





FINANCE FOR THE COUNTRY, FOR THE PEOPLE, FOR THE GREATER 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需求為目標,努力打造新時代金 融企業的嶄新形象。

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 to achieve the greater good with Finance, to serve with the mission of quality economic development and meeting the needs of wealth management from the society, striving to create a brand new image of a financial institution in this new era.

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As one of the world's leading international financial centers, Hong Kong is not only the preferred location for financial services, but also the location of many large financial institutions. Hong Kong is located in the heart of Asia, closely integrated with the Mainland China and connected to all parts of the world. A sound legal system, a simple and low tax system, free access to funds, a comprehensive range of financial products and services, and a large number of financial talents are the long-term competitiveness of Hong Kong as a financial center.

Guotai Junan International Holdings Limited ("Guotai Junan International" or the "Company") (stock code: 1788.HK) (together with its subsidiaries, collectively referred to as the "Group") was established in Hong Kong in 1995. In 2010, it became the first Chinese securities company approved by the China Securities Regulatory Commission to list its shares on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") through an initial public offering ("IPO(s)"). The Company is based in Hong Kong and promotes business development in Southeast Asia through Singapore and Vietnam subsidiaries, becoming a bridge connecting quality Chinese and global enterprises with the capital market. By providing a series of innovative and pragmatic financial products and services, the Company meets the investment and financing needs of high-net-worth individual clients, corporate issuers and financial institutions from the Mainland China, Hong Kong and overseas, assisting them with various market opportunities in different market stages, to realize the preservation and appreciation of their assets.

1.1 Our Business

By fully executing the development strategy of business diversification, the Company has successfully transformed from a traditional broker to an integrated financial service provider in recent years. The Group provides a wide range of quality and customized financial products and services oriented towards both Chinese and global investors.

With robust business capabilities and strong shareholders background, the Company has developed business in four core segments: wealth management, institutional investor services, corporate finance and investment management.





1.2 Environmental, Social and Governance ("ESG") Vision, Objectives and Strategies

The Group has been adhering to the philosophy of "Finance for the Good" and "Finance for the People" on its path to become a "Well Respected, Comprehensively Leading and Internationally Competitive" financial service provider. The Group views the sustainability as one of its most significant foundations for the long-term development and has integrated ESG philosophy into the operations and management of its businesses.

ESG Vision

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

ESG Policy

In 2021, the Company has revised the *ESG Policy*, setting out specific management measures and strategies to meet its ESG objectives in four focus areas (as set out hereunder) and clarifying the overall ESG development directions of the Group in the next few years.

For details of the ESG policy, please refer to the Company's website: ESG Policy

Focuses in ESG Policy



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 communication within the Company.



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, reduce and mitigate environmental risks and impacts associated with its activities.

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 for 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.



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

2. Board Statement



Uncertainty was the main theme of global capital markets in 2021, however, global progress toward sustainable development continued to advance steadily. Following China's announcement in 2020 that it plans to complete carbon peak by 2030 and achieve carbon neutrality by 2060, in 2021, China and the United States signed the Joint Declaration on Enhancing Climate Action (「強化氣候行動聯合宣言」), and the European Union introduced carbon tariffs, signaling to all that sustainability and low-carbon transition have become mainstream for global economic and social development. During the year, the Group adhered to the green operating philosophy including "Finance for the Good" and "Finance for the People" established by the parent company, Guotai Junan Securities Co., Ltd.. It not only integrated sustainable development into daily operations with higher standards and ensured employees' safety during the pandemic, but also assisted its clients, business partners and the whole society to move towards a zero-carbon economy through providing quality and responsible financial products and services.

Fully implementing the sustainability concept and enhancing the management of ESG issues. In 2021, while achieving high-quality business development, the board of directors of the Company (the "Board") enhanced its sustainable development management by setting ESG goals, strengthening ESG strategies and enhancing the ESG management structure. Through the ESG Committee, the Board made an all-round deployment and monitoring of the Company's ESG work, carried out a group-wide ESG risk assessment, identified and prevented major ESG risks in its business development. Structurally, to improve execution efficiency, the ESG Committee authorized and set up an ESG Working Group, its three subordinate functional divisions (focusing on sustainable finance, low-carbon office and ESG information disclosure, respectively) and designated an ESG coordination office for carrying out ESG works. The Company integrated ESG strategy at all operational levels by identifying areas of weakness and successfully making improvements, so as to effectively implement the same and attain its ESG goals.

2. Board Statement

Guiding global capital into Chinese companies with quality and sustainable growth. The Company has been continuously upgrading its ESG policies and relevant plans which not only incorporated ESG factors into the Group's *Risk Framework* but also integrated ESG factors and expectations in the policies and strategies of the front-line businesses. In the policies, the Group instilled a negative screening process, responsible investment and active ownership concepts into its investment management practice to further extend its influence as a market participant. Under the clear and transparent sustainability guidance and policies, the Company accelerated its pace and guided global capital allocation to high-quality and sustainable enterprises through a series of investment and financing services, such as corporate finance, asset management and private equity, to meet corporate and institutional clients' needs to transform to low-carbon and sustainable development. In 2021, the total financing and investing amount of the Company's sustainable finance soared by 323% to reached a record of HK\$106.9 billion.

Combatting COVID-19 with collaborative efforts. In 2021, facing the disruptions brought by the variants of COVID-19, the Company implemented numerous virus preventive and control measures to alleviate resulting complications. During the period, the Company strengthened its online client service capabilities and continued to provide high-quality digitalized services and solutions. Meanwhile, to protect the life, health and safety of employees, working group rotation and "minimum-scale office model" were timely implemented. The Group arranged division of labour and cooperation to ensure an efficient and stable work environment. The Information Technology ("IT") Department supported the remote work arrangements, while the Administration Department maintained the safety in the office by regularly disinfecting and distributing anti-pandemic supplies to minimize the risk of infection for employees.

Increasingly recognized by the ESG community. Since 2019, the Company has been a constituent of the London Stock Exchange "FTSE4Good Index Series". During the year, the constituent status was reaffirmed by FTSE Russell in recognition of the Company's good sustainability practices. In July 2021, the Company officially joined the United Nations Global Compact ("UN Global Compact"), reinforcing its international level of sustainable development and performance. During the year, the Company supported all aspects of employees' development, health and well being as always by offering a healthy and hygienic work environment, comprehensive training programs and career development opportunities. Meanwhile, the Company actively gave back to the community and delivered care through large activities, in which it established the "Guotai Junan Volunteer Team", conducted public welfare activities including large-scale tree planting and protection activities,

mid-autumn festival care donation, etc.

