



**國泰君安國際**  
GUOTAI JUNAN INTERNATIONAL

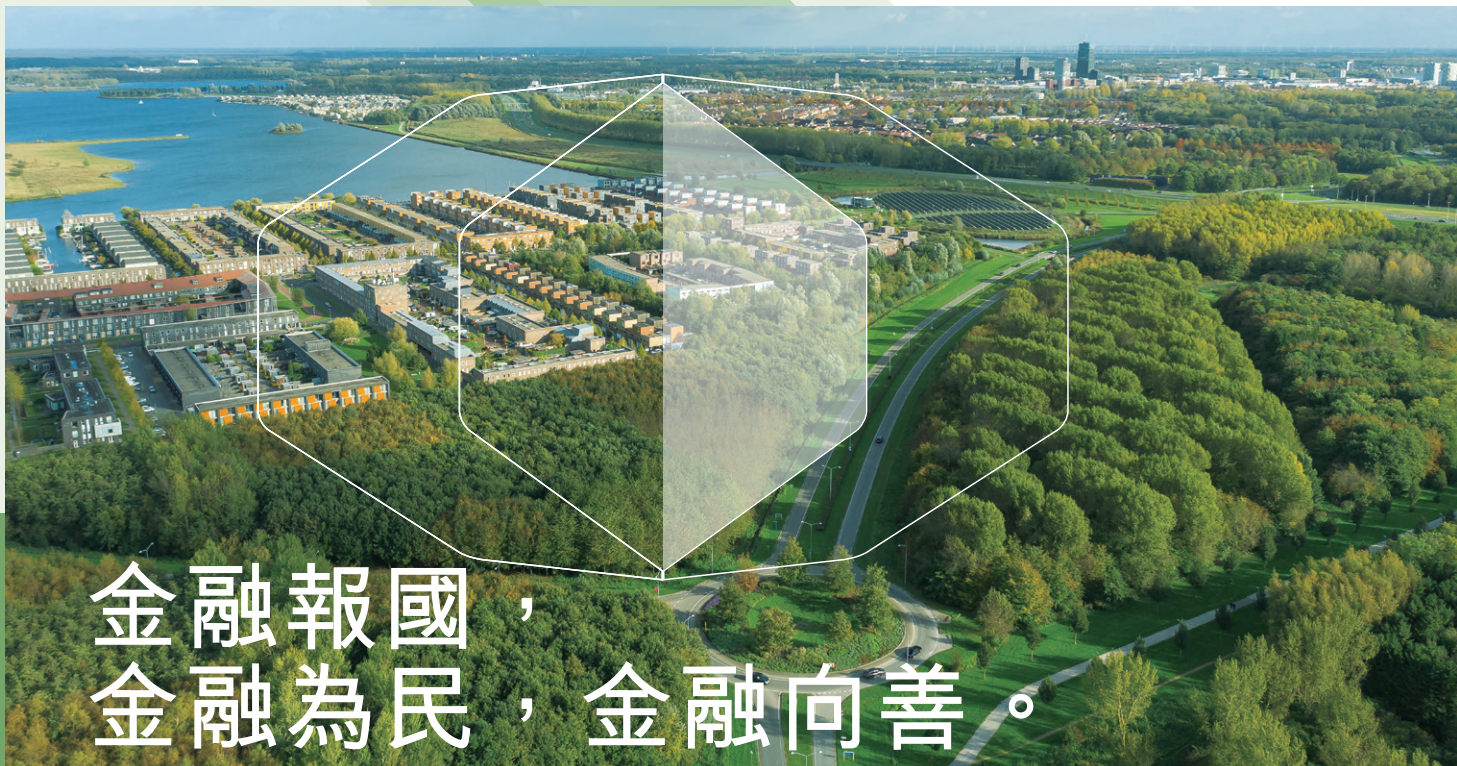
Stock Code 股份代號 : 1788.HK

ESG

**STEADILY  
STRENGTHENING**  
**持續穩健**

Environmental, Social and  
Governance Report

環境、社會及管治報告 2022



金融報國，  
金融為民，金融向善。

# FINANCE FOR THE COUNTRY, FOR THE PEOPLE, FOR THE GOOD.

作為一家具有國際競爭力的中資證券公司，國泰君安國際堅定「金融報國」的信念，堅守正道直行，保持「金融向善」的情懷，以發展高質量經濟為使命，以滿足社會財富管理、企業融資需求為目標，努力打造負責任的綜合金融服務平台。

As a Chinese securities company with international competitiveness, Guotai Junan International strengthened its belief of "Serving the Country with Finance", sticking to the right path and going straight forward, always aiming at "Achieving the Good with Finance", to serve with the mission of quality economic development and meeting the needs of wealth management and corporate finance from the society, striving to build a responsible and comprehensive financial service platform.

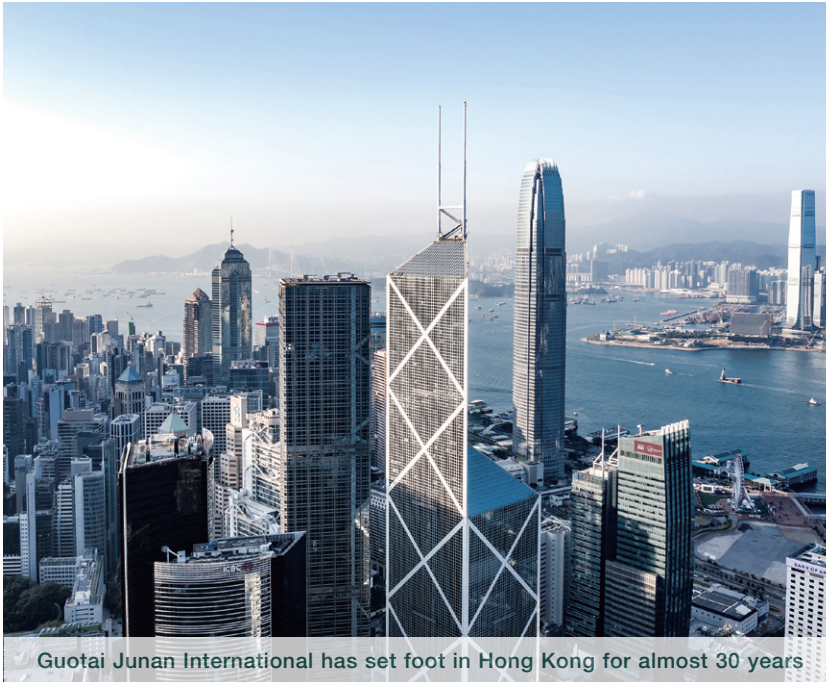
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# 1. About Guotai Junan International



Guotai Junan International has set foot in Hong Kong for almost 30 years



Established subsidiaries in Singapore in 2015



Entered Vietnam in 2019

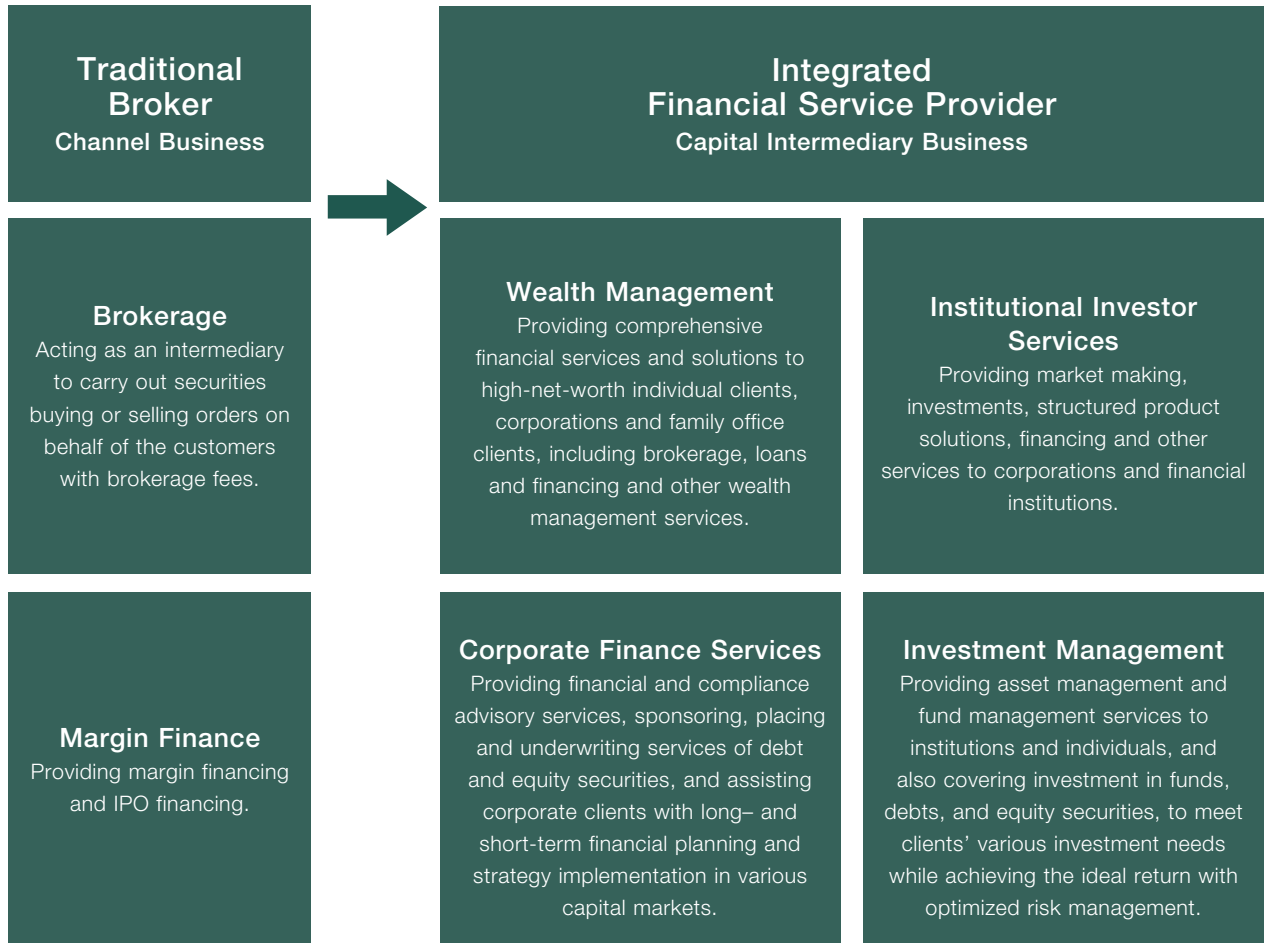
## 1.1 About Us

Set foot in Hong Kong for almost 30 years, Guotai Junan International Holdings Limited (stock code: 1788.HK) (“Guotai Junan International” or the “Company”, together with its subsidiaries, the “Group”) is a pioneer and leader in the internationalization trend of Chinese securities companies. In 2010, the Company became the first Chinese securities company approved by the China Securities Regulatory Commission to be listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) through an initial public offering (“IPO(s)”).

Headquartered in Hong Kong, one of the world’s largest international financial centers with many large financial institutions located, Guotai Junan International makes full advantage of the preferred market conditions in Hong Kong, including a sound legal system, a simple and low tax system, free access to funds, a comprehensive range of financial products and services, as well as a large number of financial talents. Adhering to the vision of being “based in Hong Kong, supported by the Mainland China and serving the world”, the Company is committed to better playing the role of a bridge connecting quality Chinese and international enterprises with the capital market through promoting business development in Greater Bay Area and Southeast Asia via its subsidiaries in Singapore and Vietnam while continuing optimizing the business operation in Hong Kong. Backed by the strong operational support of the parent company, Guotai Junan Securities Co., Ltd. (“Guotai Junan Securities”) (stock code: 601211.SH/2611.HK), one of the Chinese leading securities houses, the Company strives to further explore the Asia-Pacific and global market.

## 1.2 Our Business

In recent years, with the full implementation of business diversification strategy, the Company has successfully transformed from a traditional broker to an integrated financial service provider in the capital market. With robust business capabilities and a strong shareholder background, the Company has developed four core segments: wealth management, institutional investor services, corporate finance services, and investment management.



## 2. Message from the Board



Today, Guotai Junan International has deeply infused the principle of “Finance for the Good, Finance for the People” (金融向善·金融為民), which is put forward by its parent company Guotai Junan Securities, into its business operation as well as products and services. As a leading financial service company in Hong Kong, the board of the Company (the “Board”) has put priority on its governance, business ethics practice and execution, as well as on integrating environmental, social and governance (“ESG”) factors, especially climate change issues, into its overall risk management system. Most importantly, the Company spares no efforts to assist its clients in the successful transition to sustainable development target through quality corporate finance, advisory and capital market services.

**A Year Full of Serious Challenges.** Affected by multiple factors such as the Hong Kong 5th wave of the COVID-19 pandemic along with global interest rate hikes in 2022, the Hong Kong financial market continued to be hit hard and risk events occurred with high frequency. In such a complex and ever-changing external environment, we not only took comprehensive and effective measures to protect the safety of customers and employees during the operations, but also resolutely implemented efficient risk control measures in the process of business management, effectively managed and responded to credit risks and market risks. In the end, we managed to maintain profitable and increase the dividend payout ratio in the face of financial storm, providing sustainable returns to shareholders.

**Reinforced ESG Management and Addressed Climate Risks.** As a leading financial service provider in Hong Kong, we believe it is our responsibility to take strong and progressive steps to mitigate our climate impact. In 2022, to strengthen its overall ESG management and refine its control of climate change-related risks, the Company has amended the *ESG Committee Terms of Reference*, and formulated and approved the *Climate Change Policy*, providing guidance on climate change-related risk management. Besides, the Company has commenced the climate risk assessment and disclosed the related information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”), aiming to respond more specifically to concerns of various stakeholders on climate change-related issues.



## 2. Message from the Board

**Enhanced Sustainable Finance.** In 2022, the Company continuously contributed to guiding global capital allocation to industries with lower sustainability risks and higher investing value via diverse financial services and products, such as corporate finance, asset management and private equity. During the year, the Company's overall sustainable finance volume has amounted to HK\$85.6 billion, in which the green bond issuance amount has increased 11% to HK\$78 billion despite the volatile market. Meanwhile, the Company has been further integrating ESG criteria into the investment, financing and other frontline business policies, added more ESG considerations such as climate change in investment management business, and brought its ESG considerations into the overall due diligence process and practice of underwriting projects of the capital market business.

**Keep Growing With Employees.** The Company arranges annual employee satisfaction survey to enhance its human capital practices. In 2022, the response rate of the survey has increased largely as compared with last year, showing more active engagement from its employees. Meanwhile, as more compulsory courses and training sessions are available to its employees for their career development, the annual training hours per employee has increased significantly to approximately 30 hours in 2022. The Company maintained its dedication in the employee's welfare and development while its efforts in sustainable employment management have been widely recognized by global authority organizations. During the year, the Company has been awarded various prizes such as "Best Companies to Work for in Asia" by HR Asia, "Caring Company" by Hong Kong Council of Social Service as well as "Family-Friendly Employers Award" by Hong Kong Family Council.

**Gave Back to Community.** The Company has continued to give back to society by enhancing community investments. In 2022, the Company spared no efforts in participating in seven community service activities and initiatives including Coastline Recovery organized by World Wildlife Fund, Meal Preparation with Food Angel organized by Bo Charity Foundation as well as Flag Day held by Hong Kong Red Cross. During the year, the total hours for volunteer services by the Company reached 444 hours, increased by 36% compared with 2021, showing significant dedication of the Company in its community service.

**Upgraded ESG Ratings.** In 2022, MSCI upgraded the Company's ESG rating to "BBB". MSCI pointed out that the Company is ahead of global peers in terms of corporate governance and business ethics policies. Besides, the Company has been a constituent of the London Stock Exchange "FTSE4Good Index Series" since 2019. During the year, the constituent status was reaffirmed by FTSE Russell in recognition of the Company's good sustainability practices.




Looking forward, the Company will preserve its sustainable development strategy and apply sustainable finance as a tool, while consistently increasing the investment and efforts in environmental protection, energy efficiency improvement, community engagement, and employee well-being, finally contributing to the sustainable transformation of the whole society. In this report, we are pleased to share our progress and achievements on sustainable development, which is an outcome of the collaboration committed with stakeholders around Guotai Junan International.







