## 2.2 Sustainability Strategies and Goals

Yuanta Securities follows the “2021-2025 Yuanta Group Sustainable Development Strategic Blueprint” set by Yuanta Financial Holdings and adheres to the “D.R.E.A.M” service spirit of “fulfilling your biggest dreams” through five dimensions to practice sustainable development. The Company has established six sustainability development policies based on Yuanta Financial Holdings’ five primary dimensions. Under these six policies, 17 sustainability development strategies (i.e., management guidelines) and 59 performance indicators (i.e., specific actions and KPIs) have been formulated to implement the sustainability development policies.

The Company bases its actions on the six sustainability development policies in response to the 11 material topics identified in 2023. These 11 topics are then linked to 11 corresponding sustainability development strategies and 31 sustainability performance indicators, ensuring that each material topic is addressed through corresponding management guidelines and specific actions.

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| **Five Sustainability Dimensions of Yuanta Financial Holdings** | **Six Sustainable Development Policies of Yuanta Securities** | **Material Topics in 2023 of Yuanta Securities** | **11 Sustainable Development Strategies of Yuanta Securities** | **29 Sustainability Performance Indicators of Yuanta Securities** | **United Nations Sustainable Development Goals (SDGs)** |
| Full engagement in social participation  (Devotion) | Expand social participation | * Financial Products and Innovative Services | 1 strategy | 3 indicators | SDG3, SDG10 |
| Customers’ number one trusted brand  (Reliability) | Foster sustainable finance  Promote fair customer treatment | * Information security management * Customers’ rights and service quality * Sustainable finance | 3 strategies | 11 indicators | SDG6,SDG7, SDG9, SDG10, SDG12, SDG13, SDG16 |
| Green pioneers in environmental change (Exchange) | Commit to environmental sustainability | * Climate action | 2 strategies | 4 indicators | SDG7, SDG12, SDG13, SDG17 |
| An exceptional workplace that employees aspire to work in  (Achievement) | Implement employee care | * Employee attraction and retention * Talent cultivation and development | 2 strategies | 6 indicators | SDG3, SDG5, SDG8, SDG10 |
| A leader in corporate governance  (Motivation) | Strengthen corporate governance | * Legal compliance * Risk management * Corporate governance * Integrity management | 3 strategies | 5 indicators | SDG5, SDG8, SDG13, SDG16 |

Note:

1. The D.R.E.A.M service spirit of Yuanta Financial Holdings consists of Devotion, Reliability, Exchange, Achievement, and Motivation.

2. The Company has 17 sustainability strategies. Strategies not presented in the table above are business continuity management, supplier management, friendly and excellent working environment, human rights, social welfare, and financial inclusion, each with corresponding sustainable performance indicators.

Based on Yuanta Financial Holdings’ Sustainable Development Strategic Blueprint, Yuanta Securities has listed specific actions for various sustainability themes and corresponding medium- to long-term goals. The Company commits to and invests in various projects according to these goals, regularly reviews progress and makes adjustments to align with trends, gradually fulfilling its sustainability commitments. We also follow the timelines set by the Sustainable Development Strategic Blueprint. The “2021-2025 Yuanta Group Sustainable Development Strategic Blueprint” spans five years with short-, medium-, and long-term goals defined as follows. Therefore, consistent definitions are used when referring to medium- and long-term sustainability in this report.

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| 2021-2025 Yuanta Group Sustainable Development Strategic Blueprint | | |
| Short term | Medium term | Long term |
| 2021-2022 | 2023-2024 | 2025 |

The following are the Company’s specific actions taken in response to the 11 sustainability-related material topics, the implementation status in 2023, as well as medium- and long-term goals.