In the future, the Company will continue to focus on strengthening its group-wide ESG management and implementation of sustainable development strategies, increase investment in environmental protection and energy conservation, enhance corporate governance, employees' wellbeing and social contributions, and actively seize and manage climate change-related opportunities and risks by developing green finance, encouraging clients as well as the entire society to participate in low-carbon development through its diversified products and services in green bonds, green corporate finance services and green funds.



In 2021, the Group's Board members and senior management led the team to complete the tree planting activities

3.1 Performance Highlights in 2021

	Revenue HK\$3,966 Million (Stable and resilient)	Attributable Profit HK\$1,095 Million (Leading profitability among peers)
s I	Net Loss Allowance Charge HK\$221 Million (Decreased by 39%)	Profit Tax Provision HK\$184 Million
Financial Performance	Return on Average Shareholders' Equity 7.2%	Cumulative Dividends HK\$5,105 Million (Since 2010)
	Credit Rating by Standard & Poor's	Credit Rating by Moody's Baa2
	(Long-term issuer rating)	(Long-term issuer rating)
	Energy Consumption Intensity	GHG Emission Intensity
	0.018 MWh/sq.ft.	0.014 tons CO_2 -eq/sq.ft.
	(Down by 14.3%)	(Down by 22.2%)
	Incorporated ESG Factors into	Integrated Responsible Investment
2~	group-wide Risk Framework and	and Active Ownership
	front-line business policies	in business policies
Environmental Protection	Green and Sustainable Bonds HK\$70.1 Billion	Green Equity Issuance HK\$33.1 Billion
	(Increased by 271%)	(Increased by 1,041%)
	ESG-related Structured Products HK\$2,100 Million (Remain the same despite the challenging market)	Other Green Investment Position HK\$1,270 Million (Added new green private equity projects)





3.2 Milestone

The Group has been putting in efforts for a more sustainable development and is committed to contributing to a brighter future for the society and the planet. An overview of the Group's sustainability journey in the past several years is as follows:

2021 -

- Thoroughly reviewed and improved the ESG practice and management, by conducting a more comprehensive stakeholder survey on ESG issues, assessing ESG risks, setting environmental targets and action plan, and setting up three functional divisions under the ESG Working Group
- · Joined the UN Global Compact
- Merged the United Nations Sustainable Development Goals ("UNSDGs") and Recommendations of Task Force on Climate-Related Financial Disclosures ("TCFD") into the ESG report

2020 -

Established the ESG Committee to Became a constituent of FTSE4Good support the Board in formulating, Index initiated by FTSE Russell of the overseeing and monitoring execution of London Stock Exchange ESG-related matters

2017 -

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

- 2019 —

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

2016 -

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

3.3 Awards and Recognitions

ESG Rating	Highlights		
FTSE4Good	In 2021, FTSE4Good Index Series reiterated the Group's eligibility and reaffirmed the Company's constituent status in recognition of its good sustainability practices.		
НКСААА нона кона очалит деяжит 香港品質保證局	BBB- from HKQAA (Hong Kong Quality Assurance Agency) Ratings.		
ESG Membership	Highlights		
WE SUPPORT	The Company as the first Chinese Securities firm in Hong Kong joined the UN Global Compact in July 2021, committed to fully support the Ten Principles in the four areas of human rights, labour, environment and anti-corruption.		
ドレビス 中国の名言語 National State (1997) 中国の名言語 中国の 中国の 中国の 中国の 中国の 中国の 中国の 中国の	In August 2021, the Group joined the Hong Kong Green Finance Association as a member institution to better promote the development of green finance, implement the concept of ESG and sustainable development, and strengthen collaboration and exchanges with more financial institutions. Currently, 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.		
ESG Awards	Highlights		
There are a set of the	The Company received the "CarbonCare [®] ESG Label" in the "CarbonCare Label 2021" program organized by Carbon Care Asia and CarbonCare InnoLab for the 3rd consecutive year, reflecting the recognition of the Company's investment and efforts in green finance and sustainable development, and the Company's commitment to corporate social responsibility.		
THEASSet #	The Company has been awarded the "Gold Award-ESG Corporate Awards 2021" for the 5th consecutive year from The Asset, an international financial magazine, indicating that the Company is highly recognized by international media in aspects of corporate governance, social responsibility and investment values.		

ESG Awards	Highlights
	The Company has been awarded "Green Office Awards Labelling Scheme (GOALS)" and "Eco-Healthy Workplace" by World Green Organization and attended the training in responsible management education which contributes to the global efforts to achieve the UNSDGs.
	The Company has been awarded "Happy Company Award 2021" by the Promoting Happiness Index Foundation and Hong Kong Productivity Council.
Caring Company Available To Provide State State State	The Company has been recognized as "Caring Company" for the 7th consecutive year in 2021.
Bloomberg Businessweek Financial Institution Awards 2021	The Company has been granted "Excellence Awards" (Ranked 1st), namely Risk Management in "Financial Institution Awards 2021" organized by Bloomberg Businessweek (Chinese Edition), which is the 3rd consecutive year of the Company sweeping this contest.
Institutional 2021 ASIA EXECUTIVE TEAM HONORED COMPANY GUOTAI JUNAN INTERNATIONAL	The Company ranked second in the "Best Investor Relations" selection in China's Financial/Banks sector (sell-side), and received as "Honored Company" in the "2021 Asia Executive Team Awards" organized by Institutional Investor.
hkira IR Awards	In the "7th Investor Relations Awards" organized by the Hong Kong Investor Relations Association (HKIRA), the Group won nine awards, including the "Best IR Company" and the "Best ESG", demonstrating the Company's leading capabilities in investor relations management, corporate governance and information disclosure in Hong Kong and international capital markets.
CONSISTENCE CONSI	The Company received the "Best Investor Relations Company" award at the "11th Asia Excellence Award" hosted by Corporate Governance Asia, which is a recognition of the market and industry on the Company's dedication to promoting high-standard corporate governance and investor relations.



4.1 ESG Governance Structure



The Board is the highest governing body of the Group's ESG issues and is ultimately responsible for overseeing the Group's ESG strategies, objectives, management of material ESG issues, ESG risks 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. As at the latest practicable date (i.e. 30 May 2022), the ESG Committee comprises five members, chaired by an independent non-executive director, Dr. FU Tingmei, together with other management members and heads of relevant departments. The ESG Committee shall hold meetings at least once a year and report to the Board on a regular basis.