## 3. ESG Highlights and Milestone

### 3.1 Performance Highlights in 2022

 <p><b>Financial Performance</b></p>	<p><b>Revenue</b> <b>HK\$2,315</b> Million</p> <p><b>Dividend Payout Ratio</b> <b>594</b> %</p> <p><b>Credit Rating by Standard &amp; Poor's</b> <b>BBB+</b> (Long-term Issuer Rating)</p>	<p><b>Profit Attributable to Owners of The Company</b> <b>HK\$80.38</b> Million</p> <p><b>Cumulative Dividends Since Its Listing</b> <b>HK\$5,580</b> Million</p> <p><b>Credit Rating by Moody's</b> <b>Baa2</b> (Long-term Issuer Rating)</p>
 <p><b>Sustainable Finance Performance</b></p>	<p><b>Green and Sustainable Bonds</b> <b>HK\$78</b> Billion</p> <p><b>ESG-related Structured Products</b> <b>HK\$400</b> Million</p>	<p><b>Green Equity Issuance</b> <b>HK\$6,033</b> Million</p> <p><b>Other Green Investment Positions</b> <b>HK\$1,131</b> Million</p>
 <p><b>Environmental Performance</b></p>	<p><b>Energy Consumption Intensity</b> <b>0.017</b> MWh/sq.ft. (Down by 6%)</p> <p><b>Completed Climate Change Related Independent Risk Assessment</b></p>	<p><b>Greenhouse Gas (GHG) Emission Intensity</b> <b>0.013</b> tonnes CO<sub>2</sub>-eq/sq.ft. (Down by 7%)</p> <p><b>Formulated and Approved Climate Change Policy</b></p>

3. ESG Highlights and Milestone

 <p><b>Social Performance</b></p>	<p><b>Female Staff Percentage</b>  <b>44.32%</b>                  (Slightly increased)</p>	<p><b>Percentage of Female Directors in the Board</b>  <b>25%</b>                  (Increased by approximately 3 percentage points)</p>
	<p><b>Customer Complaint Settlement Rate</b>  <b>100 %</b></p>	<p><b>Input of IT System</b>  <b>HK\$142</b> Million                  (Increased by 6%)</p>
	<p><b>Employee Total Training</b>  <b>18,883.50</b> Hours                  (Increased by 204%)</p>	<p><b>Employee Average Training</b>  <b>30.21</b> Hours / Employee                  (Increased by 236%)</p>
	<p><b>Total Hours for Volunteer Services</b>  <b>444</b> Hours                  (Increased by 36%)</p>	<p><b>Staff Satisfaction Rate</b>  <b>75 %</b></p>
	<p><b>Annual ESG Issues-related Stakeholder Survey Engagement</b>  <b>453</b> Responses                  (Increased by 34%)</p>	<p><b>Completed Independent ESG Risk Assessment</b></p>
 <p><b>ESG Governance Achievement</b></p>	<p><b>MSCI ESG Rating Improved from BB to BBB</b></p>	<p><b>Amended ESG Committee Terms of Reference</b></p>

### 3. ESG Highlights and Milestone



#### 3.2 ESG Milestone

To achieve long-lasting corporate value and contribute to a brighter future for the planet and the next generation, the Group has been making every effort to strengthen its sustainable management and performance. An overview of the Group's sustainability journey in the past several years is as follows:

##### 2022

- MSCI ESG rating improved from BB to BBB
- Conducted independent climate change-related risk assessment and implemented the group-wide *Climate Change Policy*
- Amended the *ESG Committee Terms of Reference*
- Enhanced disclosure quality by including more material issues in the ESG Report

##### 2021

- Joined the UN Global Compact
- Set environmental targets and action plan
- Set up three functional divisions under the ESG Working Group

##### 2018

Invited both internal and external stakeholders to share their views on the Group's performance in sustainability, prioritizing material issues for the Group to address and report on

##### 2017

Further enhanced the stakeholder engagement for better ESG management, conducted focus group communication with employees to understand their most concerned ESG issues

##### 2020

Established the ESG Committee to support the Board in formulating, overseeing, and monitoring the execution of ESG-related matters

##### 2019

Became a constituent of the FTSE4Good Index under FTSE Russell of the London Stock Exchange

##### 2016

Published the first ESG Report, presenting to stakeholders an overview of the Group's performance in ESG

### 3.3 Awards and Achievements

ESG Rating	Highlights
 <p><b>MSCI</b> ESG RATINGS BBB</p> <p>CCC B BB BBB A AA AAA</p>	<p>In 2022, MSCI upgraded the Company’s ESG rating to “BBB”.</p>
 <p>FTSE4Good</p>	<p>In 2022, FTSE4Good Index Series reiterated the Company’s eligibility and reaffirmed the Company’s constituent status in recognition of its good sustainability practices.</p>
 <p><b>HKQAA</b> HONG KONG QUALITY ASSURANCE AGENCY 香港品質保證局</p>	<p>BBB- from HKQAA (Hong Kong Quality Assurance Agency) ESG Ratings in 2022.</p>
<p><b>S&amp;P Dow Jones Indices</b> A Division of S&amp;P Global</p>	<p>In early April 2023, the S&amp;P has raised its ESG score for the Company to 33, ahead of its 82% global peers.</p>
ESG Membership	Highlights
<p><b>WE SUPPORT</b></p>  <p>UN GLOBAL COMPACT</p>	<p>As the first Chinese securities firm in Hong Kong joined the UN Global Compact, the Group submitted the first annual Communication on Progress (CoP) in 2022, disclosing the practical actions it has taken or planned to implement the 10 principles of the UN Global Compact in four areas: Human Rights, Labour, Environment and Anti-corruption.</p>
 <p><b>HKGFA</b> 香港綠色金融協會 Hong Kong Green Finance Association</p>	<p>As an institution member of Hong Kong Green Finance Association, the Group participates in 1) Green and Sustainable Private Equity Working Group; 2) Green Bonds and Product Innovation Working Group; and 3) ESG Disclosure and Integration Working Group, jointly supporting and promoting the development of green finance and green investment concepts.</p>



### 3. ESG Highlights and Milestone

#### ESG Awards

#### Highlights



The Group has been awarded “Best Companies to Work for in Asia” by HR Asia in 2022.



The Company has been awarded “Best ESG Company” by Institutional Investor in 2022.



The Company has been granted “Excellence Performance” of ESG Sustainability of the year, in the “Financial Institution Awards” organized by Bloomberg Businessweek (Chinese Edition) in 2022.



The Company has been awarded the “Best Sustainability Bond (China Offshore)” in the “Triple A Country Awards 2021” and the “Best Green Bond” in the “Triple A Sustainable Capital Markets Awards 2021” organized by The Asset in 2022.



The Company has been awarded the “Green Office Awards Labelling Scheme (GOALS)” and “Eco-Healthy Workplace” by World Green Organization in 2022.



The Company has been recognized as the “Caring Company” for the 8th consecutive year in 2022.

3. ESG Highlights and Milestone

ESG Awards

Highlights



The Company has been awarded the “Happy Company Award” for the 5th consecutive year in 2022 by the Promoting Happiness Index Foundation and Hong Kong Productivity Council.



The Company has been awarded the “Good Employer Charter” by Hong Kong Labour Department since 2020.



The Company has been recognized as a “Mental Health Friendly Organisation” by Hong Kong Department of Health, Labour Department, and Occupational Safety and Health Council in 2022.



The Company has been awarded the “Family-Friendly Employers Award” by Hong Kong Family Council since 2018.

## 4. ESG Management



### 4.1 ESG Vision, Objectives and Strategies

On the path to becoming a “Well Respected, Comprehensively Leading and Internationally Competitive” financial service provider, the Group has been sticking to its philosophy of “Finance for the Good” and “Finance for the People”, considering sustainability as one of the most significant foundations for the long-term development, and proactively integrating ESG philosophy into business operations and management.

#### ESG Vision

The Group’s ESG vision is to enhance long-term returns for shareholders by adopting responsible business practices. Adhering to the ESG vision, the Group takes into consideration social and environmental needs in its business operation and has set the overall ESG objectives and strategies from the perspective of people, environment, business and community, respectively.

#### ESG Policy

The Company has its *ESG Policy* in place, setting out specific management measures and strategies to meet its ESG objectives in four focus areas (as set out hereunder) and clarifying the overall direction of the Company’s ESG development in the next few years.

## Focuses in ESG Policy



### People

- Provide equal employment opportunities, foster a supportive and quality working environment, advocate a diverse and inclusive workplace and culture, uphold employees' rights and interests, and facilitate meaningful communications within the Company.



### Environment

- Address environmental issues and reduce the environmental impact. Going beyond compliance with applicable legal and regulatory requirements, the Company's objective is to assess, avoid and mitigate environmental risks and impacts arising from its activities.



### Business

- For sustainable finance, the Group adheres to promoting sustainable business practices while improving the risk return profile of the overall portfolio;
- For product responsibility, the Company's objective is to gain customer trusts in products and services, and to provide sufficient information to them to make informed investment decisions; and
- For supply chain management, the Company's objective is to reduce environmental and social risks along the supply chain.



### Community

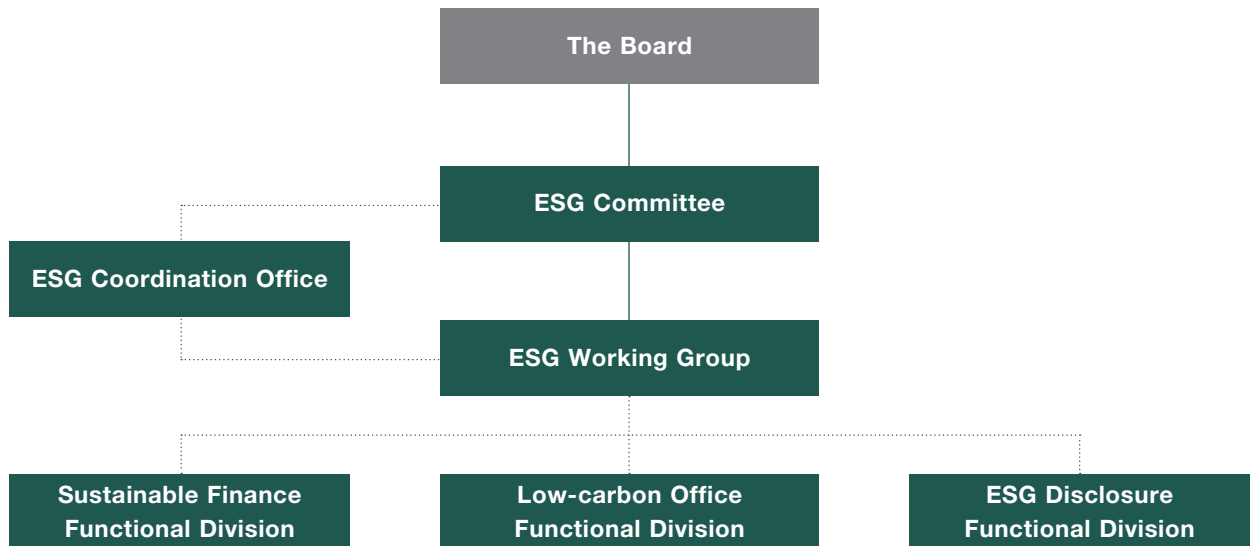
- As one of the integrated financial institution in Hong Kong, being a part of the society, the Company's objective is to support the community through our professional services and a diverse range of initiatives such as providing charity supports and taking part in volunteer activities.



## 4. ESG Management



### 4.2 ESG Governance Structure



**The Board** is the highest governing body of the Group’s ESG issues and is ultimately responsible for overseeing matters concerning ESG (including climate change issues) of the Group, covering ESG-related risks, material issues, governance, policies, objectives and strategies, performance and reporting.

**The ESG Committee** has been established under the Board to advise and assist the Board in overseeing and enhancing the ESG management of the Group. The ESG Committee shall hold meetings at least once a year and report to the Board on a regular basis. In 2022, the Board amended the *ESG Committee Terms of Reference*, further strengthening the comprehensiveness of the content, and appointed new ESG Committee members. As at 31 December 2022, the ESG Committee comprises six members, chaired by an independent non-executive director, Dr. FU Tingmei, together with other management members and heads of relevant departments.

Composition	Major Duties
Dr. FU Tingmei (Chairman) Mr. WANG Junhong Ms. ZHAO Tong Mr. WONG George Ka Kui Ms. FENG Zheng Yao Helen Ms. DAI Yu Hong Daisy	<ul style="list-style-type: none"> <li>• To monitor the sustainability and ESG (including climate change-related) trends, issues, and/or regulatory development, in understanding emerging ESG matters that affect the Group's operations;</li> <li>• To determine, review and provide directions on the sustainability and ESG vision, objectives and strategy of the Group (including goals and targets setting);</li> <li>• To develop and review ESG-related policies and procedures, and ensure the operations of the Group are in compliance with these ESG-related policies and procedures, as well as applicable rules and regulations;</li> <li>• To determine the work plan and budget for ESG-related events and community investment initiatives, including but not limited to donations, volunteer works and other charity activities, which shall be reported to the Board;</li> <li>• To review and evaluate the Group's ESG performance against ESG goals and targets set and make recommendation to the Board on areas for improvement;</li> <li>• To identify, assess and determine risks and opportunities of the Group relating to climate change and sustainability, which shall be reported to the Board;</li> <li>• To ensure effective risk management and internal control system is in place for managing climate change and sustainability risks; and</li> <li>• To oversee the Company's approach to ESG and climate change-related reporting and ensure the disclosures are in compliance with the relevant rules and regulations.</li> </ul>

**The ESG Working Group**, under the ESG Committee, comprised of representatives from various functional departments, has been set up to formulate and implement specific work plans according to the ESG strategies and policies set by the ESG Committee. For better execution of the ESG policies and plans, three functional divisions are set under the ESG Working Group, namely the Sustainable Finance Functional Division, Low-carbon Office Functional Division and ESG Disclosure Functional Division, and responsible for formulating and implementing specific work plans according to the ESG strategies and policies adopted by the ESG Committee.

**The ESG Coordination Office**, led by the Company Secretary of the Company (also a member of the ESG Committee), is mainly responsible for the liaison and communication between the ESG Committee (the Board level), the management and the ESG Working Group (operational level) to ensure full execution of specific sustainable strategies and projects.

## 4. ESG Management

## 4.3 ESG Risk Management

## 4.3.1 Risk on the Group's Operations

In 2022, the Group has engaged an external sustainability consulting firm to conduct the ESG risk assessment. The ESG risk inventory was developed based on the identification of the global ESG standards and key ESG risks relevant to the financial service industry. The assessment was carried out through a questionnaire survey responded by the Board, management, and representatives of various business departments. Each ESG risk was assessed from two perspectives, namely “the probability of occurrence of the harm” and “the severity of the harm”, based on which the risk priority numbers (“RPN(s)”) were obtained to prioritize and identify the most significant ESG risks related to the Group.

ESG risks were divided into five levels from “very high” to “very low” in accordance with the corresponding RPNs. According to the ESG risk assessment results, in 2022, five ESG risks with the highest RPNs are summarized as follows:



## 1. Compliance risk

**Potential Impacts**

Failure in complying with the laws, regulations and business ethics may lead to reputational damage and extra financial or legal costs.

**Management Measures of the Group**

- Establish a comprehensive and effective risk management and internal monitoring system
- Build and maintain a risk culture and standardize the code of conduct of employees
- Establish comprehensive risk management policies and procedures, and include ESG risk factors in the *Risk Framework*



## 2. Infectious diseases risk

**Potential Impacts**

The pandemic could not only directly affect the Group's operation on site but also bring indirect harm by affecting its supply chains or client companies.

**Management Measures of the Group**

- Distribute medical facial masks to employees and provide hand sterilizers in the office
- Require the compulsory body temperature check at the entrance to the office
- Provide flexible working arrangements
- Disinfect offices more frequently
- Encourage employees to hold meetings by video and telephone



### 3. Corruption and money laundering risk

#### Potential Impacts

Financial transactions exposed to the risk of corruption and money laundering could damage the Group's reputation and cause economic and legal consequences.

#### Management Measures of the Group

- Formulate anti-money laundering, anti-bribery and anti-corruption related manuals and establish financial crime compliance working group
- Require all new employees to participate in anti-money laundering training on a compulsory basis
- Require all employees to complete annual anti-money laundering refreshment training on a compulsory basis
- Formulate internal complaint handling mechanism and incident reporting procedures for employees to report any suspected misconduct or violation within the Group regarding bribery, corruption and money laundering



### 4. Cybersecurity risk

#### Potential Impacts

Failure of information technology ("IT") systems due to malicious attacks may result in data leakage or business disruption, causing financial and reputational damage.

#### Management Measures of the Group

- Formulate internal policies to ensure that the cybersecurity management measures comply with industry standards and regulations
- Update the IT systems and online trading platforms regularly
- Designate a particular committee to monitor the effectiveness of IT systems and online trading platforms
- Appoint external IT experts to conduct annual cybersecurity tests and assessment
- Formulate emergency and recovery plans to respond to cyber attacks
- Provide cybersecurity training for employees regularly



### 5. Environmental pollution risk

#### Potential Impacts

The poor environmental performance of the investee companies may lead to higher financial risks or negative impact on sustainable portfolio performance.

#### Management Measures of the Group

- Actively practice sustainable finance and responsible investment in the investment and financing business and integrate ESG criteria into business decision-making process to avoid and reduce the environmental pollution risk throughout the value chain
- Polish the *ESG Policy* for investment management related business, incorporate ESG issues into the investment decision-making and post-investment procedures, and adopt negative ESG screening, to avoid the industries with higher environmental pollution and other ESG related risks
- Provide training to relevant personnel in the investment and finance business departments, improving their awareness of environmental pollution risks among the investment and finance business value chain



## 4. ESG Management

### 4.3.2 Risk on Clients or Investee Companies

As a financial institution, the Company puts great emphasis on ESG risk management, especially the risks that may cause adverse impacts on the operation and financial conditions of the investee companies, financing clients, etc., and has taken various measurements to manage the related risks more effectively.

#### *Group-wide Policies*

The Group has included ESG risk factors in the *Risk Framework*, the foundation for consistent effective management of risks confronted by the Group, aiming at promoting awareness and strengthening its management of ESG risks throughout the Group. Particularly, the Group has incorporated ESG risk factors into the model for credit risk management, to control and manage the ESG risks at the business operation level more efficiently. The *Credit Risk Policy* and risk rating framework are being reviewed and updated to reflect ESG criteria formally in the client onboarding, due diligence and credit risk management process with reference to global ESG frameworks.

#### *Frontline Business Policies and Strategies*

For the frontline business, the Group has also implemented specific ESG policies and strategies for different business sectors such as *ESG Policy for the Asset Management Business* and *Private Equity Management ESG Policy*, incorporating the ESG factors into the business due diligence process to reduce related ESG risks.

The Asset Management Department should closely monitor the ESG performance of the investee companies after the investment decision is made. It should review the overall ESG performance risks and meet with portfolio managers and analysts to discuss the holding from the perspective of ESG factors. In case of the occurrence of any serious negative ESG incidents, it should report to the Investment Committee and take appropriate follow-up actions, and external reports from third-party authoritative rating agencies should be used to understand and assess the ESG risk arising from the investment targets.






