidents</td><td>2022</td></tr><tr><td>Total Information Security Points</td><td>3</td></tr><tr><td>Loss of Customer Information due to Information Security Incidents</td><td>1</td></tr><tr><td>Number of Customers Affected by Information Security Incidents</td><td>758</td></tr><tr><td>Property Lost due to Information Security Incidents</td><td>0</td></tr></table> <table><tr><td>B - Number of Data Leakage Incidents</td><td>2022</td></tr><tr><td>Number of Data Leakage Incidents</td><td>1</td></tr><tr><td>Ratio of Personal Information Related Data Leakage Incidents</td><td>100%</td></tr><tr><td>Number of Customers Affected by Data Leakage Incidents</td><td>758</td></tr></table>	A - Information Security Incidents	2022	Total Information Security Points	3	Loss of Customer Information due to Information Security Incidents	1	Number of Customers Affected by Information Security Incidents	758	Property Lost due to Information Security Incidents	0	B - Number of Data Leakage Incidents	2022	Number of Data Leakage Incidents	1	Ratio of Personal Information Related Data Leakage Incidents	100%	Number of Customers Affected by Data Leakage Incidents	758	3.5 Information security	P61
A - Information Security Incidents	2022																					
Total Information Security Points	3																					
Loss of Customer Information due to Information Security Incidents	1																					
Number of Customers Affected by Information Security Incidents	758																					
Property Lost due to Information Security Incidents	0																					
B - Number of Data Leakage Incidents	2022																					
Number of Data Leakage Incidents	1																					
Ratio of Personal Information Related Data Leakage Incidents	100%																					
Number of Customers Affected by Data Leakage Incidents	758																					
II	Number and amount of assistance to small and medium-sized enterprises in raising funds in the capital market.	In 2022, the Company did not handle it, and the number was 0	-	-																		
III	Number of participants who provide financial education to disadvantaged groups lacking securities services.	1. On December 4, 2022, the Company visited the Nantou Family Support Centre's Puli Service Office to apply for the "Money Education is a must in life" program, and more than 30 parents and children from 12 families participated. 2. In 2022, the Company held "anti-fraud promotion" activities, with a total of 5 events and a total of 135 persons.	7.2 Public welfare highlight activities 4.4 Customer relationship management	P113 P80																		
IV	The goods and services are designed by each operating business to create environmental or social benefits.	To provide financial services for small fund investors, we have launched a thousand dollar share deposit plan. It is recommended that small fund investors regularly purchase stocks in fixed amounts to diversify their risks. In 2022, the cumulative number of thousand dollar share deposit: 11,203 accounts.	4.3 Inclusive finance	P75																		



2022

永續報告書

Sustainability Report



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