Composition ²	Major Duties		
	 Set overall ESG vision, objectives and strategies of the Group; 		
	 Adopt ESG Policy and approve ESG governance structure; 		
	• Consider the ESG risks that identified, assessed and determined by the departments and review the ESG-related risk management system;		
Dr. FU Tingmei ¹ (chairman) Mr. NG Chi To Graham	• Review the progress of implementing the carbon reduction plans for the year and approve the environmental targets and plans for ensuing year;		
Mr. WONG George Ka Kui Ms. FENG Zheng Yao Helen	• Review the progress of implementing the community investment plans for the year and approve the plans and budgets for ensuing year;		
Ms. DAI Yu Hong Daisy	 Review the sustainable finance strategies submitted by business units; 		
	• Consider the stakeholders' feedback, obtain professional opinions where necessary and make recommendations to the Board on areas for improvement; and		
	• Scrutinize the ESG performance of the Group and review the ESG report.		

Notes:

2. As at the latest practicable date.

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 the efficient execution of the ESG policies and plans, three functional divisions under the ESG Working Group, namely Sustainable Finance Functional Division, Low-carbon Office Functional Division and ESG Disclosure Functional Division, have also been established.

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 sustainability strategies and projects.

^{1.} Independent Non-executive Director.

4.2 ESG Risk Management

4.2.1 Risk on the Group's Operations

In 2021, the Group has engaged an external sustainability consulting firm to conduct an 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 questionnaire survey, in which the Board, the management as well as all the related staff provided their responses. Each ESG risk was assessed from two parameters, namely "the probability of occurrence of the harm" and "the severity of the harm", based on which the risk priority numbers ("RPN(s)") were developed for the prioritization and identification of material ESG risks related to the Group.

ESG risks are divided into five levels from "very high" to "very low" in accordance with the RPNs. According to the ESG risk assessment result, all ESG risks of the Group fell into "medium" and "low" levels and no risk was identified as "high" or "very high" levels.

Four ESG risks with relatively higher RPNs are summarized as follows:





2. Digital economy risk

Potential Impacts

In the digital economy era, financial institutions are facing fierce competitions. Traditional IT systems may be insufficient to support the rapid business development and slow down the pace in business transformation, which ultimately affects the Group's serving capability and market share.

Management Measures

- The Group will carry out internal review and assessment of the digital economy risk, take relevant countermeasures and formulate relevant plans to better manage the risk
- In 2021, the Group established the Financial Technology ("Fin-tech") Business Team to enhance its group-wide capabilities in technological innovation, data management and analysis, as well as to facilitate its quality development in core businesses

More information is disclosed in "Fin-tech Innovation" section

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

- Formulate anti-money laundering, anti-bribery and 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

More information is disclosed in "Corporate Governance" section

Potential Impacts

The pandemic could directly affect the Group's operations and also cause indirect harms by affecting its supply chains or clients.



- Distribute medical facial masks to employees and provide hand sterilizer in offices
- Require compulsory body temperature check at the entrance of offices
- Provide flexible working arrangements
- Disinfect offices more frequently
- Encourage employees to hold meetings by electronic means
- Enhance online trading platforms for clients

More information is disclosed in "Health and Well-being" section



3. Corruption and money laundering risk

4. Infectious

diseases

4.2.2 Risk on Clients or Investee Companies

To a financial institution, ESG factors may create risks to the operation and financial conditions of its financing clients and the investee companies. To manage related risks more effectively, the Company has taken the following measures:

Group-wide Policies

In 2021, the Group incorporated ESG risk factors into the *Risk Framework*, the foundation for consistent effective management of risks facing the Group. The inclusion has been made to promote the awareness and enhance management of ESG risk across the Group, including incorporating ESG risk factors into the model for credit risk management, which helps to control and avoid the occurrence of ESG risks involved in the business level of the Group.

Frontline Business Policies and Strategies

The Group's business sectors including asset management and private equity have formulated ESG policies and strategies, in which the ESG factors have been incorporated into the business due diligence process to reduce ESG risks. The Private Equity Department has used negative screening method in which specific industries with significant ESG risks should be avoided, such as the industries related to gambling, high energy consumption, high pollution and high social disputes. 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, plant meat/artificial meat and low-carbon trading systems, etc.

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

More information is disclosed in "Responsible Investment Practice" section.



4.3 Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

The Group puts great emphasis on the opinions of various stakeholders and actively communicates with them through different channels to gain a better understanding of their concerns and expectations. The Group has established a stakeholder communication mechanism and has been continuously improving its ESG performance based on the feedback from stakeholders.

Key Stakeholders	Communication and Response Channels		
m m Employees	 Orientation and training sessions Performance appraisals Questionnaire surveys Team building activities Internal messengers and emails 		
Shareholders and investors	 Announcements Email communications General meetings Investor meetings and calls Social media and company website Results conferences 		
Customers	 Customer service hotline Customer service chatbot Emails and mobile applications Social media and company website 		
Suppliers and other business partners	 Meetings Tendering and procurement conferences Supplier assessments Questionnaire surveys 		
Community /the public	 Community investments Volunteer activities Donations and sponsorships Environment-friendly operations Responsible investments 		

Material ESG Issues

Material ESG issues impose significant impacts on both the Group and its stakeholders, the Company has prioritized disclosure on material ESG issues in this report. During the year, a third-party sustainability consulting firm has been engaged to conduct a comprehensive materiality assessment.

1. ESG issues pool establishment

Established the ESG issues pool containing 20 relevant issues based on global and industry mega-trend research

2. Questionnaire suvery

- Conducted a questionnaire survey to collect feedback from internal and external stakeholders on 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
- 338 valid responses have been collected, representing an increase of 56% as compared to the previous year

3. Materiality analysis and assessment

- Materiality matrix was generated with issues being examined under two dimensions ("significance to the Group" and "significance to stakeholders") based on the survey result
- 11 issues have been identified as material among the 20 issues from the ESG issues pool
- Material issues were prioritized by comprehensive scores in terms of the level of significance

4. Validation

The result of the materiality assessment was reviewed by the ESG Committee and the Board

The ESG issues with scores higher than 5 in both dimensions have been identified as material issues. The materiality matrices in terms of environmental aspect and social aspect with the respective ranking of the ESG issues are as follows:



Material Matrix – Environmental Aspect

Significance to the Group

Environmental Issues in Descending Order of Significance	Material Issues	Relevant Sections
1 Reaction to climate change	*	7.1 Climate Action
2 Resource and energy use efficiency	*	7.2 Resource and Energy use
3 Greenhouse gas ("GHG") emissions and management	*	7.1 Climate Action
4 Business impacts on environmental and natural resources	*	7. Environmental Responsibility
5 Waste management		7.3 Waste and Air Emissions
6 Air pollutant emissions and management		7.3 Waste and Air Emissions