The Private Equity Department adopts negative screening methods to avoid industries with high ESG risks, such as gambling, high pollution and high social disputes industries. Besides, quantitative approaches such as key issue performance evaluation or ESG scoring methodology are also adopted to identify the ESG risks of potential investee companies. Meanwhile, the Group's services and investment should give priority to industries in line with ESG concepts, such as electric vehicles, renewable resources/energy, ESG big data analysis, etc.

Similarly, the Principal Investment Management Department ("PIM") should closely monitor the ESG performance of the investee companies. PIM conducts scheduled reviews of its investment portfolios based on a quantifiable matrix referencing market indices for individual investment, and the results of the ESG assessment are to be presented to the Investment Committee as part of its investment performance discussions.

## 4.4 Stakeholder Engagement and Materiality Assessment

### 4.4.1 Stakeholder Engagement

The Group attaches great importance to the opinions and concerns of key stakeholders and actively communicates with them through different channels. The Group has established a comprehensive stakeholder communication mechanism and is committed to improving its ESG performance in response to the feedback and expectation of its key stakeholders.

Key Stakeholders	Communication and Response Channels
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>• Orientation and training sessions</li> <li>• Performance appraisals</li> <li>• Questionnaire surveys</li> <li>• Team building activities</li> <li>• Internal messengers and emails</li> </ul>
 <p><b>Shareholders and investors</b></p>	<ul style="list-style-type: none"> <li>• Announcements</li> <li>• Email communications</li> <li>• General meetings</li> <li>• Investor meetings and calls</li> <li>• Social media and company website</li> <li>• Results conferences</li> </ul>
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Customer service hotline</li> <li>• Customer service chatbot</li> <li>• Emails and mobile applications</li> <li>• Social media and company website</li> <li>• Customer satisfaction surveys</li> </ul>
 <p><b>Suppliers and other business partners</b></p>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Tendering and procurement conferences</li> <li>• Supplier assessments</li> <li>• Questionnaire surveys</li> </ul>
 <p><b>Community / the public</b></p>	<ul style="list-style-type: none"> <li>• Community investments</li> <li>• Volunteer activities</li> <li>• Donations and sponsorships</li> <li>• Environment-friendly operations</li> <li>• Responsible investments</li> </ul>

## 4. ESG Management

## 4.4.2 Material ESG Issues

Material ESG issues impose relatively significant impacts on both the Group and its stakeholders and reflect on the issues that stakeholders pay the most attention to. The Company has identified and prioritized the material ESG issues of the year and made disclosure specifically on such issues in this report. In 2022, a third-party sustainability consulting firm has been engaged to conduct a comprehensive annual materiality assessment.

#### 1. ESG issues pool establishment

- Established the ESG issues pool containing 25 relevant issues based on a comprehensive global and industry megatrend research



#### 2. Questionnaire survey

- Conducted a questionnaire survey to collect feedback from internal and external stakeholders on the relevant ESG issues
- Invited stakeholders including the Board, employees, shareholders/investors/analysts, customers, business partners/service providers, and community/the public to complete the survey
- 453 valid responses have been collected, representing an increase of 34% as compared to the previous year



#### 3. Materiality analysis and assessment

- Materiality matrices were generated with issues being examined under two dimensions (“significance to the Group” and “significance to stakeholders”) based on the survey results
- 13 issues have been identified as material including six environmental issues, five social issues, and two governance issues
- Material issues were prioritized by comprehensive scores in terms of the significance level



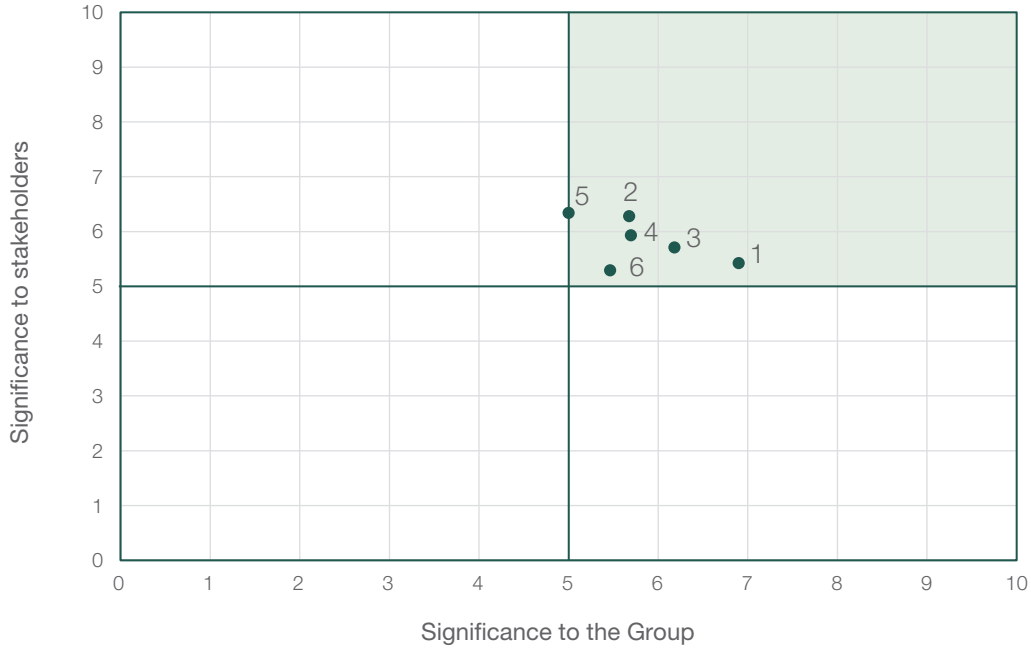
#### 4. Validation

- The results of the materiality assessment was reviewed and endorsed by the ESG Committee and reported to the Board

4. ESG Management

The ESG issues with the score of five or above in both dimensions have been identified as material issues. The materiality matrices in the environmental aspect, social aspect, and governance aspect with the respective ranking of the ESG issues are as follows:

### Material Matrix – Environmental Aspect



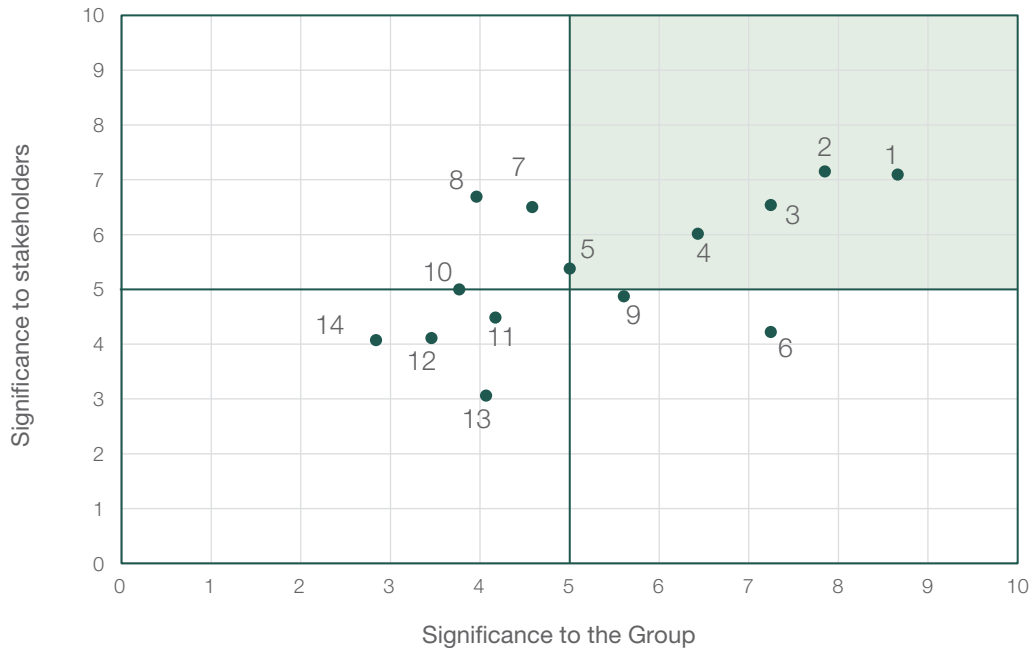
Environmental Issues in Descending Order of Significance	Material Issues	Relevant Sections
1 Resource and energy use efficiency	✓	7.3 Resource and Energy use
2 Business impacts on environmental and natural resources	✓	7. Environmental Responsibility
3 Waste management	✓	7.4 Waste and Air Emissions
4 Greenhouse gas emissions and management	✓	7.2 Tackling Climate Change
5 Reaction to climate change	✓	7.2 Tackling Climate Change
6 Air pollutant emissions and management	✓	7.4 Waste and Air Emissions





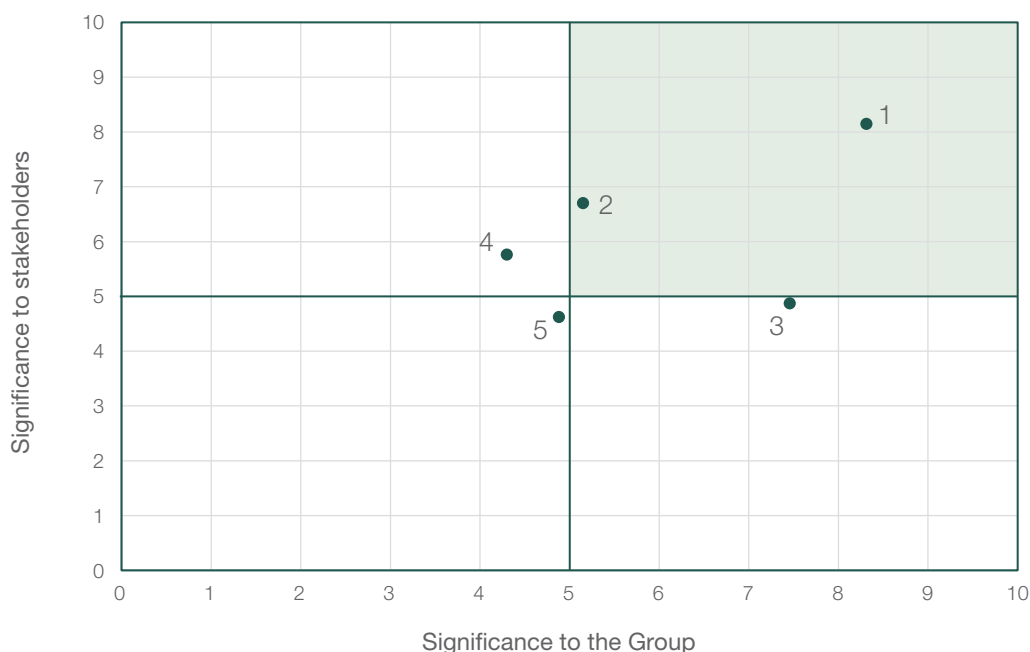
4. ESG Management

### Material Matrix – Social Aspect



Material Issues	Relevant Sections
1 Customer privacy protection ✓	6.1.2 Cybersecurity and Privacy Protection
2 Diversity, equal opportunities, and anti-discrimination ✓	6.2.2 Employment Management
3 Employment management ✓	6.2.2 Employment Management
4 Anti-corruption ✓	5.3 Anti-bribery and Anti-corruption
5 Intellectual property right protection ✓	6.1.1 Service and Product Responsibility
6 Sustainable finance	8. Sustainable Finance and Responsible Investing
7 Occupational health and safety	6.2.3 Health and Well-being
8 Training and development	6.2.4 Training and Development
9 Supply chain environmental and social risk management	6.3 Supply Chain Management
10 Product and service responsibility	6.1.1 Service and Product Responsibility
11 Responsible marketing and advertising	6.1.1 Service and Product Responsibility
12 Fin-tech	6.1.3 Fin-tech Innovation
13 Caring the society	6.5 Community Service and Caring
14 After-sales management	6.1.1 Service and Product Responsibility

### Material Matrix - Governance Aspect



Governance Issues in Descending Order of Significance	Material Issues	Relevant Sections
1 Compliance-based operation	✓	5. Corporate Governance 6. Social Responsibility 7. Environmental Responsibility
2 Internal control and risk management	✓	5.2 Risk Management 5.5 Internal Audit on Key Ethics Topics
3 Business ethics		5.3 Anti-bribery and Anti-corruption 5.4 Anti-money Laundering and Counter-financing of Terrorism 5.5 Internal Audit on Key Ethics Topics
4 Stakeholder communication and information disclosure		4.4.1 Stakeholder Engagement
5 Board diversity		5.1 Corporate Governance Structure

While focusing the reporting efforts on material ESG issues, the Group has been continuously managing all ESG issues that affect its business and stakeholders and integrating ESG considerations into various dimensions of its operations.

## 5. Corporate Governance

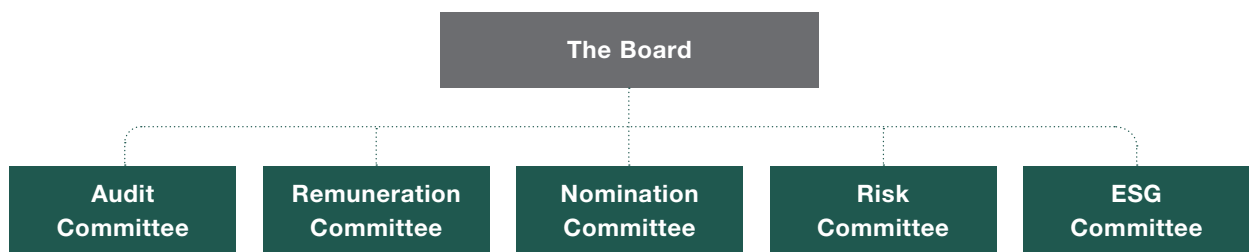


United Nations Sustainable Development Goals  
("UNSDGs") related to this section

For a full report on corporate governance, please refer to the Corporate Governance Report in the Company's 2022 Annual Report.

### 5.1 Corporate Governance Structure

#### Governance Structure



As the Board considers good corporate governance as a foundation for effective corporate operations, comprehensive corporate culture, sound business development, and shareholders' long-term value, the Company has been practicing a high standard of corporate governance.

Led by the chairman, the Board is accountable for shareholders and the Group, and primarily formulates high-level strategic plans and core policies of the Group, overseeing the business and financial performance, and ensuring effective corporate governance practices with appropriate risks (including ESG risks) management system and control measures in place to enhance shareholders' benefits. Under the Board, there are committees, namely Audit Committee, Remuneration Committee, Nomination Committee and Risk Committee, and ESG Committee (a functional committee). The Committees under the Board perform their specific roles in accordance with their respective terms of reference.

**More Information about the Board.** Detailed information about the corporate governance of the Board is set out under the section of the "Corporate Governance Report" in the Annual Report of the Company, including but not limited to, board composition, board independence, board diversity, directors' training and professional development, each of the Board committees' duties and major works performed by them during the year, etc.

## 5.2 Risk Management

As a financial institution, the Group views risk management as the core competitiveness and has therefore established a complete and effective system and well-defined procedures for risk management and internal control. With the sound risk management and internal control system, the Group is able to consistently and precisely identify the challenges and risks that may arise at any time.

In 2022, global economic growth slowed further and inflation remained high, stagflation became the key risk for the global economy. The United States Federal Reserve System and other central banks of most developed countries set inflation control as their highest priority, and tightened monetary policy by raising interest rates and shrinking balance sheets. At the same time, considerable and lingering uncertainty around issues like repeated pandemic, energy crises, climate change risks, and geopolitical conflicts worsened the inflation and dragged down global economic growth, which weighed on markets.

Therefore, the Company's risk management strategy has continued to be significantly cutting direct investment exposure in bonds and equities and tightening the financing exposure in industry and issuer concentration risk. At the same time, we proactively carried out effective hedging strategies to avoid significant potential loss caused by market movement.



## 5. Corporate Governance

**5.2.1 Risk Management and Control Culture**

The Group firmly believes that strong risk management and control culture is critical for sound risk management and the long-term success of the Group. Risk culture defines the norms of behavior for individuals and the Group as a whole that determines the collective ability to respond to various risks faced by the Group currently or in the future.

**Honesty** Be brutally honest about all types of risks

**Ownership** Managing risks is everyone's duty

**Belief** Create lasting value for the Company and shareholders

**Integrity** Do the right thing, for both clients and the Company

**Incentives** Incentives are at the heart of the problem and solution for risk-taking behavior. A proper compensation program is critical to shaping risk culture and behavior

### 5.2.2 Risk Management Structure

The Board ensures there is an effective system of risk management and internal control in place and is ultimately responsible for supervising the Group's overall risk policy and management. Under the Board, the Risk Committee is delegated to oversee the implementation of the risk management framework and review and approve the Group's risk management strategies, risk appetite, risk tolerance, and material risk limits. The Risk Committee holds meetings at least twice a year to review the effectiveness of the overall risk management framework, strategies, and material risk issues. Furthermore, as a management-level committee, the Risk Management Committee under the Risk Committee has been set up to be responsible for the daily management and tracking of potential material risks.

The senior management and its committees including but not limited to the Asset Liability Management Committee, Risk Management Committee, Investment Banking Committee, Institutional Business & Trading Committee, Retail & Wealth Management Committee and Investment Committee further approve risk appetite and limits by business units, products, legal entities and risk types within the enterprise risk appetite, approve new products and significant transactions, and review all risks on a regular basis.

The management shall, regularly and when necessary, report to the Board on material risk issues that may affect the Group's performance.