| **Sustainability Key Performance Indicators (KPI)** | **Goals and Implementation Status in 2023** | **Achievement Status** | **Mid-term Goal - 2024** | **Long-term Goal - 2025** |
| --- | --- | --- | --- | --- |
| **1. Information Security Management** | | | | |
| ISO 27001 Information Security Management System Certification | The ISO 27001:2013 certification renewal was passed on December 21, 2023. |  | * Pass the ISO 27001:2013 re-certification. * Pass the ISO 27001:2022 transition accreditation to ensure certification validity. | * Continue to maintain the validity of the ISO 27001:2022 certificate. |
| Establishment of an information security incident monitoring mechanism (SOC) | An information security incident monitoring mechanism (SOC) has been established. |  | * An outsourced 24/7 security operations center (SOC) has been established in 2023, and we will continue to maintain the effectiveness of the monitoring mechanism and precautions through the experience passed on by the outsourced 24/7 SOC. | |
| Adoption of AI analysis | AI analysis has been adopted to initiate automatic interception and protection. |  | * Continue to optimize, effectively monitor alerts and conduct event correlation analysis. | |
| Enhancement of electronic platform security mechanism and customer data protection | System backup drills were carried out as planned for the first and second halves of the year. |  | * Continue to carry out remote backup drills as planned. | |
| **2. Customer Rights and Service Quality** | | | | |
| Customer satisfaction rate | 99.4% |  | * 97% | * 97.5% |
| Provision of reliable, high-quality customer complaint procedures through the ISO 10002 customer complaint management system | The certification renewal was passed. |  | * Continue to obtain certification annually. | |
| Implementation of the treating customers fairly principles | Employees received training of 8 hours on average per person. |  | * Employees receive training of more than 5 hours on average per person. | |
| **3. Regulatory Compliance** | | | | |
| International AML specialist certification for personnel of dedicated anti-money laundering (AML) units | Employees continued efforts in passing the certification examination. |  | * Continue to pass the certification examination. | |
| **4. Risk Management** | | | | |
| Development of climate change risk management methods | Risk limits were monitored following management regulations. |  | * Continue to improve climate risk management and disclose climate risk management information. | |
| **5. Corporate Governance** | | | | |
| Regular board of director performance evaluation | The annual evaluation was completed. |  | * Continue to conduct annual evaluations. | |
| Planning diverse board training courses for directors to enhance professional competencies | Four themed lectures were held, with additional information provided on 33 external courses. |  | * Continue to plan diverse training courses for the Board of Directors. | |
| **6. Employee Attraction and Retention** | | | | |
| Long-term reward scheme | Managers at all levels incorporated sustainable development goals and ESG tasks into the annual working objectives and linked them to the reward system. |  | * Conduct research on applicable subjects and establish sustainable development-related working objectives and key performance indicators. | |
| Employee engagement survey | The domestic and overseas participation rate was 91%.  The domestic and overseas engagement rate was 83%. |  | * Maintain the domestic and overseas participation rate at over 85%. * Maintain the domestic and overseas engagement rate at over 85%. | |
| Outstanding talent retention rate | The retention rate for high-performance talent was 97.6%. |  | * The target retention rate for high-performance talent is 93% - 95%. | |
| **7. Financial Products and Innovative Services** | | | | |
| Development of convenient digital accounts to expand user base | New accounts opened online accounted for 30.2%. |  | * New accounts opened online reach 33%. | * New accounts opened online reach 35%. |
| Digital mobile account user activity | Electronic sales accounted for 81.5% of brokerage business. |  | * Electronic sales account for 83% of brokerage business. | * Electronic sales account for 84% of brokerage business. |
| Carbon footprint certification for financial products or services | “Yuanta Securities Online Investment and Financial Management Service” passed the BSI ISO 14067 carbon footprint of products certification and obtained the Ministry of Environment’s carbon footprint label. |  | * Expand the carbon footprint certification scope for financial products or services. | * Continue to develop financial products or services to achieve environmentally sustainable development. |
| **8. Integrity Management** | | | | |