Material Matrix – Social Aspect

Social Issues in Descending Order of Significance	Material Issues	Relevant Sections
1 Customer privacy protection	*	6.1.2 Cybersecurity and
		Data Privacy
2 Employment management	*	6.2.2 Employment Management
3 Diversity, equal opportunity and anti-discrimination	*	6.2.2 Employment Management
4 Intellectual property right protection	*	6.1.2 Cybersecurity and Data Privacy
5 Training and development	*	6.2.4 Training and Development
6 Anti-corruption	*	5.3 Anti-corruption and
		Anti-bribery
7 Occupational health and safety	*	6.2.3 Health and Well-being
8 Responsible marketing and advertising		6.1.1 Service and Product
		Responsibility
9 Supply chain environmental and social risk management		6.3 Supply Chain Management
10 Sustainable finance		8. Sustainable Finance
11 After-sales management		6.1.1 Service and Product
		Responsibility
12 Product and service responsibility		6.1.1 Service and Product
		Responsibility
13 Caring the society		6.5 Community Service and
		Caring
14 Stakeholder communication and information disclosure		4.3 Stakeholder Engagement
		and Materiality Assessment
		6.4 Investor and Shareholder
		Relations Management

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





Related UNSDGs

Governance Highlights 2021

Zero-tolerance

Towards corruption and bribery while the Board holds responsibility for oversight of it

Anti-money Laundering

- Utilized an advanced monitoring system for the identification of suspicious transactions
- All staff must take anti-money laundering trainings as required

Compliance Training

Compliance trainings are compulsory for all employees including account executives and management trainees

Three Lines of Defence

Plays a critical role in risk management and compliance to achieve reliable operations

Whistleblowing Policy

Has been established and implemented. All staff is able to report suspected misconduct or malpractice

Comprehensive Internal Audit

- Covers key business ethics issues such as anti-corruption, anti-bribery, anti-money laundering, and handling conflicts of interest
- · Certain key issues are subject to annual audits

5.1 Corporate Governance Structure

The Board firmly believes that good corporate governance is crucial to maintaining effective corporate operations, establishing a comprehensive corporate culture, realizing sound business development and protecting long-term shareholders' value. Therefore, the Company has been practicing high standard of corporate governance. The Company adopted all principles and code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") as its own code of corporate governance.

Under the leadership of chairman of the Board, the Board is accountable to shareholders and the Company as a whole, and primarily responsible for formulating overall strategic plans and key policies of the Group, supervising business and financial performance, and ensuring effective corporate governance practices with appropriate risks (including ESG risks) management system and control measures in place so as to enhance shareholders' value. The Board has delegated part of its corporate governance functions to its committees, namely Audit Committee, Remuneration Committee, Nomination Committee and Risk Committee as well as a functional committee, ESG Committee. All these committees perform their distinct roles in accordance with their respective terms of reference.

For the full report on corporate governance, please refer to 2021 Annual Report of the Company:



For details of the Group's corporate governance policies, please visit the Company's website:

Governance Policy" Section

Independence of the Board

As of 31 December 2021, the Board comprised six directors, including two executive directors and four independent non-executive directors. Subsequent to the appointment of three non-executive directors on 16 February 2022, the Board comprises nine directors, including two executive directors, three non-executive directors and four independent non-executive directors. There is a strong independent element on the Board to ensure the independence and objectivity of the Board's decision-making process as well as the thoroughness and impartiality of the Board's oversight of the management. The Board has affirmed that all independent non-executive directors continued to be independent based on the assessment made in accordance with the criterion set out in Rule 3.13 of the Listing Rules.

Dr. FU Tingmei, Dr. SONG Ming and Mr. TSANG Yiu Keung, the independent non-executive directors, have served the Board for more than nine years. However, there is no evidence that the length of tenure is having an adverse impact on their independence. The Board, therefore, considers that Dr. FU Tingmei, Dr. SONG Ming and Mr. TSANG Yiu Keung remain independent, notwithstanding the length of their tenure. Professor CHAN Ka Keung Ceajer has been appointed in 2018 as an additional independent non-executive director as part of the board refreshment process. None of the directors has any financial, business, family or other material/relevant relationship with each other.

For biographical particulars of the directors, please visit the Company's website: () "Management" Section



Overall Expertise and Experience of the Board

Directors' Training and Professional Development

Each newly appointed director shall be provided with a comprehensive and tailored induction training which covers, among others, information about the Group's operations and businesses, the roles and responsibilities of the Board and its key committees, the director's duties, the Company's governance structure and practices, and relevant rules and regulations. The Company also provided training(s) to the directors every year. During the year, the Company has arranged an in-house training for the directors on anti-corruption.

Board Diversity

The Board has adopted the *Board Diversity Policy*, which provides guidance for the Group to achieve board diversity with a number of aspects including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments shall be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of the diversity of the Board. The Nomination Committee is responsible for reviewing this policy to ensure its effectiveness. During the year, the Nomination Committee has reviewed the Board composition based on these aspects and considered that it has a balanced diversity.



11% 40 or Below **22%** 41-50 78% Male Gender Age 22% Female 45% 51-60 22% 61 or Above 22% Executive directors 56% Doctorate degree Education 33% Master's degree 33% Non-executive directors Designation Background 11% Bachelor's degree 45% Independent non-executive directors and others

As at the latest practicable date, the Board's composition is as follows:

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5. Corporate Governance

5.2 Risk Management

The Group firmly believes that risk management is the core competitiveness of financial institutions. In recent years, the Group established a comprehensive and effective risk management and internal control system that consistently and solidly identifies challenges and opportunities that may arise at any time.

5.2.1 Risk Culture

The Group holds that sustaining a strong risk culture is critical to the Company's long-term success. Risk culture defines the norms of behavior for individuals and the Group as a whole that determine the collective ability to act on current and future risks.



5.2.2 Risk Management Structure

The Board is ultimately responsible for the supervision of the Group's risk management and ensures there are effective risk management and internal control systems in place. The Board established the Risk Committee with the authority to oversee the implementation of risk management framework, and to 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.

The management shall, when necessary, report to the Board from time to time on material risk issues which may affect the Group's performance.

5.2.3 Risk Management Policies and Procedures

The Group has 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 front line units, risk management, internal audit and other control functions. It describes the risk management approach and key types of risks the Group is facing and is consistent with the expectations of the regulatory authorities including Securities and Futures Commission (the "SFC"). In 2021, the Group incorporated ESG risk factors in the *Risk Framework*.



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 the Southeast Asian countries 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



Second Line of Defence Second Line of Defence Compliance and Other Control D Third Line of Defence Third Line of Defence Internal Audit Department Internal Audit Department Three Lines

of Defence

The Internal Audit Department is

responsible for conducting independent audits and assessments, and reporting to the Audit Committee the quality of the Group's risk management processes.