## 5. Corporate Governance

### 5.2.3 Risk Management Policies and Procedures

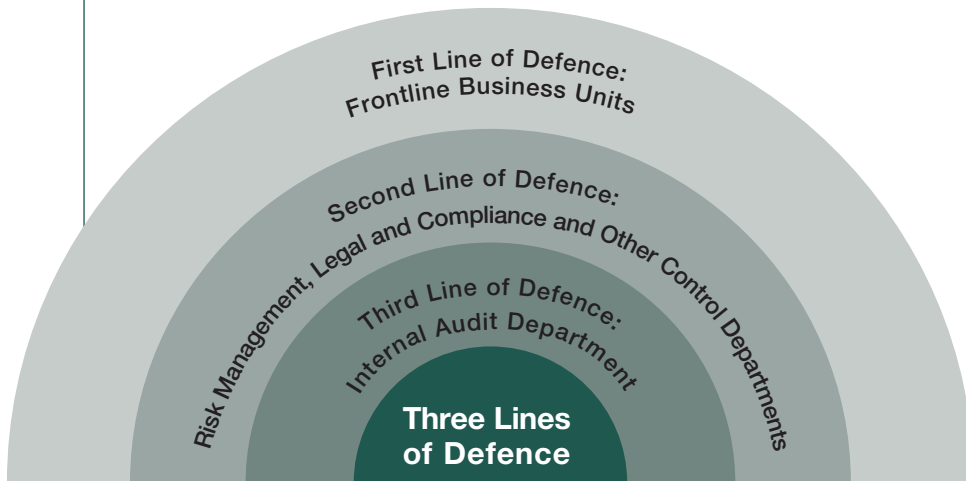
The Group has established comprehensive risk management policies and procedures, including *Risk Framework*. *Risk Framework* provides a blueprint for establishing risk appetite and associated limits for business activities and sets forth responsibilities for the management of risks by frontline units, risk management, internal audit, and other control functions. It describes the risk management approach and key types of risks the Group are facing, which is consistent with the expectations of the regulatory authorities including the Securities and Futures Commission (the “SFC”).



The Group issued various policies and guidance covering all key risks with established mechanisms in place to identify, measure, monitor and manage major risks. The Group regularly reviews and updates the risk management policies and procedures to keep pace with changes in market and business strategies, and also provides its subsidiaries in Southeast Asia with regular guidance and the group level management to enhance their risk management capabilities and ensure that their operations comply with local regulatory requirements.

### 5.2.4 Three Lines of Defence

**The frontline business units** are responsible for proactively and fully identifying, assessing, and managing all risks including operational and compliance risks associated with their activities. A set of written frontline policies, procedures and processes have been established, which are adhered to by frontline business units.



**The Risk Management Department** is responsible for overall risk management including identifying, assessing, monitoring and reporting risks associated with the Group’s business activities. The Risk Management Department measures and quantifies business risks through the risk management systems and internal risk measurement models. The Group has developed a limit-focused risk index system that sets top-down risk limits covering various specific risks and businesses to reflect different levels of authorization, risk appetite and risk tolerance. Other control departments include the Legal and Compliance, Finance, Operations and IT.

**The Internal Audit Department** is responsible for conducting independent audits and assessments and reporting to the Audit Committee on the quality of the Group’s risk management processes.

## 5. Corporate Governance

### 5.3 Anti-bribery and Anti-corruption

#### 5.3.1 Policies on Anti-bribery and Anti-corruption

The Group conducts its business with the highest ethical standards and has zero tolerance towards any forms of bribery, corruption, extortion and fraud. The Group has implemented a series of group-wide policies such as the *Compliance Manual*, *Policy on Professional Integrity*, *Anti-Bribery and Corruption Manual*, *Staff Dealing and Outside Appointments Policy*, as well as other relevant procedures and internal controls to ensure compliance with the *Prevention of Bribery Ordinance* and other local laws and regulations in the jurisdictions where its operations are located. During the year, the annual review and amendment of relevant policies have been performed.

In accordance with the *Policy on Professional Integrity*, the Board is responsible for setting the “tone from the top” against all bribery and corruption behaviors, ensuring the effectiveness of the Group’s anti-bribery and anti-corruption framework. Besides, the financial crime compliance working group, which is under the authorization of the Risk Management Committee, is responsible for overseeing the development and implementation of the Group’s corruption risk management measures and framework.

The Group also expects and requires its business partners, including contractors, suppliers, service providers, consultants, representatives, and any other stakeholders performing work or services for or on behalf of the Group, to comply with its *Anti-Bribery and Corruption Manual* when performing such work or services for the Group. Where the service contract exceeds a certain amount, the business partners are required to sign the *Integrity Undertaking* to promise full compliance with relevant regulations and policies.

The Legal and Compliance Department is responsible for monitoring the anti-bribery and anti-corruption compliance program daily and the Internal Audit Department reviews the anti-bribery and anti-corruption program independently.

#### 5.3.2 Handling Conflicts of Interest

The Group is committed to placing the interests of the capital markets and its clients at the forefront. According to the *Anti-Bribery and Corruption Manual*, the Group ensures that conflicts of interest are avoided among the clients, shareholders, the Company and other stakeholders through the identification, prevention and management of conflicts of interest. All staff are required to declare any personal interest that may exist in any significant matter(s) he/she is involved in, according to the relevant rules on acceptance and offer of referral fee, consultancy fee or rebate set out in this manual.

For securities ownership, the Group has updated its *Guidelines on Restricted List and Watch List*, which established restrictions and controls for handling material non-public information and managing actual/potential conflicts of interest. All staff are subject to the restrictions imposed by the Restricted List which apply to all the relevant securities including 1) any securities or equity share capital or depositary receipts; 2) securities carrying conversion or subscription rights; and 3) options, warrants, and other relevant derivatives.



### 5.3.3 Whistleblowing Mechanism

The Group has the *Anti-Bribery and Corruption Manual* in place, encouraging employees and external parties (including clients and suppliers) to timely report suspected misconduct or malpractice including bribery and corruption issues to the Legal and Compliance Department or Chairman of the Audit Committee. The Company ensures the whistle-blower's identity and related information remain confidential. If any corruption or other criminal offenses are found, the Group may transfer the case to the relevant authorities and judiciary. If an allegation is made in good faith but is not confirmed by the investigation, no action should be taken against the whistle-blower.

#### *Complaint Procedure*

To encourage all stakeholders of the Group to report any suspected impropriety, misconduct or malpractice, such as bribery, corruption or fraud to the Group, the Audit Committee formulated the group-wide *Whistleblowing Policy*, which is public and applies to all employees of the Group and external parties (e.g. customers, suppliers, creditors and debtors) who deal with the Group.

According to the investigation and handling procedures set out in the *Whistleblowing Policy*, the reports raised may (1) be investigated internally, depending on its nature and particular circumstance, by the Legal and Compliance Department, the Human Resources Department and/or the Audit Committee or such other departments if delegated by the Audit Committee; (2) be referred to the external auditor; (3) be referred to the relevant regulatory and/or enforcement bodies; and/or (4) form the subject of any other actions that may determine in the best interest of the Group.

The Legal and Compliance Department, the Human Resources Department and/or the Chairman of the Audit Committee (as the case may be) where warranted will respond to the whistle-blower, if contactable, as soon as practicable upon receipt of the report (1) acknowledging receipt of the report; (2) advising the whistle-blower as to whether or not the matter will be investigated further and, as appropriate, the actions taken or being taken or the reasons for no investigation being conducted; and (3) where practicable, giving an estimate of the timeline for the investigation and final response.

During the year, the Group did not receive any report or have any legal case regarding corruption issues raised against the Group or its employees.

## 5. Corporate Governance

### 5.3.4 Training on Anti-bribery and Anti-corruption

To improve the awareness of anti-bribery and anti-corruption, all employees are required to participate in mandatory annual anti-bribery and anti-corruption training. Every year, the Legal and Compliance Department invites Independent Commission Against Corruption (ICAC) to provide a seminar to employees, senior management and the Board about the latest anti-corruption and anti-bribery requirements. In 2022, such seminar was arranged and required all employees to join in.

In addition, two mandatory refresher E-training courses namely “Anti-bribery and Anti-corruption (Asia Pacific)” and “Guotai Junan Anti-bribery and Corruption Internal Policy” are available on the Group’s e-learning platform for employees to attend. The courses aim to provide employees with updated information on the relevant rules and requirements.

## 5.4 Anti-money Laundering and Counter-financing of Terrorism

The Group commits to proactively preventing money laundering and terrorist financing and to complying with applicable laws and regulations in respect of anti-money laundering and counter-terrorist financing in relevant jurisdictions during the course of business, such as the *Anti-Money Laundering and Counter-Terrorist Financing Ordinance* (Cap. 615 of the Laws of Hong Kong). It also continuously assumes various anti-money laundering obligations.

The Group did not have any breach of anti-money laundering and counter-terrorist financing requirements in 2022.

### 5.4.1 Policies on Anti-money Laundering

The Group established the *Anti-money Laundering and Counter Financing of Terrorism Manual* and the *Customer Due Diligence Manual*, which expressly define money laundering actions, the roles, and responsibilities of different functions and requirements regarding various anti-money laundering efforts, including institutional risk assessment, customer risk assessment, customer due diligence, continuous monitoring (e.g. transaction monitoring, regular review), suspicious transaction reporting, employee training, and record keeping.

The Legal and Compliance Department is responsible for monitoring the execution and implementation of various anti-money laundering efforts by each department and reporting any incidents to management in a timely manner. Based on the latest laws and regulations, regulatory requirements, and practical situation of the Company, the Legal and Compliance Department also amends and refines relevant internal rules and policies in respect of anti-money laundering to enhance management.

In addition, the Group utilizes an advanced monitoring system to identify suspicious transactions to avoid the risk of the Group being used for money laundering and terrorist financing.

### 5.4.2 Training on Anti-money Laundering

To raise staff awareness regarding anti-money laundering issues, all employees are required to attend Anti-money Laundering and Counter-terrorist Financing training annually.

## 5.5 Internal Audit on Key Ethics Topics

To evaluate the internal control effectiveness over the Company's ethics, relevant audit programs on anti-corruption, anti-bribery, anti-money laundering, and handling conflicts of interest are covered in each business unit and support function audit to examine the operations and activities, detect misconduct, and ensure compliance with the Company's ethics-related requirements. A risk-based audit approach has been adopted and each business unit and support function is audited on a three-year audit cycle while high-risk functions are subject to annual audit.

Audit on business and support functions have covered the following topics:

- Governance structure, internal control measures, and the reporting line
- Adequacy of the Group's policies and procedures includes high-level guidelines regarding ethics and compliance risk areas, implementation, and compliance of these policies and procedures
- Advantages received from (including referral fee and rebate) or offered to (including cash, gifts, or entertainment) clients and third parties controls
- Staff personal dealing and outside appointments controls
- Best execution and restricted information flow controls
- Quotations for procurement from different suppliers or service providers and proper approval before engagement

Besides, these thematic audits have also been conducted in the last three years:

- On top of the regular audits on business units and support functions, the Group conducted anti-money laundering audit and procurement audit
- An external professional firm was engaged to conduct cybersecurity audit to assess the controls regarding IT threats and vulnerabilities the Group exposed to

## 6. Social Responsibility



UNSDGs related to this section

### 6.1 Client-oriented Product and Service

#### 6.1.1 Service and Product Responsibility

The Group strictly complies with the *Securities and Futures Ordinance* and its subsidiary legislation, and actively takes social responsibility for product quality assurance, legal marketing and advertising, the proper response to customer feedback, and intellectual property right protection, to guarantee the benefits of our customers and the public.

##### *Product Quality*

- **Know your clients and suitability requirement.** The suitability requirement is critical and integral to investor protection and selling practices, which involve the distribution and provision of advice on investment products by the Group's licensed persons. To this end, the Group has established the *Suitability Policy* in compliance with the codes set by SFC to perform the suitability assessment for its clients.

The *Suitability Policy* comprises know your clients, product due diligence, client risk profiling, information disclosure to clients, review and monitoring, and record keeping. As stipulated in this policy, salespersons shall take all reasonable steps to establish the authentic and comprehensive identification of the client and understand the client's investment objective, knowledge and experience. When making recommendations or solicitations, salespersons shall ensure the reasonable suitability of them for the particular client under any circumstances.

## 6. Social Responsibility

The Legal and Compliance Department reviews and updates the *Suitability Policy* annually. Training is provided to new staff and existing staff in the relevant business departments if there are any changes in rules or regulations in respect of suitability requirements.

In 2022, the *Suitability Policy* has been updated so that it can further guide the suitability assessment and practices of various business units in the Group.

- Serving clients with best execution practices.** The Group has always been putting great emphasis on the quality of products and services. Regarding the investment products and related services, the Wealth Management Department has implemented the *Wealth Management Manual*, clarifying that besides assisting clients in identifying market opportunities, offering customized solutions, and providing medium to long-term investment strategies, the product marketing and investment consulting team of the department shall also make efforts to ensure the best pricing from approved counterparties, assign products risks to fulfill regulatory requirements, and track the life cycle of products. Moreover, the Wealth Management Department has set out the *Best Execution Policy* to comply with the *SFC Code of Conduct*, whereby a licensed or registered person is required to take all reasonable steps to execute clients' orders on the best available terms.
- Client safety while providing products and services.** The Group has always placed client safety as one of its important operational policies. At the beginning of 2022, facing the outbreak of the fifth wave of the pandemic in Hong Kong, the Company regarded prevention and control of the pandemic as the top priority, timely providing the Off-site Self-service Guide that supports various channels to clients, requiring investors and clients to go through Guotai Junan International TradeGo mobile application, Guotai Junan Fuyi Hong Kong Stock Connect, web version trading, 24/7 online customer service, customer service hotline and other off-site channels to handle the business traffic. The Company also continues to remind employees of using digital and technological means to shift from traditional face-to-face communication to communication through internet communication and teleconferencing and to undertake social responsibilities on client safety.
- Assuring product and service quality through internal control.** Wealth management business has its dedicated quality assurance team to enhance the overall compliance culture and awareness among salespersons. This team is responsible for 1) providing training/guidelines to salespersons, ensuring they keep abreast of the changing regulatory environment; 2) providing feedback to salespersons for irregularities identification during the course of sample checking of transactions; and 3) streamlining the Group's procedures and developing wealth management procedures to facilitate salespersons' day-to-day business and fulfillment of regulatory requirements.

#### *Responsible Marketing and Advertising*

The Group strictly complies with the marketing, advertising and labeling-related laws and regulations and prohibits any forms of dishonesty and deceptive statements in its advertisements, marketing materials, and public announcements. The Group has formulated and implemented the *Guidance on Advertisement Management*, setting out the standards and procedures of internal advertising management. Besides, numerous measures have been taken to ensure the accuracy and correctness of the advertising and marketing information, as well as compliance with relevant codes, guidelines, guidance notes and circulars issued by the SFC.



## 6. Social Responsibility

As the digital age approaches, the Group has also gradually adopted new policies to make sure the published content via social media or other channels is accurate and reflects the true image of the Company, such as the *Social Media Management Guideline* and *Official Website Management Guideline*.

### *Customer Relationship Management*

Mutual trust with customers is one of the cornerstones for the Group to achieve long-term and sustainable development. The Group cares about the feedback from its customers and is committed to maintaining a good relationship with its customers.

- **Handling Customer Complaints**

The Group has established a group-wide system of customer complaints receipt and handling. Customers can report their complaints through multiple channels such as emails, phone calls, or by post.

Fill in Customer  
Feedback Form  
(Website)

**Customer Services Department**  
(852) 2509 7524  
customer.service@gtjas.com.hk

**Complaint Hotline and Email**  
(852) 2509 5432  
complaint@gtjas.com.hk

The Legal and Compliance Department is responsible for client complaints handling and ensuring all complaints can be handled and investigated in strict confidentiality and in a timely and appropriate manner.



Complaint Handling Stage	Handling Measures
<b>Prompt response and acknowledgment</b>	Upon receipt of a complaint by a customer, a prompt acknowledgment is issued to him/her within 7 working days. Assessment of the allegations in the complaint is conducted by experienced staff with professional backgrounds and sound industry knowledge. This is to ensure fairness and protection of customers' interests over the process.
<b>Investigation of the concerning issues</b>	All information and feedback from customers should be reviewed and investigated thoroughly to identify potential issues. The Customer Services Department follows up with the customers on their concerns and updates them about the complaints and possible solutions to ensure maximum customer satisfaction.  The concerned issues are reviewed while the relevant procedures and systems are updated and enhanced (if necessary) to improve the Group's service quality.
<b>Follow-up actions based on investigation results</b>	The Customer Services Department provides the investigation results of the complained issues to the customers in a timely manner and takes appropriate subsequent measures to satisfy the customers.

During the year, there were 11 complaints. Most complaints were related to services/duties. 100% of complaints were duly resolved with satisfactory results.

- Customer Satisfaction Survey**

The Group values the needs and experiences of its customers. To further improve customer service quality, the Customer Services Department has conducted a customer satisfaction survey in 2022.

The survey covered 471 customers, among which existing customers accounted for 83.7% while potential customers accounted for 16.3%. To the results of the survey, the overall customer satisfaction in terms of service quality, problem-solving ability, and phone conversation quality reached over 90%. In the future, the Customer Services Department will further extend the coverage of the customer satisfaction survey to get a better understanding of the customers' opinions and improve the customer service quality.

*Intellectual Property Right Protection*

In compliance with the *Patents Ordinance*, the *Copyright Ordinance*, the *Trade Marks Ordinance*, the *Competition Ordinance*, and other relevant laws, regulations, and rules, the Group has implemented the *Procedure on Managing Intellectual Property* to strengthen its management of intellectual property right protection. On one hand, the Group protects its own intellectual property right from any form of infringement and would consider taking legal actions when necessary. On the other hand, the Group makes efforts to ensure the high confidentiality of the proprietary information provided to it. For the services which engage with third-party vendors, a mutual non-disclosure agreement is required to be signed by the vendors. In addition, only the authorized materials will be used for advertising and marketing purposes and the IT Department will only use libraries that are eligible for commercial use with license or open source following General Public License (GPL) or Lesser General Public License (LGPL) licensed.