| Enhancement of corporate governance initiatives | The annual corporate governance promotion plan has been implemented. |  | * Continue to implement the annual corporate governance promotion plan. | |
| **9. Talent Cultivation and Development** | | | | |
| Employee education and training completion rate | The education and training coverage of domestic employees was 100%.  The education and training coverage of domestic and overseas employees was 98.79%.  The learning and development satisfaction of domestic and overseas employees was 82%. |  | * The education and training coverage of domestic employees reaches 100%. * The education and training coverage of domestic and overseas employees reaches 93%. * The learning and development satisfaction of domestic and overseas employees reaches over 83%. | * The education and training coverage of domestic employees reaches 100%. * The education and training coverage of domestic and overseas employees reaches 95%. * The learning and development satisfaction of domestic and overseas employees reaches over 85%. |
| Green financial talent cultivation program | The total number of training attendance grew by 11.8%.  The total hours of training grew by 15.3%. |  | * The total number of training attendance grows by 10% compared to the previous year. * The total hours of training grow by 10% compared to the previous year. | |
| Employee performance evaluation coverage | The domestic performance evaluation coverage and completion rate reached 100%.  The overseas employee performance evaluation coverage reached 99%. |  | * The performance evaluation coverage of domestic employees reaches 100%. * The performance evaluation coverage of domestic and overseas employees reaches over 93%. | * The performance evaluation coverage of domestic employees reaches 100%. * The performance evaluation coverage of domestic and overseas employees reaches over 95%. |
| **10. Sustainable Finance** | | | | |
| Compliance with voluntary green finance principles and initiatives | Related departments all abide by the Principles for Responsible Investment (PRI). |  | * Continue to promote compliance with the PRI. | |
| Implementation of the “Sustainable Finance Principles” evaluation | Compliance with pertinent regulations was ensured, and all cases were evaluated accordingly. |  | * Continue to ensure compliance with pertinent regulations and ensure that all cases undergo the evaluation. | |
| Incorporation of social and environmental risks into the evaluation | Compliance with pertinent regulations was ensured, and all cases were evaluated accordingly. |  | * Continue to ensure compliance with pertinent regulations and ensure that all cases undergo the evaluation. | |
| Revenue growth from ESG-related products/services | NT$2.449 billion investment in sustainability-related assets |  | * NT$4 billion investment in sustainability-related assets | * NT$4.6 billion investment in sustainability-related assets |
| Sustainable development bonds issuance/underwriting/investment | A total of 21 sustainable bonds and 2 sustainability-linked bonds (SLB) were issued. |  | * Underwrite sustainable/green bonds. * Issue 6 sustainable/green bonds. | * Underwrite sustainable/green bonds. * Issue 8 sustainable/green bonds. |
| Proportion of client ESG engagement | ESG product description pages were introduced to the sales platforms.  Available ESG funds were adjusted in accordance with regulatory authorities’ regulations.  Environmental protection and social issues were advocated on electronic platforms.  The ESG implementation status was disclosed in the “Sustainable Development Section” on the Company’s official website. |  | * Provide ESG product description pages on product sales platforms. * Continue to adjust available ESG funds in accordance with regulatory authorities’ regulations. * Strengthen advocacy on environmental protection and social issues on electronic platforms. * Disclose ESG implementation status in the “Sustainable Development Section” on the Company’s official website. | |
| **11. Climate Action** | | | | |
| Control of carbon emission goals (2020 as baseline year) | The carbon emissions per unit of revenue were reduced by 3% compared to the baseline year. |  | * Reduce carbon emissions (Scope 1 and Scope 2) by 8% compared to the baseline year. | * Reduce carbon emissions (Scope 1 and Scope 2) by 10% compared to the baseline year. |
| Waste reduction (2020 as baseline year) | The waste generated per capita was reduced by 1% compared to the baseline year. |  | * Reduce waste generated per capita by 1% compared to the baseline year. | * Reduce waste generated per capita by 2% compared to the baseline year. |
| Reduction of water consumption (2020 as baseline year) | The water consumption per square meter was reduced by 1% compared to the baseline year. |  | * Reduce water consumption per square meter by 1% compared to the baseline year. | * Reduce water consumption per square meter by 2% compared to the baseline year. |