The front-line 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 front line policies, procedures and processes have been established, which are adhered to by front line 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, including the value at risk (VaR), stress testing, internal rating and sensitivity analysis. 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, Human Resources and IT.

5.3 Anti-corruption and Anti-bribery

5.3.1 Policies on Anti-corruption and Anti-bribery

The Group attaches great importance to integrity and anti-corruption and is committed to the highest standard of business ethics, with zero tolerance to bribery and corruption. The Group has implemented a series of group-wide policies such as the *Compliance Manual, Policy on Professional Integrity, Anti-bribery and Anti-corruption Manual, Staff Dealing* and *Outside Appointments Policy*, as well as other relevant procedures and internal controls to ensure the compliance with the Prevention of Bribery Ordinance and other local laws and regulations in the jurisdictions where its operations are located.

Moreover, the Group requires its business partners (including contractors, suppliers, service providers, consultants, representatives, etc.) to comply with its *Anti-bribery and Anti-corruption Manual* when performing works or services for the Group. Where the service contract exceeds a certain amount, the business partners are required to sign the *Anti-bribery Undertaking*.

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

The Company has issued its statement on its website:

Anti-bribery and Anti-corruption Statement

Policy Update and the Board's Responsibility

In December 2021 and March 2022, the Company upgraded the *Policy on Professional Integrity* and *the Anti-bribery and Anti-corruption Manual* from *the Compliance Manual* as standalone policies. *The Policy on Professional Integrity* clarifies the internal control mechanism on corruption and bribery, sets out specific requirements on integrity, strictly forbids employees to convey or seek illegitimate benefits to/from others, and also clarifies that the Board is responsible for overseeing the effectiveness of the integrity management.

In June 2021, the Company also revised its *Service Procurement Policy*, which clearly defines the principles of openness, transparency, fairness and integrity in its procurement, and lists out control measures on supplier selection, quotation comparison and contract execution, to prevent corruption activities in the procurement process.

5.3.2 Handling Conflicts of Interest

The Group is committed to placing interests of the capital markets and its clients at the forefront. According to the *Anti-bribery and Anti-corruption Manual*, the Group ensures that conflicts of interest are avoided among the clients, shareholders and other stakeholders, and the Company through 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 updated its *Guidelines on Restricted List and Watch List* in 2021, which established restrictions and controls for handling material non-public information and managing actual/potential conflicts of interest. It is required that all staff shall trade subject to the *Restricted List for Sales and Trading Activities* which is updated frequently by the Group's Legal and Compliance Department. The restrictions 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 Anti-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 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 offences are found, the Group may transfer the case to the relevant authority 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.

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

The Company has issued its manual on its website:

Internal Complaints Manual on Misconduct or Malpractice

5.3.4 Training on Anti-corruption and Anti-bribery

To strengthen staff's awareness of anti-corruption, all employees are required to participate in mandatory anti-bribery and anti-corruption training annually. In 2021, the Company organized an anti-bribery and anti-corruption online training, which was mandatory for all staff (including account executives and management trainees) to attend. It also invited the Independent Commission Against Corruption (ICAC) to deliver four anti-corruption seminars to the directors and new staff.

The Company has issued its statement on its website:

Statement on Training Program of Ethical Standards

5.4 Anti-money Laundering and Counter-financing of Terrorism

The Group pledges to actively prevent money laundering and terrorist financing and to comply 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 enforces various anti-money laundering obligations.

The Group did not have any breach of anti-money laundering and counter-terrorist financing requirements in 2021.

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 in order to avoid the risk of the Group being used for money laundering or 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 training.

The Company has issued its statement on its website:

Statement on Training Program of Ethical Standards

5.5 Internal Audit on Key Ethics Topics

To evaluate the effectiveness of internal controls over the Company's ethics, key ethics topics such as anti-corruption, anti-bribery, anti-money laundering, handling conflicts of interest are covered in internal audit programs which examine each department's operations and activities, detect misconduct and ensure compliance with the Company's ethics-related requirements. Risk-based audit approach was adopted, 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 each business and support function covers the following topics:

- Governance structure, internal control measures and the reporting line
- Adequacy of the Company's policies and procedures including ethics and compliance risk areas, implementation and compliance of these policies and procedures
- Benefits received from (including referral fee) or offered to (including cash, gifts, or entertainment) clients and third parties, to check if there are any unauthorized activities
- Staff personal dealing and outside appointments
- Best execution and restricted information flow controls
- Quotations for procurement from different suppliers or service providers and proper approval before engagement

Additionally, the following audits were conducted annually in the past three years:

- On top of the regular audit of each business unit and support function, the Group conducted a special anti-money laundering audit
- An external professional firm was engaged to conduct a cybersecurity audit to assess the controls regarding IT threats and vulnerabilities exposed to and steps to enhance cybersecurity measures

The Company has issued its statement on its website:

Statement on Recent Audit of its Ethical Standards

6. Social Responsibility





Related UNSDGs

Social Responsibility Highlights 2021

Offered Products that Suit the Customer

Suitability comes first. Evaluate diligently whether the recommended investment product is suitable for the client and is in the best interests of the client, taking into account various personal circumstances

Launched New Products with Fin-tech's Empowerment

- A series of key products were introduced shortly after the Fin-tech Business Team was established
- IT Governance Committee has been formed to oversee the fin-tech development progress

Fight COVID-19 with Collective Efforts

- Took comprehensive measures to protect employees and control the pandemic
- Encouraged all employees to get vaccinated with the result of a nearly 96% vaccination rate with two doses as of the latest practicable date

78% Satisfaction Rate of Employee

- The Group is always improving employee satisfaction rate during its fast development
- · Relevant survey will be conducted annually

Increased Training Hours

Total training time soared by 198% to 6,221 hours while the average training time per employee increased largely by 155% to 9 hours

Management Trainee Program

30 outstanding graduates recruited from well-known local and international universities get trained and developed in the Company

6.1 Client-oriented Product and Service

6.1.1 Service and Product Responsibility

The Group stringently abides by the SFO and its subsidiary legislation, and actively takes its social responsibility on product quality assurance, responsible marketing and advertising, proper response to customer feedback and intellectual property right protection, to protect the benefits of the clients and the public.

Product Quality Assurance

Know your clients and suitability requirement. The suitability requirement is the cornerstone of investor protection and is integral to selling practices, which encompass the distribution and provision of advice on investment products by the Group's licensed persons. Given its importance, the Group has established its *Suitability Policy* to comply with the standards and practices set out by the SFC to perform the suitability assessment for the clients. This policy mainly covers know your clients, product due diligence, client risk profiling, information disclosure to clients, review and monitoring and record keeping.