## 6. Social Responsibility

### 6.1.2 Cybersecurity and Privacy Protection

The Group strives to maintain mutual trust with customers by taking their privacy to the highest standards of confidentiality. The Group stringently complies with the *Personal Data (Privacy) Ordinance* and all other applicable relevant laws, regulations, and guidelines. The IT Department has included the *Information System Security Management Regulation* and *Office Network Use Safety Regulation* in the *Office Network Information Security Management Procedures (for Trial Implementation)*, and *Data Control Policy* in the *IT Operation Manual* as the guidance for proper cybersecurity and privacy protection measures in business operation.

#### *Cybersecurity Management*

The industrial standard cybersecurity measures such as network segmentation and segregation have been deployed to continuously strengthen the Group's IT system and prevent the loss or misuse of sensitive information. The IT systems and online trading platforms are not only set on multiple layers of control on cybersecurity, but also monitored by a designated committee, and maintained and tested by the designated IT professionals on a regular basis. To defend the IT systems and online trading platforms from potential cyber-attacks, the Group sets and updates contingency and recovery plans, conducts annual cyber-attack drills, engages third-party professional firms to audit the Group's cybersecurity, and holds regular work meetings to review its cybersecurity performance. Besides, the Group sends cybersecurity tips to employees and customers on a regular basis and provides annual staff cybersecurity training and guidance, so as to raise employees' and customers' awareness of cybersecurity.

#### *Data Privacy Protection*

The Group has implemented and periodically reviewed the internal policies and guidelines regarding customer privacy and information protection, such as *IT Operation Manual*, *Office Network Information Security Management Procedures (for Trial Implementation)*, and *Information Technology Department Data Center Access Management Procedures*, which all departments and subsidiaries are required to stringently obey. In addition, the Group has its own *Personal Information Collection Statement* that is maintained by the Legal and Compliance Department as a part of its client on-boarding documents. Besides, the Group has designated a Data Protection Officer in charge of data privacy security and responsible for handling related issues.

The Group has also taken a series of measures to safeguard customer privacy and prevent data leakage. All data storage devices, including storage area networks, servers, and computer hard disks, should be degaussed to ensure that all the data have been completely deleted prior to disposal. The disposal of these data storage devices requires management's approval, a clear record of the disposal date, and other relevant information for future track.

To raise awareness and strengthen the knowledge of employees on data and privacy protection, an e-training course namely "Data Privacy (APAC)" is available in the Group's e-learning platform for employees to enroll.

### 6.1.3 Fin-tech Innovation

Taking into account clients' needs and management efficiency, the Group has increased its investment in fin-tech to empower overall business development. A fin-tech business team has been built by the Group to enhance its group-wide technological innovation capabilities, data management, and analysis, as well as digitalization of its quality development in core businesses. During the year, the IT Governance Committee was formed to effectively utilize informatic technologies for the Group's digital transformation strategy and enhance the Group's fin-tech business development and operation management. During the year, the Company's input of IT relevant system has reached HK\$142 million, increased by 6% compared to the last year, reflecting the company's emphasis on enhancing customer trading experience, cybersecurity security and management efficiency by using fin-tech.

In 2022, the fin-tech business team developed and launched the New Client Account Opening System which aims to enhance user experience through several aspects such as presenting well-designed visual effects and streamlining the process of account opening. Many advanced technologies are also involved, for example, Optical Character Recognition (OCR) technology enables clients to provide personal information by simply scanning their ID document, and facial recognition technology helps improve authentication efficiency. The system is currently opened to global clients.

During the year, a series of fin-tech-supported projects and products have been launched by the IT Department and the fin-tech business team together.

## 6.2 Talent Management and Integration

<b>Number of Employees</b> <b>625</b> (2021: 691)	<b>Rate of New Employees</b> <b>24.96%</b> (2021: 35.02%)
<b>Percentage of Female Directors in the Board</b> <b>25%</b> (2021 ESG Report: 22%)	<b>Percentage of Female Employees</b> <b>44.32%</b> (2021: 43.99%)

### 6.2.1 Inclusive Team

Adhering to the business philosophy of "Talent as the First Resource" and pursuing the talent concept of "People-oriented, Collaborative Cooperation", the Group considers employees as its core asset and has always been devoted to creating an inclusive and healthy working environment, improving employee welfare, and providing adequate resources to support employees' growth and development. Competitive remuneration packages are offered to employees with reference to the prevailing market level and individual merits, as well as other incentives linked to the market conditions, and the Company's and individual's performance of each year.

During the year, the Group continuously made efforts to attract quality talents, building and maintaining a diverse and inclusive team. As at 31 December 2022, the Group's total staff number has slightly decreased due to the macro-economic environment change and the rebound of the pandemic, while the ratio of male employees to female and the percentage of female employees among the management and managers almost stayed the same as the last year, indicating the Group's efforts in building a gender-balanced and equal working environment. Among new employees, those below 35 years old take up 74.36%, showing the competitive attractiveness of the Company among the young talents.

Due to the lasting partial lock-down and quarantine policy in Hong Kong facing the pandemic, as well as the industry and market changes, led to the increase of the overall employee turnover rate. With the cancellation of lockdown and quarantine policy and the launch of the talent attraction program by Hong Kong Government in 2023, the Group will seize the opportunities to attract and retain more professionals and talents by providing more competitive remuneration packages and fringe benefits.

## 6. Social Responsibility

*Workforce Diversity*

As of 31 December 2022, the percentage of female employees slightly increased and reached 44.32%. Female directors accounted for 25% of the Board as of the end of 2022, the proportion increased by approximately 3 percentage points as compared with the 2021 ESG Report, and was higher than the industry average (source: the Stock Exchange's website data). The Group regards the female workforce as an important component of the Group and spares no efforts to ensure gender equality in the workplace and ensure relevant awareness is incorporated into daily work and corporate culture.

**Human Capital Statistics**

<b>Key Employees Statistics</b>	<b>2022</b>	<b>2021</b>
Number of Total Employees	625	691
New Employee Rate <sup>1</sup>	24.96%	35.02%
Employee Turnover Rate <sup>2</sup>	35.04%	20.55%
Percentage of Male Employees	55.68%	56.01%
Percentage of Female Employees	44.32%	43.99%
The Ratio of Total Remuneration of Males to Females	1.55:1	1.45:1
Percentage of Female Employees Among the Management and Managers	38.51%	39.49%

<b>Total Employee Analysis</b>	<b>2022</b>	<b>2021</b>
<b>Gender</b>		
<i>Male</i>	348	387
<i>Female</i>	277	304
<b>Position Grade</b>		
<i>Management</i>	156	167
<i>Manager</i>	192	185
<i>General Staff</i>	277	339
<b>Age Group</b>		
18-25	34	51
26-35	293	329
36-45	189	185
46-55	86	102
Above 55	23	24
<b>Employment Type</b>		
<i>Full-time</i>	625	691
<i>Part-time</i>	–	–
<b>Geographical Location</b>		
<i>Hong Kong</i>	605	669
<i>Singapore</i>	20	22

*Notes:*

<sup>1</sup> The calculation formula of new employee rate is: new employee rate = number of total new employees joined in the year / the total number of employees by the end of the year × 100%.

<sup>2</sup> The calculation formula of employee turnover rate is: employee turnover rate = the number of employees who left the Group during the year / the total number of employees by the end of the year × 100%.



## 6. Social Responsibility

New Employee Analysis	2022		2021	
	Number	Proportion <sup>1</sup>	Number	Proportion <sup>1</sup>
<b>Gender</b>				
Male	89	25.57%	142	36.69%
Female	67	24.19%	100	32.89%
<b>Age Group</b>				
18-25	24	70.59%	44	86.27%
26-35	92	31.40%	129	39.21%
36-45	31	16.40%	53	28.65%
46-55	9	10.47%	16	15.69%
Above 55	–	–	–	–
<b>Geographical Location</b>				
Hong Kong	151	24.96%	233	34.83%
Singapore	5	25.00%	9	40.91%

Employee Turnover Analysis	2022		2021	
	Number	Turnover rate <sup>2</sup>	Number	Turnover rate <sup>2</sup>
<b>Gender</b>				
Male	127	36.49%	76	19.64%
Female	92	33.21%	66	21.71%
<b>Age Group</b>				
18-25	21	61.76%	9	17.65%
26-35	115	39.25%	67	20.36%
36-45	46	24.34%	41	22.16%
46-55	27	31.40%	21	20.59%
Above 55	10	43.48%	4	16.67%
<b>Geographical Location</b>				
Hong Kong	214	35.37%	137	20.48%
Singapore	5	25.00%	5	22.73%

## Notes:

<sup>1</sup> The calculation formula of new employee portion for each category is: new employee portion in the specified category = number of new employees in that category joined in the year / the total number of employees in that category by the end of the year × 100%.

<sup>2</sup> The calculation formula of employee turnover rate for each category is: employee turnover rate in the specified category = the number of employees in that category who left the Group during the year / the total number of employees in that category by the end of the year × 100%.

## 6. Social Responsibility

### 6.2.2 Employment Management

The Group has consistently been compliant with the *Employment Ordinance*, the *Employees' Compensation Ordinance*, the *Sex Discrimination Ordinance*, the *Disability Discrimination Ordinance*, the *Family Status Discrimination Ordinance*, the *Race Discrimination Ordinance*, and other applicable laws and regulations related to employment. The Group has formulated the *Staff Handbook* encompassing a series of policies to protect employees' basic rights in aspects of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Internal Audit Department will also audit to prevent any relevant legal violations.

#### *Equal Opportunity*

As an equal-opportunity employer, the Group is firmly devoted to promoting and implementing equal opportunity in employment and to eliminating all forms of discrimination against all employees. All candidates shall be assessed on the basis of the job requirements and their relevant aptitudes, skills, and abilities, and not on any of their grounds of sex, pregnancy, marital status, disability, family circumstance, and race. The Group's *Diversity Policy* encourages and enforces respectful communications and cooperations between all employees. Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action.

#### *Prohibit Child Labor and Forced Labor*

The Group strictly prohibits all forms of child and forced labor and has implemented the measures to prohibit child labor and forced labor as mentioned in the *Staff Handbook*. The Group adheres to recognized practices and principles regarding the employment of young people imposed by local legislation. The Human Resources Department shall verify the identity documents of all candidates during the recruitment process to avoid any possible child labor violations. The Group will not subject employees to forced labor and ensure their reasonable freedom of movement. Once any form of violation is found, the Human Resources Department shall take follow-up remedial actions.

#### *Internal Complaint Procedures*

To maintain a harmonious and harass-free workplace, the Group has established a complete internal complaint system and well-defined Internal Complaint Procedures for employees to report or file a complaint. The Group's grievance reporting mechanism covers labor-management relations, employment rights, workplace harassment, and discrimination and is for employees to file in an orderly manner grievances, express opinions, and raise concerns about the Group's governance. The reporters' identity and the conversation shall be kept confidential and the Head of the Human Resources Department shall assure that the employee performance appraisal or promotion chances will not be affected by making such complaints.

The complaint shall be reported to immediate supervisor or department head and the Head of the Human Resources Department or the concerned party shall give feedback or arrange a meeting to further discuss with the staff within two weeks.

*Employee Satisfaction Survey*

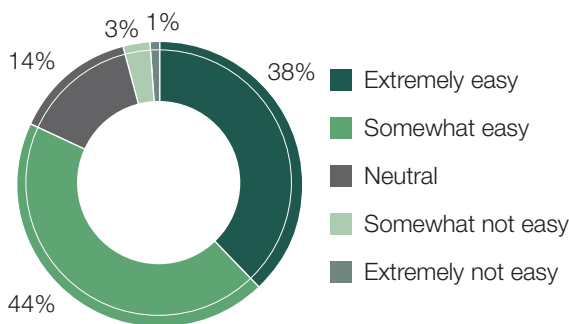
In 2022, the Company conducted an anonymous Employee Satisfaction Survey with all employees to understand the level of their satisfaction with the Company in regards to the sense of belonging, career development, supervisor and job satisfaction. Based on the results of the feedback, the Human Resources Department made suggestions and formulated solutions for improvement to create a more harmonious working environment with a high level of satisfaction.

During the year, the Employee Satisfaction Survey was distributed to all employees with 408 valid questionnaires collected, representing a response rate of 65% (21 percentage points higher than 2021), and the overall staff satisfaction rate reached 75%. The results of the survey showed that:

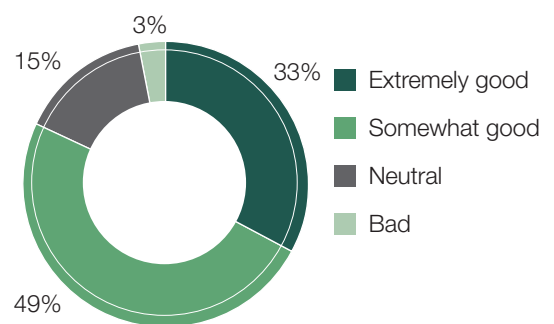
- For corporate identity and sense of belonging, the majority of employees taking part in the survey have a sense of pride in the corporate brand, and highly recommend the Company as a good place to work which reflect the high satisfactory rate of employees.
- For career development, 76% of the respondents were satisfied with the opportunities provided by the Company to apply their talents and expertise which fit for their career development. 31% of the respondents described their work are challenging and provided them an opportunity to strengthen, develop, and learn skills applicable to the work and more than half of staff believed the level of challenge is adequate to demonstrate their competence in the Company.
- For supervisor performance and motivation, 82% (see chart 1) of the respondents taking part in the survey believed that they could easily get help from their supervisors at work; and 79% of the respondents taking part in the survey believed that their supervisors listened to employees' opinions when making decisions and valued their feedback, which motivates them to work harder.
- For the job satisfaction of work, 82% (see chart 2) of the respondents taking part in the survey believed that they had good communication with their colleagues and more than half of them responded that they can easily get help from colleagues when they need it, which can facilitate their work efficiency.

The Group conducts the Employee Satisfaction Survey annually, and will be committed to gradually improving the response rate and satisfaction of employees.

**Chart 1: Obtain help from supervisor**



**Chart 2: Communicate with team members**



## 6. Social Responsibility

**6.2.3 Health and Well-being**

The Group has been highly valuing occupational health, safety, and well-being and endeavoring to create a safe and comfortable working environment for employees. Relevant policies are set out in the *Staff Handbook* to guide the daily management of occupational safety and health and ensure compliance with the *Occupational Safety and Health Ordinance* and other relevant laws and regulations.

There were no reported work-related fatalities and injuries during the year or the previous two financial years.

*Employee Care and Benefits*

The Group has taken various measures to protect employees from occupational diseases. For example, in the Group's offices, adjustable working chairs and blue-light-cut screens are provided for the health of employees' necks, back, and eyes, while air purifiers have been equipped to improve indoor air quality.

The Group provides fringe benefits to employees such as a competitive medical insurance scheme package, life insurance, disability insurance, business travel insurance, annual physical check-up, and dental benefits.

In addition, the Group takes family-friendly policies and measures to better take care of its employees' well-being. All employees and their family members were offered a voluntary top-up medical plan and the Group also provides dental and physical check-up for the family members of senior staff.

The *Staff Handbook* also outlines special work arrangements such as safety measures for bad weather conditions and fire control measures. All these benefits apply to all employees of the Group excluding the self-employed staff.

In 2022, to further provide support for employees' physical and mental health and assist them in alleviating pressure, the Group has organized programs for health and mental counseling and cooperated with fitness centers to provide course discounts for its employees.

*Measures in Responding to COVID-19 Pandemic*

The fluctuation of the COVID-19 pandemic during the year 2022 kept posing challenges for the Group and its employees in terms of normal working and business operations. In this situation, the Group continued to take effective measures to protect our employees in line with local governmental guidelines, including but not limited to:

**Measures on the COVID-19 Pandemic**

- Offered flexible working arrangements by implementing an A/B team rotation system and "minimum-scale office mode" based on the seriousness of the pandemic to ensure the Company's normal operations;
- Distributed masks to employees and provide hand sanitizers in office areas;
- Compulsory temperature screening at the entrance of offices;
- Encouraged all staff and visitors to scan LeaveHomeSafe/SafeEntry QR Code before entering premises;
- Arranged cleaning and disinfecting for the office premises more frequently to ensure workplace hygiene; and
- Encouraged online video conference and telephone conference instead of face-to-face business meeting.

## 6.2.4 Training and Development

### *Comprehensive Training Opportunities*

The Group places a high priority on the development and self-achievement of its employees and is devoted to providing employees with a promising career path and sufficient training and supporting resources for their occupational development.

Every year, the Group provides various occupational training for employees covering product management, occupational ethics, compliance, marketing knowledge, and other professional topics.

To ensure employees can access training resources more conveniently, the Group has established an e-learning platform and launched various kinds of online training courses. Among the online courses, five courses are compulsory for all staff to attend, including the courses regarding anti-money laundering and counter-terrorist financing, information security and cyber risk awareness, notification to the SFC – paragraph 12.5 of *Code of Conduct*, anti-bribery and anti-corruption and client complaint handling. Other than the above, altogether eight courses are provided for new employees, such as new staff compliance training and AML new staff training, etc. Employees can also choose to take other online courses based on their needs freely.

In 2022, over 20 online courses were available on the e-learning platform for all employees, covering topics relating to product knowledge and macro-financial environments, such as the topics of artificial intelligence application in risk management and business operations, quantitative trading, equity options and warrants, as well as ESG investing including green bonds, social bonds, and sustainable investment instruments. In total, there were 116 attendances recorded for the abovementioned training. Besides, there were four sessions of training provided for management trainees in 2022, covering the themes of bond market knowledge, ESG and socially responsible investing, the life of a trade, as well as corporate finance.

During the year, the Group has continuously provided sufficient training resources and courses for employees to achieve self-development. The Group's total training hours of employees in 2022 has increased by 204% to 18,883.50 hours, compared to 6,220.6 hours in 2021; the average training hours of employee in 2022 has increased by 236% to 30.21 hours, compared to 9 hours in 2021. In 2022, the overall training sessions of various kinds covered 100% of the Company's employees. The details of training statistics are as below:



## 6. Social Responsibility

**Employee Training Statistics**

Training Hours by Gender and by Position Grade	2022		2021	
	Total training hours	Average training hours <sup>1</sup>	Total training hours	Average training hours <sup>1</sup>
<b>Gender</b>				
Male	10,972.25	31.53	2,687.85	6.95
Female	7,911.25	28.56	3,532.75	11.62
<b>Position Grade</b>				
Management	4,977.50	31.91	1,418.60	8.49
Manager	5,781.25	30.11	1,530.50	8.27
General Staff	8,124.75	29.33	3,271.50	9.65
<b>Total</b>	<b>18,883.50</b>	<b>30.21</b>	<b>6,220.60</b>	<b>9.00</b>

Trained Employee by Gender and by Position Grade	2022		2021	
	Number	Proportion <sup>2</sup>	Number	Proportion <sup>2</sup>
<b>Gender</b>				
Male	348	56%	387	56%
Female	277	44%	304	44%
<b>Position Grade</b>				
Management	156	25%	167	24%
Manager	192	31%	185	27%
General Staff	277	44%	339	49%

**Training Reimbursement**

The Group encourages its employees to further develop their professional knowledge and skills to enhance its overall competitiveness. According to the *Staff Handbook*, all employees upon completion of probation are welcomed to apply for training reimbursement for work-related courses, licenses, and membership fees. Meanwhile, the Group offers study leaves to employees who are taking job-related examinations, as set out in the *Staff Handbook*.

In 2022, the Group continued to offer reimbursement and leaves to its employees on their external professional training programs or memberships from the entities such as Hong Kong Securities and Investment Institute (HKSI), Hong Kong Institute of Certified Public Accountants (HKICPA), and Chartered Financial Analyst (CFA) Institute.

Note:

- 1 The calculation formula of average training hours for each category is: average training hours in the specified category = total training hours in that category / the total number of employees in that category by the end of the year.
- 2 The calculation formula of trained employee proportion for each category is: trained employee proportion in the specified category = the number of trained employees in that category / the total number of trained employees of the Group × 100%.

6. Social Responsibility

*Management Trainee Program*

As one of the top-tier financial institutions in Hong Kong, we have launched the “Management Trainee Program” to foster more potential talents in the new generation to be our future leaders. This two-year program offers a holistic development scope for the talented trainees to maximize exposure to essential job-related knowledge and skills through rotations in core departments including both frontline and back office, which allows them to gain solid work exposure for long-term development. Upon successful completion of the two-year program, management trainees will be placed in a designated department, taking into consideration of their professional knowledge, competencies, career objective, as well as the Company’s business plan and development. Excellent performers with high potential will be promoted to senior positions.

The Company has successfully recruited six management trainees after competitive selection procedures and they commenced work in August and September 2022. The Company has also assigned mentors to management trainees and provided guidance and support to them. With the experienced advice and up-to-date market insights from the mentors, the Company hopes management trainees can grow up quickly and equip themselves as professional personnel in the future.



*Performance Appraisal*

The Company conducts the annual performance appraisal for employees to better understand their needs and help them identify their strengths and rooms for improvement so that specific training and other study resources can be provided based on their positions and development preference.

The performance appraisal procedures are set out as follows:

1. Goals and key performance indicators ("KPI(s)") setting	2. Mid-year review	3. Annual review
Assist subordinates in setting relevant goals by supervisors	Track the progress, allowing subordinates to focus on areas where improvement is required	Promote employees who prove to have capabilities to take up greater responsibility

## 6. Social Responsibility

## 6.2.5 Recognition

The efforts of the Group in consistently improving employee well-being and development have been widely recognized by various organizations and governmental departments.

In 2022, the Group has been awarded “Best Companies to Work for in Asia” by HR Asia, one of the most authoritative and global publications in the field of human resources. Besides, the Group has been awarded as “Caring Company” by Hong Kong Council of Social Service, “Happy Company Award” by the Promoting Happiness Index Foundation and Hong Kong Productivity Council, and “Good Employer Charter” by Hong Kong Labour Department, etc. for several consecutive years.



All these recognitions encourage the Group to continuously place a high priority on employees' health, safety, well-being and development opportunities.

## 6.3 Supply Chain Management

The Group believes that sustainable management of its suppliers is an important part of successful ESG practices.

### Supplier Evaluation Integrated with ESG Concepts

To expand its sustainability philosophy and strategy into the whole supply chain, the Group has implemented the *Supplier Sustainable Policy*, containing various principles related to ESG issues and risks. These principles shall be considered in the selection, review, engagement, and contract renewal process of all suppliers and the supplier ESG risk assessment shall be conducted on an ongoing basis during the contract term. In case of any material negative news or behavior of an engaged supplier, the relevant departments shall conduct an immediate assessment and determine the necessary follow-ups.

In addition, all key suppliers are required to sign a confirmation to follow the ESG principles set out in the *Supplier Sustainable Policy* before engagement. For the cases where a key supplier refuses to sign the confirmation, an assessment of the ESG risks of engaging the supplier shall be conducted before the formal engagement.

The *ESG Policy* outlines the assessment criteria and due diligence process of supplier engagement to ensure the quality of supplied services and products. The Group conducts the annual review and keeps close communication with suppliers to reduce the risks along its supply chain.

#### *Green Procurement*

The Group also encourages the procurement of products and services with higher environmental friendliness and lower carbon footprint. When purchasing office paper, the Group will choose thinner paper and paper with the Forest Stewardship Council (FSC) label. Vehicles with higher energy efficiency or using cleaner fuels will also be preferable to the Group compared with traditional vehicles.

#### *ESG Risk Management in Supply Chain*

To further enhance the sustainability of our supply chain and procurement, the Group has also incorporated ESG factors into its scoring mechanism for tendering process to better manage the environmental and social risks in the supply chain. For example, the Group's *Policy on Professional Integrity* requires its business partners including external agencies, to sign an *Integrity Undertaking* in the format and contents as requested by the Group or incorporate anti-bribery terms in the relevant contracts. If the abovementioned requirements cannot be fulfilled for any special rationales, the relevant departments shall provide an explanation to the Legal and Compliance Department as well as implement control measures to mitigate potential social risks of the involved business partners.

Geographical Location of Suppliers	Number of Suppliers in 2022
Hong Kong	199
Mainland China	28
Singapore	19
United States	9
Cayman Islands	3
Europe	2
Vietnam	2
Other Regions	11
<b>Total</b>	<b>273</b>

## 6. Social Responsibility

## 6.4 Investor and Shareholder Relations Management

**Communications Policy and Channel**

The Group aims to enhance shareholders' and other stakeholders' understanding of the Group's financial performance, strategic plan, ESG-related initiatives, and growth prospects. The Group stringently complies with its *Shareholder Communication Policy* and *Dividend Policy* which is published on the Group's website. Under the supervision of the Company Secretary, the investor relations team is designated to handle the inquiries from and arrange meetings with investors and media. Shareholders and other stakeholders may send their written inquiries at any time to the Board through the Company Secretary. Besides, there are also multiple communication channels provided to shareholders and other stakeholders.

To contact the Company's investor relations team and visit the dedicated webpage, please refer to:

Investor Relations Contact:  
✉ [ir@gtjas.com.hk](mailto:ir@gtjas.com.hk)

Company Secretary Contact:  
✉ [comsec@gtjas.com.hk](mailto:comsec@gtjas.com.hk)

 [Investor Relations Page on Website](#)

*Handling Inside Information*

Out of the consideration of the integrity of the capital market and the interest of shareholders, the Group has made all efforts to prevent the management and the staff from trading or causing others to trade on insider information (material non-public information) of the Group.

The Group has formulated the *Policy on Disclosure of Inside Information*, which defines the inside information and regulatory requirements and lists the guiding principles, practices, and procedures to ensure that all inside information of the Group shall be disseminated to the public in an equal and timely manner in compliance with applicable laws and regulations, including but not limited to, the *Securities and Futures Ordinance*, the *Rules Governing the Listing of Securities on the Stock Exchange* ("Listing Rules"), and the industry best practices. Meanwhile, the Group has stringent proprietary trading procedures to prohibit staff who possess inside information about the Group from trading the Group's securities.

Once there is evidence of suspected insider dealing, the Legal and Compliance Department will investigate the matter and take appropriate follow-up actions, including but not limited to, reporting the incident to the SFC or any other regulatory/enforcement bodies.

*Communications During COVID-19*

The Group values the safety and well-being of shareholders and other stakeholders. Facing the COVID-19 pandemic in 2022, the Group has consistently taken various measures to ensure the health and safety of shareholders and other stakeholders, such as imposing social distancing restrictions for face-to-face communications. In addition, special arrangements were adopted for general meetings held during the year, in order to minimize attendance in person, shareholders were enabled to vote online and ask questions through electronic means.

## 6.5 Community Service and Caring

As a responsible corporate citizen, the Group keeps a close eye on the development of the local communities where its business operates and gives back to society by enhancing community investment and creating shared value for the community, with three focus areas, namely poverty, education, and environmental protection. To this end, the Group has established a Volunteer Service Recognition Scheme, encouraging employees to actively take part in community services by providing compensation leave, appreciation certificates, and shopping vouchers to employees for their participation in volunteer activities, in accordance with their cumulative annual serving hours.

In 2022, the Group has donated HK\$110,200 in total and organized and participated in seven community service activities or giveaway initiatives for the elderly, and people in need, as well as environmental protection, in efforts to contribute to social harmony. During the year, the total hours for volunteer services by employees amounted to 444 hours, increased by 36% as compared with 2021.

Community Service Activity	Partnered Organization	Period
Hong Kong Red Cross Flag Day (Online)	Hong Kong Red Cross	February 2022
Earth Hour	World Wildlife Fund	March 2022
Donation of Desktop Computers (Caritas Computer Workshop)	Hong Kong Computer Society	June 2022
Christian Action Flag Day	Christian Action	June 2022
Meal Preparation with Food Angel	Bo Charity Foundation	July 2022
Home Visit to the Elderly	Hong Kong Society for the Aged	August 2022
Coastline Recovery	World Wildlife Fund	November 2022



## 6. Social Responsibility

*Community Voluntary Services*

Caring about the local community, the Company is committed to giving back to society through various community voluntary services. In 2022, the Company cooperated again with the Food Angel by Bo Charity Foundation to organize the workshop, prepared healthy meals for the people in need. Moreover, during the year, the Company also organized a senior citizen visit activity, which many employees participated in it voluntarily. The volunteers not only delivered daily necessities but also brought warm greetings from door to door, expressing their care and love to the local senior citizens.



*Food Angel meal preparation*



*Materials allocation before the visit the senior citizens*



*Debriefing of the senior citizen visit*



*Visiting the senior citizens door to door*

6. Social Responsibility

*Flag Selling and Donation*

Flag selling is a special charity activity in Hong Kong local community. The Company's employees actively participate in the activity, showing care to the vulnerable groups in the society. In February 2022, in response to the rebound of the pandemic, Hong Kong Red Cross launched an online volunteer recruitment to take part in the flag selling throughout the city. There were totally 46 employees of the Company participated in the activity and all the donations raised were used for the maintenance and development of the human right, such as the first-aid service, community caring, and youth development, etc. In addition, in July 2022, the Company's employees participated in another donation activity on a flag selling day, donations raised were used for the support of low-income families, ethnic minorities and refugees.



*Award of Active Participation by Hong Kong Red Cross*



*Voluntary employees participating in the flag selling*

*Environmental Protection Practices*

The Company has always been actively organizing and participating in the environmental protection practices, contributing to a cleaner and greener environment. During the year, the volunteer team actively participated in and completed the Coastline Recovery activity organized by the World Wildlife Fund (WWF), which is another large-scale environmental protection activity after the Tree Planting Challenge in 2021. In this activity, the Company's directors, management and employees together removed garbage, cleaned the coastline, and deepened their understanding of the importance of coastline ecosystem protection.



*Coastline Recovery activity*



*Learning coastline waste sorting knowledge*



## 7. Environmental Responsibility



UNSDGs related to this section

The Group actively takes the responsibility to contribute to environmental sustainability and thrives to minimize the adverse impacts of its business on the environment and ecology. The Group stringently complies with the *Waste Disposal Ordinance* and other applicable environment-related laws, regulations, and industry requirements in the place where its business is located. There are multiple policies and measures of the Group in place to improve its environmental impact management by eliminating and mitigating environmental pollution, reducing waste disposal, saving energy and natural resources, as well as strengthening employee training on environmental protection.

## 7.1 Environmental Targets

In 2022, the ESG Committee approved the environmental targets and plans, and reported to the Board.

### Air Pollutants and Greenhouse Gas (“GHG”)

Aspect	Metrics	Specific targets and plans	Target time
Direct air pollutant and GHG emissions (scope 1)	Vehicle petrol and fugitive emissions (refrigerant)	1. Replace traditional-fuel vehicles with cleaner alternative-fuel vehicles on demand	2030
		2. Conduct monthly statistics on fuel consumption and form quarterly report analysis and regularly analyse fuel consumption trends based on quarterly reports to avoid wasting resources	2023
		3. Relocate FM-200 (a waterless fire suppression system) after server room project completion	June 2023
Indirect air pollutant and GHG emissions (scope 2)	Electricity and cooling consumption	1. Control room temperature of air conditioning over 25°C for offices where the Group can adjust the temperature of the air conditioner	2023
		2. Keep putting power-saving signages near the switch to enhance the awareness of electricity saving	2023
		3. Set the Group's computers to automatically lock the screen at a certain time to save power	On-going
		4. Move computer servers to data centers to reduce the cooling consumption	May 2023
		5. Promote the adoption of cloud technologies as a part of the IT strategy, as well as implement more services in public cloud to reduce the electricity and cooling utilization	December 2023
Indirect air pollutant and GHG emissions (scope 3)	Air business travels and disposal of paper waste	Further promote office digitalization to reduce use of paper, such as: <ul style="list-style-type: none"> <li>Enhance electronic forms, digitalize account opening process through the internet</li> <li>Design and establish more internal workflows on Office Administrative (“OA”) system to lower the usage of paper</li> </ul>	On-going

## 7. Environmental Responsibility

**Waste Emission**

Aspect	Metrics	Specific targets and plans	Target time
Hazardous waste	Waste toner, cartridge, light tubes, computers, and servers	1. Return waste toners and cartridges to supplier for proper handling	On-going
		2. Return waste light tubes to the building management office for proper handling	On-going
Non-hazardous waste	Domestic waste and used paper	1. Recycle wastepaper through the qualified vendors by making paper torn into shreds (of width not bigger than 8mm) and reducing to pulp by the cross-cut shredder	On-going
		2. Conduct Customer Satisfaction Survey by phone recorded system/online CS Chatbot, instead of using paper to record the survey	2023
		3. Continue to enhance the new Cloud Account Opening (CAO) platform for online account opening to reduce the paper consumption	2023

**Energy Consumption Efficiency**

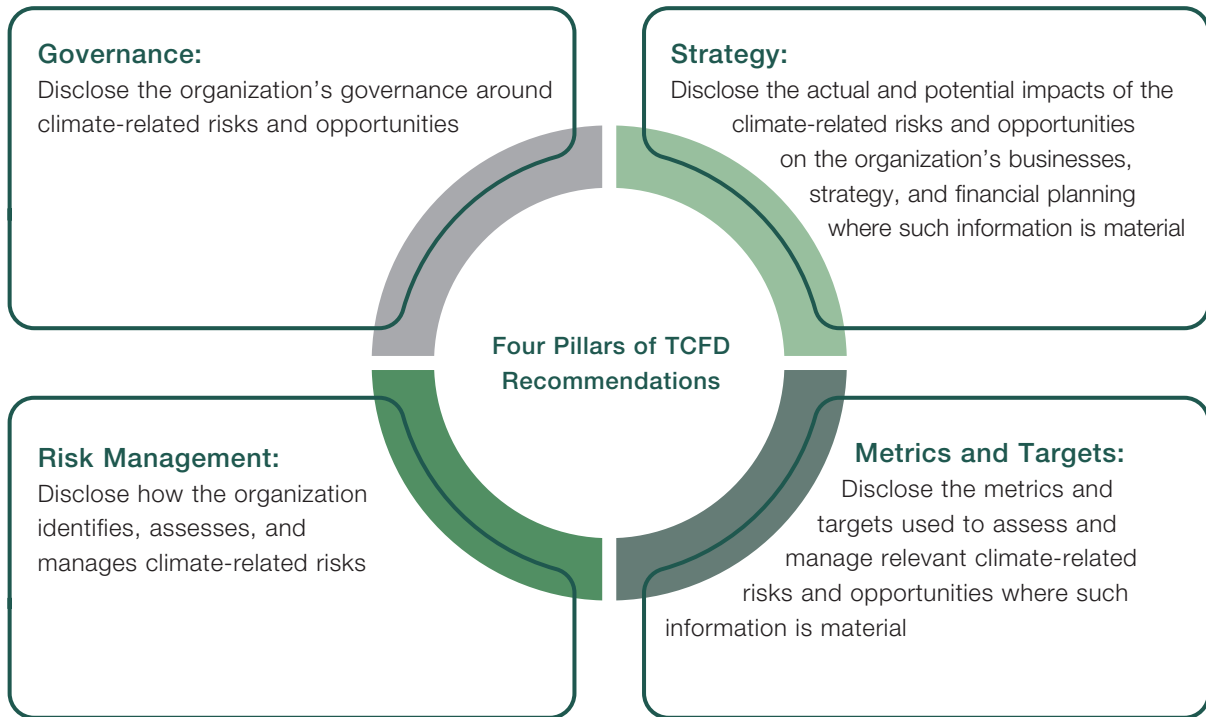
Aspect	Metrics	Specific targets and plans	Target time
Energy consumption	Energy utility intensity (in MWh per employee or MWh per sq. ft. office area)	1. Implement Virtual Desktop Infrastructure (VDI) service and extend adoption of Virtual Private Network (VPN) that support both normal operation and Business Continuity Plan (BCP) to facilitate the implementation of hot desk initiatives and possibly reduce the total number of PC per desk	September 2023
		2. Adopt virtual machine (VM) and containerization to improve the utilization of server hardware and as a result to reduce the total number of servers	December 2023

**Water Consumption Efficiency**

Aspect	Metrics	Specific targets and plans	Target time
Water consumption	Not applicable as there is no individual water meter installed by the premise management company		

## 7.2 Tackling Climate Change

As a responsible financial institution, the Group has actively started to identify, assess, and manage climate risks during its business operations in recent years. The Group disclosed the management and performance on climate change reaction in this session, from four pillar perspectives of governance, strategy, risk management, and metrics and targets, in accordance with the TCFD recommendations.