In this policy, the salesperson shall take all reasonable steps to establish the true and full identity of client and understand client's investment objective, knowledge and experience. Salesperson when making a recommendation or solicitation shall ensure the suitability of the recommendation or solicitation for that client is reasonable in all the circumstances.

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


- Serving clients with best execution practice. The Group has been consistently placing great value on the products and services quality. Product Marketing and Investment Consulting Team was established under the Group's Wealth Management Department to provide investment products and related services to clients. As stated in the *Wealth Management Manual*, not only is the team in charge of actively assisting its clients in identifying market opportunities, offering customized solutions, providing medium to long term investment strategies, but it also requires the best pricing from approved counterparties, assigning product risks to fulfil regulatory requirements and monitoring a product's life cycle. Wealth Management Department has set out its *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' order on the best available terms.
- Assuring product/service quality through internal control. Wealth management business has its dedicated Quality Assurance Team to enhance the overall compliance culture and awareness among salespersons. The team is responsible for 1) providing trainings/guidelines to salespersons, ensuring they keep abreast of the changing regulatory environment; 2) providing feedback to salespersons for irregularities identified 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 fulfilment of regulatory requirements.

Responsible Marketing and Advertising

The Group prohibits any forms of dishonesty and deceptive statements in its advertisements, marketing materials and public announcements. Numerous measures are taken to ensure the accuracy and correctness of advertising and marketing information, as well as compliance with relevant codes, guidelines, guidance notes and circulars issued by the SFC. In 2021, the Group released its *Guidance on Advertisement Management*, establishing internal advertising management standards and procedures for all employees to follow.



Outdoor Advertisement of the Group

Handling Customer Complaints

The Group established a group-wide policy for handling customer complaints. All types of complaints from customers are centrally managed and handled by a designated professional team. Complaints can be lodged with us through various means, including emails, phone calls or by post, and are handled and investigated in strict confidentiality and in a timely and appropriate manner.

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

During the year, there were 20 complaints, 31% fewer than received in 2020. Most complaints were related to products, customer services and account issues. 100% of the cases were handled efficiently and effectively with satisfactory results.

There are multiple channels established for customers to file a complaint.

Fill in Customer Feedback Form (Website)

Customer Service Department (852) 2509 7524 customer.service@gtjas.com.hk Compliance Hotline and Email (852) 2509 5432 complaint@gtjas.com.hk

6.1.2 Cybersecurity and Data Privacy

The Group highly values the mutual trust it has built with its stakeholders and maintains the highest standard of customer privacy. Furthermore, the Group ensures its business operations strictly comply with the relevant laws, regulations and rules as well as industry norms.

Cybersecurity Management

The industry standards for cybersecurity measures such as network segmentation and segregation are deployed to continuously strengthen the Group's IT systems and prevent the loss or misuse of sensitive information. The IT systems and online trading platforms are not only protected by multiple layers of control (including Two-Factor Authentication required before customers log in) to ensure a high degree of cybersecurity, but are also closely monitored and tested by designated IT professionals on a regular basis. To defend the IT system and online trading platform from potential cyber attacks, the Group sets and updates contingency and recovery plans, conducts annual cyber attack drills, engages third party professional firm to audit the Group's cybersecurity and reviews its cybersecurity performance. Additionally, the Group sends cybersecurity reminder to employees and customers from time to time, while it provides annual cybersecurity guidance and compulsory training to staff to raise employees' and customers' awareness of cybersecurity.

In 2021, it was found that unauthorized websites misappropriated the Group's name and relevant information. The Group published a notice in a timely manner to warn its clients of this fraud and remind them of the Group's official website address. For more information, please refer to the Company's website:

Important Statement: Warns Against Bogus Look-alike Websites

Data Privacy Protection

The Group has established relevant policies to protect customer's privacy and information, and strictly complied with the Personal Data (Privacy) Ordinance of Hong Kong while relevant policies have been reviewed periodically. All departments and subsidiaries are required to strictly implement.

The Group has also taken a series of measures to safeguard customer's data 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 data have been completely deleted prior to disposal. The disposal of these data storage devices requires management's approval, clear record of disposal date and any relevant information.

For details of the relevant data privacy statements, please refer to the Company's website:

Personal Information Collection Statement

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Privacy and Security Statement

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 implemented the *Procedure on Managing Intellectual Property* to strengthen its intellectual property right protection. The Group protects its own intellectual property right from any forms of infringement and considers taking legal actions when necessary. Additionally, the Group takes steps to ensure it does not infringe other parties' intellectual property rights in its daily operation.

6.1.3 Fin-tech Innovation

In 2021, the Group's promotion for digital transformation was in full swing. During the year, the Group built a Fin-tech Business Team to enhance its group-wide technological innovation capabilities, data management and analysis, as well as digitalization of its quality development in core businesses.

Taking into account clients' needs and management efficiency, the Company increased its investment in fin-tech to empower overall business development. During the year, the Group launched several digital services, including 1) "eDDA Express Deposit" service, which enables brokerage accounts' fund transfers in as quick as five minutes; 2) "Flexi-Money"(聚財寶), cash management tool for professional investors; 3) remote account opening application; and 4) customer service chatbot, to assist clients grasping every investment opportunity. The existing "Rich Easy"(富易港股通)platform's trading functions were also continuously upgraded to provide clients with more convenient online financial services.

In early 2022, the IT Governance Committee was formed to effectively utilize IT for the Company's digital transformation strategy and enhance the Group's fin-tech business development and operation management.

In the future, the Group will continuously optimize the existing data platform, applying mature and cutting-edge technologies such as cloud, artificial intelligence and open-source technologies to improve internal big data management standards and data sharing.



The Group officially launched Flexi-Money Cash Management Tool for Clients in 2021

The Group officially launched eDDA Express Deposit Services for Clients in 2021

6.2 Talent Management and Integration

UNSDGs related to this section:



6.2.1 Inclusive Team

Overview

The Group has always attached great importance to talent management work, adhered to the business philosophy of "Talent as the First Resource", pursued the talent concept of "People-oriented, Collaborative Cooperation", and spared no effort to build a talent highland in the securities industry with higher standards.

Despite an extremely challenging market environment during 2021, the Group reached new levels in wealth management transformation and promoted fin-tech development. To manage its development, the Company has continued to attract high-quality professionals and outstanding international talents to promote their continuous growth while building a diverse and inclusive working environment.

As at 31 December 2021, the Group's staff had increased by 17% year-on-year ("YOY") to 691 in total (excluding self-employed account executives). The Company did not have any contractors or part-time staff. Competitive remuneration packages were offered to employees with reference to the prevailing market rate and individual merits, as well as other incentives linked to the market condition, the Company's and individual's performance each year.

Due to the development of financial market in Hong Kong, demand for talent pushed up the industry's overall turnover rate. Although the Group's employee voluntary turnover rate has risen from previous years, it is still lower than the industry average. Meanwhile, given the turnover has been mostly voluntary, the Group witnessed and supported its employees consistent growth, while more opportunities were created for new talents willing to join the Group.

Workforce Diversity

As at 31 December 2021, the number of female employees increased by 13% YOY to 304, which represents 44% of the total number of employees. The percentage of female employees with manager grade or above of total employees reached 39.49%. Female directors accounted for 22.22% of the Board as at the latest practicable date. 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.

As at 31 December 2021, the Group's number of young employees (age under 35) increased 26% YOY to 380, which represents 55% of the total number of employees. Based on the strong brand influence and the quality business platform, the Group has attracted and cultivated a high-quality professional young team, injecting fresh blood into its workforce, thus consolidating the medium and long-term talent pool and elevating its business momentum.

Table 1: Key Employees Statistics	2021	2020
Number of Total Employees	691	591
New Employee Rate	35.02%	20.47%
Employee Turnover Rate	20.55%	15.40%
Ratio of Number of Male to Female	1.27:1	1.21:1
Ratio of Total Remuneration of Male to Female	1.45:1	1.37:1
Percentage of Female Employees among the Management and Managers	39.49%	40.92%
Table 2: Total Employees Analysis	2021	2020
Gender	2021	2020
Male	387	323
Female	304	268
Position Grade		200
Management	167	145
Manager	185	158
General Staff	339	288
Age Group		
18-25	51	32
26-35	329	277
36-45	185	167
46-55	102	92
Above 55	24	23
Employment Type		
Full-time	691	591
Part-time	0	0
Geographical Location		
Hong Kong	669	573
Singapore	22	18

Table 3:	20	2021		2020		
New Employees Analysis	Number	Proportion ¹	Number	Proportion ¹		
Gender						
Male	142	36.69%	59	18.27%		
Female	100	32.89%	62	23.13%		
Age Group						
18-25	44	86.27%	18	56.25%		
26-35	129	39.21%	77	27.80%		
36-45	53	28.65%	19	11.38%		
46-55	16	15.69%	5	5.43%		
Above 55	0	0.00%	2	8.70%		
Geographical Location						
Hong Kong	233	34.83%	116	20.24%		
Singapore	9	40.91%	5	27.78%		

Table 4:	2021 Number Turnover rate ²		2020	
Employees Turnover Analysis			Number	Turnover rate ²
Gender				
Male	76	19.64%	45	13.93%
Female	66	21.71%	46	17.16%
Age Group				
18-25	9	17.65%	6	18.75%
26-35	67	20.36%	58	20.94%
36-45	41	22.16%	17	10.18%
46-55	21	20.59%	7	7.61%
Above 55	4	16.67%	3	13.04%
Geographical Location				
Hong Kong	137	20.48%	91	15.88%
Singapore	5	22.73%	0	0.00%

Note:

 The calculation formula of new employee proportion for each category is: new employee proportion 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%.

2. 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%.

6.2.2 Employment Management

The Group implemented a series of policies that standardize the procedures for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare to ensure compliance with the Employment Ordinance, the Employees' Compensation Ordinance, the Occupational Safety and Health Ordinance, the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance, the Race Discrimination Ordinance and other applicable laws and regulations. The Group compiled a *Staff Handbook* to protect employees' basic rights which included all the employment policies for employees to follow.

Equal Opportunity

The Group is firmly committed to promoting and implementing equal opportunity in employment and to eliminating all forms of discrimination. All candidates shall be assessed based on the job requirements and their relevant aptitudes, skills and abilities, and not on the grounds of sex, pregnancy, marital status, disability, family circumstance or race. The Group's diversity policy encourages and enforces respectful communication and cooperation between employees. Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action.

Prohibit Child Labour and Forced Labour

The Group strictly prohibits all forms of child and forced labour and has implemented the child and forced labour policy set out in the *Staff Handbook*. The Group adheres to relevant laws and regulations regarding the employment of young people and the Human Resources Department shall verify all candidates' identification documents during the recruitment process to avoid any possible child labour violations. The Group will not use any forced labour and ensure employees' reasonable freedom of movement.

Internal Complaint Procedures

To maintain a harmonious and harass-free environment, the Group welcomes employees to report or file a complaint in accordance with the *Internal Complaint Procedure*. The grievance reporting mechanism established by the Company covers labour-management relations, employment rights, workplace harassment and discrimination, 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 should also assure that all the employment, performance appraisal or promotion chances will not be affected by making any complaints.

The details for filing a complaint and escalation procedure is described as follows:

- (1) Report to immediate supervisor/ department head and/or
- (2) Talk to the Head of Human Resources Department
- (3) Head of Human Resources Department or the concerned party shall give feedback or arrange a meeting to further discuss with the staff within 2 weeks

The Company has published the procedure on its website: I the Internal Complaint Procedure

Listening to Employees

In 2021, the Company conducted an anonymous Employee Satisfaction Survey with all employees to understand the level of their satisfaction with the Company in regards to sense of belonging, career development, supervisor performance, work environment and internal atmosphere. 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 high level of satisfaction.

During the year, the Employee Satisfaction Survey was distributed to all employees with 304 valid questionnaires collected, representing a response rate of 44%. The results of the survey showed that:

- For corporate identity and sense of belonging, 76% of employees taking part in the survey have a sense of pride in the corporate brand (see chart 1); and 87% of the employees taking part in the survey fully understood or appreciated the impact of their work on the achievement of the Group's overall goals and plans.
- For career development, the majority of employees were satisfied with the career development opportunities provided by the Company and believed that they had the opportunity to demonstrate their competence and expertise in the Company.
- For supervisor performance, 86% of the employees taking part in the survey believed that they could easily get help from their supervisors at work; and more than half of the employees taking part in the survey believed that their supervisors listened to employees' opinions when making decisions.
- For work environment and internal atmosphere, 66% of the employees taking part in the survey believed that the work environment was pleasant (see chart 2); and 83% of the employees taking part in the survey responded that they had good communication with their co-workers, and more than half of them believed that they had very good communication with their co-workers.

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



Chart 2: Comfort Level of Work Environment

Chart 1: Pride for the Corporate Brand

6.2.3 Health and Well-being

The Group places high priority on employees' health, safety and well-being and strives to create a safe and comfortable working environment. Policies regarding occupational safety and health are available in *Staff Handbook*, providing guidance and directions on the daily management.



Employee Care and Benefits

Marked by a global pandemic, 2021 offered another daily reminder that maintaining our health, well-being and resilience is paramount. The Group has taken various measures to protect employees from occupational illnesses, policies regarding occupational safety and health are set out in *Staff Handbook*.