## 7. Environmental Responsibility

### 7.2.1 Climate Risk Governance

A robust governance structure and policies are the foundation for sound climate change risk management. During the year, the Board has adopted the group-wide *Climate Change Policy* and it is embedded in the four-tier ESG governance structure, and sets out the duties and responsibilities of each tier. The policy provides guidance on climate change-related data analysis, risk assessment and management measures, goal setting and promotion of low-carbon culture, performance disclosure, and the integration of climate change factors into finance and investment decision-making processes and other related matters.

The Board is ultimately responsible for overseeing climate-related strategies and objectives, as well as managing climate-related material issues and risks. As delegated by the Board, the ESG committee assists the Board to formulate climate strategies and plans, identify, assess, manage and review of climate-related issues, risks and opportunities, targets and progress. The ESG Working Group, under the ESG Committee, is responsible for implementing climate strategies, policies and other measures, formulating specific work plans, and reporting to the ESG Committee on a regular basis so that the ESG Committee could keep up to date the latest information on climate change in the industry. The ESG Coordination Office is responsible for coordinating work on climate change issues among the ESG Committee (the Board level), management and ESG Working Group (operational level) to ensure the full execution of climate strategies and projects. In addition, the Sustainable Finance Functional Division, the Low-carbon Office Functional Division and ESG Disclosure Functional Division work closely with business units and departments to promote climate sustainable finance and investment projects, cultivate a green working culture and atmosphere among employees and disclose the climate-related information through multiple channels, respectively.



### 7.2.2 Strategy

In 2022, the Group has identified and assessed the climate risks that pose adverse impacts on its businesses and developed corresponding strategies to strengthen the management of the specific climate risks. During the reporting period, physical risks, including acute risk and chronic risk, as well as the policy and legal risks under the transition risks were identified as less significant to the Group. Therefore, only transition risks that have a relatively high impact are disclosed in the report, namely market-related risk, technology risk, and reputation risk. The details are listed in the table below:

Risk Category	Risk Type	Risk Impact	Response and Measures
Market-related Risk <sup>1</sup>	Intensified competition of green financial products in the industry	The rapid development of peer enterprises in the field of green finance may bring competitive pressure to the Group	Updating the development strategy of the Group in the green finance field, incorporating climate change factors into the investment process, and planning to launch climate-related funds in the future
	Changes in consumer behavior	With customers preferring green services, failure in green transformation may cause the reduced market competitiveness of the Group	Adopting the existing ESG scoring system when the private equity team of the Wealth Management Department selects the investee companies and further meets the needs of the customers who are inclined to the green industry
	Increased systemic risks in financial and capital markets induced by climate change issues	Climate-related policies and regulations may cause more fluctuations in various economic indicators such as GDP, CPI, import and export, stock market, and interest rate and pose more uncertainty for the whole capital market	The Risk Management Department considers stock market and interest rate changes caused by climate change as risk factors and closely monitors the counterparty and market conditions according to the current monitoring report and process; The Asset Management Department monitors investee companies' ESG and carbon-related ratings and their transition and physical climate change risks
	Market direction changes affected by climate change issues	Climate-related actions of the government and authorities may cause long-term effects on the operation and assets of certain climate-sensitive industries, which might be the clients of the Group and therefore affect the profitability of the Group indirectly	The Risk Management Department conducts a regular analysis of the industry distribution of business departments, focusing on climate change-sensitive industries, and conducts climate change due diligence with the frontline units, to mitigate possible risks
	Changes in the supply chain	Suppliers failing to meet the market and the Group's requirement for better climate risk management performance may cause supply shortages or increase of procurement costs	Evaluating the overall operating performance of the suppliers during the procurement process and extending the supplier network to the global scope to ensure the stability of the supply chains

<sup>1</sup> The Market-related Risk here is defined as TCFD's recommendation, referring to the risk that markets could be affected by climate change through shifts in supply and demand for certain commodities, products, and services.

## 7. Environmental Responsibility

Risk Category	Risk Type	Risk Impact	Response and Measures
Technology Risk	Low-carbon technology transformation expenditure	Replacement of renewable energy or energy-saving equipment may result in the early retirement of existing assets and raise operating costs	Taking the environment and climate-friendly materials and energy-saving equipment and hardware into consideration when making procurement decisions
	Replacing existing products and services with low-carbon solutions	New risks will be raised when adopting financial technology and digitalizing the operation, such as the increase of research and new technology expenses, new business affecting the development of existing business, more security risks, and the rise of maintenance costs	Upgrading the operational risk structure and control tools, requiring departments to update Risk Control Self Assessment and Key Risk Indicator annually to avoid operational risks; preferably selecting investee companies in the mature development phase during the screening process to avoid risky projects or companies; setting Electronic Trading, Tech Risk and Fin-Tech Steering Committee (ETSC) to monitor, approve and review fin-tech and digital operation projects related risks
Reputation Risk	Transfer of consumer preferences	With the low carbon trend, more customers prefer to partner with corporates with a greener image to carry out business and the failure in climate change management may damage the Group's reputation and reduce the attractiveness of such customers	Participating in more ESG-related activities in the name of the Group, better disclosing the Group's investment and performance in the ESG field to customers to build and maintain a green image and good reputation of the Group

The climate risk assessment helped the Group to better understand its current situation of climate change management and provide reference for the future direction of improvement. In the future, the Group will continuously track the latest changes in climate risk, and further consider carrying out climate scenario analysis and climate stress tests to more accurately assess the climate risks related to the Group. In addition, the Group will endeavor to establish and improve the effective and appropriate climate risk management mechanism to reduce the potential impact of relevant climate-related risks and seize climate change-related opportunities.

### 7.2.3 Climate Risk Management

The Group's climate risk identification and assessment include the analysis of megatrends and the financial impacts on the Group's operations and business, as well as internal stakeholder engagement and evaluation. After the specific climate risks have been identified and assessed as material, the Group develops corresponding control and management measures and strategies to improve its risk management level and capability. In particular, based on the risk assessment results, the Group has been working on the incorporation of climate factors into the overall risk appetite assessment of all business units and departments.

1.	Analysis of megatrend and identify the potential climate risks
2.	Internal engagement of business units and departments for risk assessment based on the impacts on the Group's business
3.	Make appropriate measures to respond to the climate risks that are assessed as material to the Group
4.	Incorporation of climate factors into the overall risk appetite assessment of all business units and departments

#### Business Continuity Plans

In addition, as a response to the possible extreme weather events as one of the specific physical climate change risks, the Group has stipulated the Business Continuity Plans ("BCPs") and established a comprehensive BCP framework based on the identification and assessment of the key processes and supporting functions of each core business. The relevant backup plan has been designed, tested, reviewed, and implemented to prevent significant disruptions in our business operations in the occurrence of extreme weather and other significant disasters. The Group also has a complete mechanism to regularly update the BCPs to ensure their validity and robustness.

## 7. Environmental Responsibility

## 7.2.4 Metrics and Targets

The Group keeps a close eye on the key climate-related metrics and indicators, keeps track of the record of its scope 1, scope 2, and part of scope 3 greenhouse gas emissions, and reports related information in the ESG Report fairly and truthfully. The quantitative process of the related indicators is conducted with reference to *GHG Protocol, Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, ESG Reporting Guide*, and other standards suggested by the Stock Exchange. In 2022, due to the less use of vehicles and fire suppression system optimization, the scope 1 GHG emission decreased by 68% than 2021; due to the reduced generation of landfilled office wastepaper and less air business travel, the scope 3 GHG emission decreased by 39% than 2021. Besides, the scope 2 GHG emission also slightly reduced due to the electricity-saving efforts. Please refer to the table below for details:

GHG Emissions <sup>1</sup>	2022	2021	Unit
– Scope 1 emissions <sup>2</sup>	12.0	38.0	tonnes CO <sub>2</sub> -eq
– Scope 2 emissions <sup>3</sup>	956.4	982.8	tonnes CO <sub>2</sub> -eq
– Scope 3 emissions <sup>4</sup>	90.3	148.4	tonnes CO <sub>2</sub> -eq
<b>Total GHG emissions</b>	<b>1,058.7</b>	<b>1,169.2</b>	<b>tonnes CO<sub>2</sub>-eq</b>
<b>GHG emission intensity</b>	<b>1.7</b>	<b>1.7</b>	<b>tonnes CO<sub>2</sub>-eq/employee</b>
<b>GHG emission intensity<sup>5</sup></b>	<b>0.013</b>	<b>0.014</b>	<b>tonnes CO<sub>2</sub>-eq/sq.ft.</b>

<sup>1</sup> The quantification process of GHG emissions follows the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong* published by the Electrical and Mechanical Services Department and the Environmental Protection Department, with reference to international standards such as the *Greenhouse Gas Protocol* and the ISO 14064-1 standard.

<sup>2</sup> Scope 1 includes direct emissions from combustion of fuel (i.e., petrol) in mobile sources and fugitive releases from equipment and systems.

<sup>3</sup> Scope 2 includes energy indirect emissions from purchased electricity from power companies and purchased cooling from facilities management.

<sup>4</sup> Scope 3 includes other indirect emissions from business travels and methane gas generated from landfilled wastepaper at Hong Kong's landfills.

<sup>5</sup> The total office area data used for intensity calculation in this report is 80,922 sq.ft.

*Business Travel Emission*

Especially, for scope 3 emission of GHG, we track and record the statistic of the business travels and methane gas generated by the landfilled wastepaper in the current stage. In the future, the Company will endeavor to extend the scope 3 emission coverage to its value chain to further improve the carbon footprint disclosure comprehensively. The breakdown details of scope 3 GHG emissions are as follows:

Scope 3 Emission	2022	2021	Unit
From business travel	86.22	123.92	tonnes CO <sub>2</sub> -eq
From landfilled wastepaper	4.04	24.52	tonnes CO <sub>2</sub> -eq

*Targets*

In addition, the Group has set the overall short to medium-term target of climate change at the operational level that an obvious reduction of carbon emissions should be achieved by 2030, together with specific action plans. In terms of the GHG generated by vehicles, the Group will strive to control and reduce the emissions by giving priority to energy-saving vehicles in the procurement process. As for fire extinguishing agents, another major source of GHG, the Group will gradually reduce the use of FM200 (fire suppression system) which has a higher global warming potential. Besides, when assessing and engaging outsourced data centers, the Group will constantly monitor the progress of FM200 (fire suppression system) replacement.

## 7. Environmental Responsibility

In the future, the Group will thrive to set more detailed targets and objectives in specific categories under the climate change topic to more effectively manage its climate change tackling performance.

### 7.3 Resource and Energy Use

As a financial institution, the impact of the business operations of the Group on the natural resources and environment is not significant. Nevertheless, the Group is committed to utilizing resources and energy highly responsible.

#### Paper Consumption

During the daily operation, the most consumed resource of the Group is office paper and the Group has taken a series of measures to minimize paper consumption through cross-department cooperation.

In 2022, the Group has been further promoting office digitalization to reduce the use of paper by enhancing electronic form unitization, digitalizing the account opening process through the internet, designing and establishing more internal workflows on the OA system, launching eForms/eQuestionnaires platform, building human resources document management system, implementing SAP Concur for invoices payment, and requesting vendors to send e-invoices instead of hard copies.



Signage to encourage paper recycling

For unavoidable paper use, the Group makes efforts to reduce consumption as much as possible. For example, the Group purchases thinner paper (from 80g/m<sup>2</sup> to 75g/m<sup>2</sup>) as well as printer paper with Forest Stewardship Council (FSC) label and encourages the full use of the blank area on the paper for drafting or other internal purposes. Besides, printing in black and white and double-sided are set as default for printers in the office.

#### Water Utility

The Group mainly sourced water from municipal supplies and has no issue in sourcing water that is fit for its operations. To strengthen employees' water-saving awareness, the Group has posted reminders around the offices. Leakage sensors have also been installed at the basins to prevent water waste from leakage.

Since the water consumption data are recorded uniformly by the building management office and the Group does not have individual water meters installed in its offices, the water consumption amount is not applicable for disclosure.



Signage to encourage water saving



## 7. Environmental Responsibility

**Energy Management**

The major energy involved in the Group's daily operations is electricity. To further improve the electricity efficiency of the offices, the Group has launched a large renovation program and has been gradually replacing the existing T5 and T8 incandescent tubes with LED lamps in the office area for the whole floor, which is approximately 10,000 square feet net. For the coming renovation projects, the Group will also install energy-saving products such as motion sensors, zone timers as well as the open plan layout to further save energy.



Switch off lights before leaving the office



Energy saving for all

In addition, the Group also encourages business users to use video conferences via platforms such as Teams, ZOOM, and Tencent Meeting in which the IT department provides full support, to reduce business travel.

The energy use details in 2022 are summarized below:

Energy Use <sup>1</sup>	2022	2021	Unit
Petrol	34.1	51.0	MWh
Electricity	1,141.3	1,194.7	MWh
Cooling	232.0	207.5	MWh
<b>Total energy consumption</b>	<b>1,407.3</b>	<b>1,453.2</b>	<b>MWh</b>
<b>Intensity of energy consumption</b>	<b>2.3</b>	<b>2.1</b>	<b>MWh/employee</b>
<b>Intensity of energy consumption</b>	<b>0.017</b>	<b>0.018</b>	<b>MWh/sq.ft.</b>

<sup>1</sup> The conversion factor adopted is sourced from the *Energy Statistics Manual* issued by European Commission.

## 7.4 Waste and Air Emissions

### Waste Management

The Group has been taking multiple effective measures to manage its waste and strictly abiding by the *Waste Disposal Ordinance* and other applicable laws and regulations. Most of the waste generated by the Group's business operations is non-hazardous waste, such as domestic garbage and wastepaper. To minimize the generation of non-hazardous waste, the Group provides reusable utensils in pantry rooms and encourages employees to bring their own food containers for takeout to avoid the unnecessary consumption of disposable plastic. The Group's operations only generate a small amount of hazardous waste, mainly including used cartridges, light tubes, and waste electronic devices. In particular, the used cartridge is returned to suppliers for proper handling, and the light tubes are collected and handled as chemical waste by the building management office, while the electronic devices are handled by vendors listed by Hong Kong Government as approved electronic waste disposal companies.



Plastic free label in office

The waste generation details in 2022 are summarized below:

Waste	2022	2021	Unit
<b>Total hazardous waste</b>	<b>3.3</b>	<b>0.9</b>	<b>tonnes</b>
Intensity of hazardous waste	5.3	1.3	tonnes/1,000 employees
Intensity of hazardous waste	0.041	0.011	tonnes/1,000 sq.ft.
<b>Total non-hazardous waste</b>	<b>13.1</b>	<b>15.7</b>	<b>tonnes</b>
Intensity of non-hazardous waste	21.0	22.8	tonnes/1,000 employees
Intensity of non-hazardous waste	0.162	0.194	tonnes/1,000 sq.ft.

During the reporting period, due to the reduction of domestic garbage, the amount of non-hazardous waste of the Company decreased compared to 2021. Besides, due to the Company's computer system upgrade program and replacement of old hardwares, the amount of hazardous waste has an increase than the previous year. The wasted electronic equipments have been handed over to the qualified recycling company, ensuring that the waste can be properly treated and disposed. In order to reduce the generation of electronic waste in a long run, the Company implements virtual desktop infrastructure (VDI), so as to manage and use existing equipment more efficiently, reduce the purchase demand for new computer equipment, and ultimately reduce the generation of electronic waste.

## 7. Environmental Responsibility

**Air Emission Management**

The Group's air emissions mainly come from the fuel combustion of passenger cars. The Group endeavors to minimize air emissions by first considering the most fuel-efficient vehicles or green vehicles when the procurement process is needed, applying energy-saving products, and encouraging employees to practice a low-carbon lifestyle and save electricity.

The air pollutant emission details in 2022 are summarized below:

<b>Air Emissions<sup>1</sup></b>	<b>2022</b>	<b>2021</b>	<b>Unit</b>
Nitrogen Oxides (NO <sub>x</sub> )	0.88	2.12	kg
Sulphur Oxides (SO <sub>x</sub> )	0.05	0.08	kg
Particulate Matter (PM)	0.02	0.16	kg

<sup>1</sup> Refer to combustion of fuels by vehicles for commercial use. The emission factors used were based on Hong Kong Environmental Protection Department's EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency's Vehicle Emission Modeling Software – MOBILE6.1.

## 8. Sustainable Finance and Responsible Investing



UNSDGs related to this section

### 8.1 Policies and Plans Integration

During the last few years, the Group updated the ESG policies and plans across all existing business lines, including wealth management, corporate finance (debt capital market, equity capital market, and IPO sponsor business), structured products and solutions, institutional business, and asset management. The policies set out the ESG criteria and screening principles for investment and financing projects while incorporating ESG factors into the risk assessment decision-making process, so as to achieve long-lasting value for its clients and deliver positive impacts on the environment and society. Specifically, the Group aims to raise the share of green and sustainable investment and financing among its businesses while avoiding controversial sectors such as weapons and pornography.

### 8.2 Responsible Investment Practice

The Group believes that the concept of responsible investment is highly relevant to our asset management, private equity and principle investment management business. All three investment management businesses have factored ESG considerations in their respective investment policies and pursue active stewardship as necessary.

#### 8.2.1 Asset Management

The asset management business provides diversified asset management services to corporate, institutional and individual investors. Products include public funds, private funds, investment advisory and integrated fund services, for equity, fixed income and alternative asset classes.

## 8. Sustainable Finance and Responsible Investing

### Policy Integration

The *ESG Policy for the Asset Management Business* of the Group was adopted and further updated in 2022. The policy now covers both public funds and private funds under its management. All listed equity and fixed-income funds should incorporate ESG factors in the investment decision process. The policy includes both emerging markets such as the Mainland China and developed markets such as Hong Kong. The policy applies to all investment stages including preliminary screening, investment research, due diligence, valuation, and portfolio construction and risk management. The team should evaluate the materiality of various ESG factors affecting their investment.

Specifically, before the investment team decides to invest in any securities, the team will analyze companies from the ESG perspective. The team will either use the ESG data provided by the companies or use research and reports provided by the external ESG data provider. Within the research, the initial step is to look at the carbon scores and ratings as it is most closely related to the climate risk of each company. When carbon scores and ratings are not available, the team will take a look at the overall ESG scores to determine whether the company is a good fit for investment.

The investment team should also actively encourage the practice of improving the investee company's ESG standards. The team should make different level of disclosures annually by releasing the portfolio carbon footprint according to *Greenhouse Gas Protocol*, methodologies used in the calculation, the assumptions and limitations of the methodology, and also the proportion of investments that are assessed or covered.

Additionally, the risk management division in the Asset Management Department should use scoring provided by external parties to periodically monitor the overall ESG risk of each fund such as GHG emissions, carbon risks, etc. Such scoring at a portfolio level should be monitored and meetings should be held periodically to assess and understand the risks involved.

In 2022, the risk management team has initiated a quarterly report to check the portfolio's ESG risk and GHG emissions. If there are any material change, then the risk management team will notify the investment team. Furthermore, the investment team will also be notified whenever any of the securities' carbon or ESG ratings are downgraded.

Along with the investment and risk team, there were dedicated analysts responsible for analyzing ESG issues and monitoring ESG policies execution during 2022.



### ESG Training

In 2022, the Asset Management Department organized several training sessions within the department and group-wide on ESG-related topics such as SFC regulations of ESG funds, PRI responsible investment signatory, ESG investment practice process and climate risk identifications and management.

### 8.2.2 Private Equity

The private equity business continued to gain a foothold among high-quality companies in the primary equity market of the Mainland China, tapping into industries including (i) artificial intelligence; (ii) autonomous driving and freight; (iii) green and sustainable development; (iv) internet; and (v) biotech.

#### Policy Integration

In 2022, the Private Equity Department polished its *Private Equity Management's ESG Policy*. The policy currently incorporates ESG factors into both the investment decision-making process and post-investment management while also covering the existing private equity funds.

This guideline mainly includes industry factors and the negative ESG screening process during the investment process. Specific industries with high ESG risks should be avoided, such as gambling, or industries with high energy consumption, high rate of pollution, and high social disputes, while priority should be given to industries that are encouraged by ESG, such as electric vehicle, renewable resources/energy, as well as ESG big data analysis. During the negative screening process, the following factors should be considered:

- (1) If there have been major pollution incidents subject to high penalties by the environmental supervision department;
- (2) If there are large-scale consumer collective rights protection incidents caused by defects in the company's products or services;
- (3) If there has been a serious debt crisis caused by improper financial management; and
- (4) If the management of the company has been involved in a serious corruption scandal.



## 8. Sustainable Finance and Responsible Investing

This guideline also sets out active ownership requirements. If the Group has a board seat in the investee company, it should actively uphold the ESG management in the decision-making of the investee company's board of directors. For projects that the Group has no director seat, the Group should assess through the interview and news channel to monitor whether there is a major ESG risk event in the bid. If there is a major ESG risk situation that may lead to a serious negative impact, it should be reported to the Investment Committee, and appropriate follow-up actions should be taken.

### 8.2.3 Principal Investment Management

The Group's PIM is mainly responsible for proprietary investments across different asset classes. Its investment scope currently covers listed equity and fixed income.

#### Policy Integration

In 2022, PIM published its ESG policy, and began to integrate ESG factors as part of the investment approaches.

Driven by PIM's investment horizon and focusing on quality, the team believes integrating material ESG factors, where relevant, across the investment disciplines, will improve risk-adjusted returns by reducing sustainability risks and/or uncovering compelling potential investment opportunities. When integrating ESG considerations into the stock/bond level due diligences, PIM leverages among others, on our analyst's knowledge and analysis, and engagement efforts with company. PIM investment portfolios will be monitored by its operation team separately for ESG considerations based on market-accepted matrices. Monthly ESG reports are presented to the Head of PIM while assessment reports are presented to ESG Working Group(s) periodically when called upon.

## 8.3 ESG Integration into Capital Markets Services

### 8.3.1 Debt Capital Market

The Company's debt capital market ("DCM") business provides a full range of customized services from project origination, execution, syndication to sales for corporate clients in both the Mainland China and Hong Kong. In 2022, The Company's DCM team has issued its "Statement on ESG Integration in Debt Capital Market Business in 2022", which includes:

**Issuance.** For ESG bond issuance, DCM team will act as ESG advisor to assist the issuer in selecting green/social projects, preparing supporting documents, and communicating with external reviewers to obtain accreditation. DCM team will also assist issuer in claiming the grants from Hong Kong Monetary Authority.

**Clients Training.** DCM team provides sustainable finance training and advisory to both issuers and investors, assisting them in enhancing their ESG awareness. Meanwhile, DCM team encourages and educates companies to issue ESG financial products, and make issuance plans for eligible issuers. In response to the green investment needs of international investors, DCM team offers them with ample resources of quality green bond assets.

## 8. Sustainable Finance and Responsible Investing

**More Products and Industry Coverage.** DCM team is also introducing more other ESG products such as sustainable bonds and social bonds to incubate market potential. In addition to traditional industries such as utilities and real estate, there are a large number of eligible ESG bond issuers in infrastructure development industries. In the future, DCM team will explore more new issuers in diversified sectors.

**Cultivate Green Workforce.** The Company organizes internal training on ESG bonds to coverage, execution and sales team. Meanwhile, DCM team continues to keep abreast of the green finance-related policies and regulations, maintains long-term cooperation with relevant institutions, encourages teams to proactively participate in various kinds of green finance-related activities, and increases the company's participation and competitiveness in the field of green finance.

As a member of Hong Kong Green Finance Association, the Company will continue to participate in discussions on green bonds and product innovation with other professional institutions, following closely on business development.

### 8.3.2 Equity Capital Market

The Company's equity capital market ("ECM") business provides services and products such as the underwriting of IPOs in the Hong Kong or the United States stock market as an underwriting syndicate and participates in the secondary market share issuance as a placement agent.

The ECM highly values the ESG risks and climate risk that may potentially bring material damage and economic loss to the economy and human being. In 2022, the Company's ECM team has issued its "Statement on ESG Integration in Equity Capital Market Business in 2022", which includes:

**For unlisted clients.** ESG assessments are conducted on clients using reference information from the Sustainability Accounting Standards Board (SASB) Materiality Map and MSCI ESG Industry Materiality Map on the market. One of the screening and evaluation criteria for stock underlying targets is to assess whether the stock issuer is pursuing economic benefits while taking into account the environment, society and governance. Corporate clients that pay attention to ESG can achieve better utilization of resources and use innovative management models, and give priority to enterprises with excellent ESG performance as project participants.

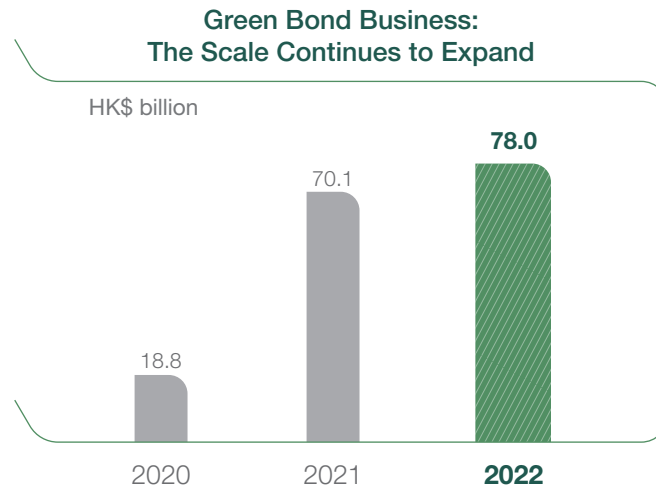
**For listed clients.** The ESG performance of listed companies can be assessed through public resources provided by well-known data providers as well as ESG rating agencies. Meanwhile, the annual ESG reports of listed clients and their ESG ratings (if any) will be examined by ECM team. ECM team will also actively explore the needs of companies to raise funds in the capital market in terms of ESG and their business development.

**Green Operation.** ECM team will actively control and reduce paper consumption and printing in the department, which can reduce paper waste and reduce the usage of print cartridges. The pre-listing materials such as research report will change from a print version to an electronic version for investors at the best efforts.

## 8. Sustainable Finance and Responsible Investing

### 8.4 Sustainable Finance Performance

Despite the strong volatility of the global capital markets in 2022, the Company's sustainable finance showed resilience, as total financing and investing amount of sustainable and green finance still exceed HK\$85.6 billion, covering various industries such as property development, renewable energy, biotechnology, automobile, recycling, financials and public utilities. Specifically, the funds raised by its clients through green bond issuance has increased 11% year-over-year to HK\$78.0 billion. Meanwhile, the Company's private equity business maintained high level engagement in ESG and sustainable industry, with 50% investment position in ESG related industry.



### 8.5 Case Study

#### Case I: Beijing SinoHytec (the Sponsor Project)

Beijing SinoHytec Co., Ltd. is a leading provider of fuel cell systems in China, focusing on the design, development and manufacture of fuel systems and stacks (a key component of the system) mainly for the commercial vehicles, such as buses and trucks. With its products being of zero carbon emissions, SinoHytec is committed to contributing to its efforts in China's goals of "carbon peak" and "carbon neutrality", so as to build a sustainable and low-carbon future. In March 2022, the National Development and Reform Commission issued the *Medium and Long-term Plan for the Development of Hydrogen Energy Industry (2021-2035)* (《氢能产业发展中长期规划(2021-2035年)》), which proposed to promote diversified hydrogen energy applications (including fuel cell systems). Benefiting from various policies, the fuel cell systems of SinoHytec have provided power to over 2,800 fuel cell vehicles in the Mainland China as of the end of 2022. These vehicles had an average mileage of around 40,000 kilometers per vehicle, accumulating over 108.6 million kilometers and 2.3 million hours of operations. Guotai Junan International, as the lead sponsor, joint global coordinators, joint bookrunners and joint lead managers, successfully assisted Beijing SinoHytec Co., Ltd., the first Chinese hydrogen energy listed company, to list its shares in Hong Kong.

#### Case II: Wuhan Weineng Project (the Private Equity Project)

Wuhan Weineng Battery Asset Co., Ltd. is the flagship project of the Company's private equity management department. Under the guidance of the national new energy strategic plan, Wuhan Weineng promotes the full life cycle management of new energy battery assets, which has effectively contributed to the national security interests in areas such as the energy replenishment system of China's new energy vehicle industry, the peak-load shifting of national macro power configuration, and the strategic metal recycling of batteries.

## 9. About the Report

This ESG Report aims to disclose the Company's ESG performance and ESG management measures and strategies to all stakeholders. Both the ESG Committee and the Board have reviewed and approved this report.

This report is available on the websites of the Company and the Stock Exchange.

### 9.1 Reporting Basis and Principles

This report has fully complied with the mandatory disclosure requirements and the “comply or explain” provisions of the ESG Reporting Guide contained in Appendix 27 to the Listing Rules and based on four fundamental reporting principles set out in the ESG Reporting Guide as follows:

Reporting Principles	Application in the Preparation of the Report
<b>Materiality</b>	The Group has conducted a comprehensive stakeholder survey in 2022 to identify the most significant ESG issues. The survey engaged both internal and external stakeholders and the issues of the most significance to both the Group's business and stakeholders have been identified as material ESG issues. The Group focuses on these material issues in this report and ensures a sufficient disclosure of the related information.
<b>Quantitative</b>	The Company discloses KPIs in quantitative terms whenever possible and clarifies the standards, methodologies, assumptions, and/or calculation tools used, and source of conversion factors used in this report for a thorough evaluation of the effectiveness of its ESG policies and management.
<b>Balance</b>	This report aims to provide stakeholders with an unbiased picture of the Group's sustainability performance by sticking to a high standard of integrity and transparency.
<b>Consistency</b>	Unless stated otherwise, the methods and KPIs used, or any other relevant factors in this report keep consistent with the historical disclosures to allow a meaningful comparison of the Company's ESG performance over time.

Besides, TCFD Recommendations, UNSDGs, and the ten principles of the UN Global Compact have also been referred to during the preparation of this report.

### 9.2 Reporting Scope and Period

This report covers the Group's major operations in Hong Kong and Singapore, which accounted for approximately 99% of the total revenue of the Group.

The reporting period is from 1 January 2022 to 31 December 2022. In order to enhance the integrity of this report, certain information may be disclosed up to 27 March 2023, being the date of this ESG report, as appropriate.

### 9.3 Feedback

The Group highly values the opinions and feedback of various stakeholders and is committed to continuously improving its ESG management and performance, as well as optimizing the level of ESG information disclosure. Should there be any suggestions or opinions, please contact us in the following ways:

Department: Office of the Board

Telephone: 2509-9118

Email: [esg@gtjas.com.hk](mailto:esg@gtjas.com.hk)

Mailing address: 27/F, Low Block, Grand Millennium Plaza, No. 181 Queen's Road Central, Hong Kong

# Appendix 1: The Stock Exchange's ESG Reporting Guide Content Index

Mandatory Disclosure Requirements		
Item	Description	Relevant Section and Remarks
Governance Structure	A statement from the board containing the following elements:	4. ESG Management
	(i) a disclosure of the board's oversight of ESG issues;	
	(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	
	(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:	9.1 Reporting Basis and Principles
	<b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	
	<b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	
	<b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	9.2 Reporting Scope and Period
"Comply or explain" Provisions		
General Disclosures and KPIs	Description	Relevant Section and Remarks
<b>A. Environment</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on:	7.2 Tackling Climate Change 7.4 Waste and Air Emissions
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
KPI A1.1	The types of emissions and respective emissions data.	7.4 Waste and Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.2 Tackling Climate Change
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.4 Waste and Air Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.4 Waste and Air Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	7.2 Tackling Climate Change 7.4 Waste and Air Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	7.4 Waste and Air Emissions

Appendix 1: The Stock Exchange's ESG Reporting Guide Content Index

<b>"Comply or explain" Provisions</b>		
<i>General Disclosures and KPIs</i>	<i>Description</i>	<i>Relevant Section and Remarks</i>
<b>A. Environment</b>		
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.3 Resource and Energy Use
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	7. Environmental Responsibility
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.2 Tackling Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	
<b>Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.2.2 Employment Management
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	6.2.1 Inclusive Team
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.2.3 Health and Well-being
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	



## Appendix 1: The Stock Exchange's ESG Reporting Guide Content Index

<b>"Comply or explain" Provisions</b>		
<i>General Disclosures and KPIs</i>	<i>Description</i>	<i>Relevant Section and Remarks</i>
<b>Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.2.4 Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	6.2.2 Employment Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.3 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6. Social Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	6.1.1 Service and Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	6.1.2 Cybersecurity and Privacy Protection

Appendix 1: The Stock Exchange's ESG Reporting Guide Content Index

<b>"Comply or explain" Provisions</b>		
<i>General Disclosures and KPIs</i>	<i>Description</i>	<i>Relevant Section and Remarks</i>
<b>Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.1 Corporate Governance Structure 5.3 Anti-bribery and Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.5 Community Service and Caring
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	

## Appendix 2: Ten Principles of the UN Global Compact

Principles	Relevant Section
<b>Human Rights</b>	
1. Business should support and respect the protection of internationally proclaimed human rights; and	6.3 Supply Chain Management 6.2.2 Employment Management 6.2.3 Health and Well-being
2. make sure that they are not complicit in human rights abuses.	6.5 Community Service and Caring
<b>Labour</b>	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	6.2.2 Employment Management
4. the elimination of all forms of forced and compulsory labour;	
5. the effective abolition of child labour; and	
6. the elimination of discrimination in respect of employment and occupation.	
<b>Environment</b>	
7. Business should support a precautionary approach to environmental challenges;	7.2 Tackling Climate Change 7.3 Resource and Energy Use 7.4 Waste and Air Emissions
8. undertake initiatives to promote greater environmental responsibility; and	
9. encourage the development and diffusion of environmentally friendly technologies.	
<b>Anti-corruption</b>	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	5.3 Anti-bribery and Anti-corruption



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