In 2021, the Group continued to offer a competitive medical insurance scheme package, life insurance, disability insurance and business travel insurances, and all staff and their family member were offered a voluntary top-up medical plan. The insurance scheme is reviewed annually. Comprehensive annual physical check-ups and dental benefits are also arranged for all staff. Adjustable working chairs and blue-light-cut filters are provided to protect employees' necks, backs and eyes. Offices are also equipped with high-quality air purifiers to improve indoor air standard. The Company's *Staff Handbook* also outlines the special work arrangements such as safety measures for bad weather conditions and fire control measures. All these benefits are applicable to all employees of the Group excluding the self-employed staff.

Measures in Responding to COVID-19

The Group recognized that its employees were facing various unique circumstances due to the profound impact of COVID-19. In 2021, the Group formed the Crisis Management Working Group (應急工作領導小組) to coordinate pandemic prevention and control. The following measures were comprehensively implemented to support the health and wellness of all employees:

- Encouraged all staff to get vaccinated and offer vaccination leave, with approximately 96% of our employees received two doses as of the latest practicable date
- Reimbursed COVID-19 swab test expenses for employees on demand
- 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
- Arranged cleaning and disinfecting for the office premises more frequently to ensure workplace hygiene
- Distributed masks to employees and provide hand sanitizers in office areas



- Required staff to wear a face mask at all times and maintain sufficient social distance in office areas
- Compulsory temperature screening at the entrance of offices
- Encouraged online video conferences and telephone conferences while avoiding face-to-face business meetings
- Requested all staff and visitors to scan LeaveHomeSafe/SafeEntry QR Code before entering office premises

Workshop

In 2021, the Group organized certain activities and programs regarding employees' health and mental counseling, such as the Smart Diet Workshop and Positive Mindset Workshop.

In recognition of the Company's efforts in promoting employees' happiness and wellbeing, the Company was awarded "Happy Company Award 2021" under the Happiness at Work Promotional Scheme organized by Promoting Happiness Index Foundation.

There were no reported work-related fatalities and injuries during the year nor the previous two financial years.



The Group was granted 2021 "Green Office" from World Green Organization

6.2.4 Training and Development

Comprehensive Training Opportunities

The Group offers skills development and training opportunities to its employees to keep the workforce professional, competent and ethical. The Group constantly equips its employees with the latest industry standards and trends which enable them to meet upcoming challenges. By attending these trainings, the employees shall be able to broaden their insights and advance their careers.

The Group established a comprehensive e-learning platform and launched all kinds of online training courses. In 2021, certain online courses were compulsory for all employees 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, as well as anti-bribery and anti-corruption. In addition, six training courses were provided for new employees, such as new staff compliance training. Employees can also enroll in other e-learning courses on-demand at no cost.

The Group introduced courses and training on new topics such as the "Amendment to the Criminal Law of the People's Republic of China", "Procedure on Merger and Acquisition in Hong Kong Market", "Blockchain Application" and "Financial Analysis". The Group also provided employees with various ESG related training sessions on the themes of "GHG and Social Investment", "Sustainable Finance", and "ESG Risk Assessment" to improve employees' knowledge and professionalism on ESG issues as well as to strengthen their awareness of tackling ESG risks. In 2021, there were 65 records of attendance on these training sessions.

In 2021, the total accumulated training time of the employee soared by 198% to 6,221 hours YOY while the average training time per employee increased by 155% to 9.00 hours. During the year, the overall training covered 100% of the Company's employees while the breakdown of training provided by the Group is as follows:



The Group's employees received on-site training



The Group's employee took online training

	2021		202	0
Table 5: Training Hours by Gender and by Position Grade	Total training hours	Average training hours	Total training hours	Average training hours
Gender				
Male	2,687.85	6.95	1,142.50	3.54
Female	3,532.75	11.62	943.50	3.52
Position Grade				
Management	1,418.60	8.49	519.50	3.58
Manager	1,530.50	8.27	509.00	3.22
General Staff	3,271.50	9.65	1,057.50	3.67
Total	6,220.60	9.00	2,086.00	3.53
Table 6:	202	21	202	0
Trained Employee by Gender and Position Grade	Number	Proportion	Number	Proportion
Gender				
Male	387	56%	323	55%

Total	691	100%	591	100%
General Staff	339	49%	288	49%
Manager	185	27%	158	27%
Management	167	24%	145	24%
Position Grade				
Female	304	44%	268	45%

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 the training reimbursement for work-related courses, licenses and membership fees. Meanwhile, the Group offers study leaves who are taking job-related examinations, as set out in the *Staff Handbook*. In 2021, 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.

Management Trainee Program

To support university graduates' employment, in 2021, the Group successfully completed its 2021 Management Trainee Program which last for a period of 6 months. During the program, various on-the-job trainings were provided to facilitate graduates in their understanding the financial industry knowledge and practices, strengthen their team spirit, solidify communication skills and enhance problem-solving and analytical skills. In return, the program also consolidated the Group's talent pool and echelon, enhancing the Group's market competitiveness. For the 2021 program, a total of 30 outstanding graduates were recruited from well-known local and international universities, such as the University of Hong Kong, the Hong Kong University of Science and Technology, the Chinese University of Hong Kong, the Columbia University and the Fordham University.

In the coming future, the Group will continue to cultivate young talents with a comprehensive development experience and management capabilities. The application for 2022 Management Trainee Program was completed in October 2021, and it will commence in the second half of 2022. The 2022 program will last for 2 years, and trainees will have the opportunity to rotate to different departments so that they can receive comprehensive on-the-job trainings, develop diversified skills, and access to long-term and diverse career development opportunities provided by various business departments.

Performance Appraisal

The Company conducts employees' annual performance appraisals to help employees to identify their strengths and rooms for improvement, as well as to encourage and facilitate employees' development. 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 manage greater responsibilities

6.3 Supply Chain Management

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

Supplier Evaluation Integrated with ESG Concepts

In an effort to expand its sustainability philosophy and strategy into the complete supply chain, the Group implemented the *Supplier Sustainable Policy*, setting up 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 ESG risk assessment of suppliers 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 business or operational department shall conduct an immediate assessment and determine the necessary follow-up actions.

Furthermore, 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 on 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 an annual review and keeps in close communication with suppliers to minimise the ESG risks along the supply chain.

For details of the policy, please refer to the Company's website: Bupplier Sustainable Policy

ESG Risk Management in Supply Chain

To further enhance the sustainability of the supply chain and procurement, the Group has included ESG factors in 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 *Anti-bribery 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 reasons, the relevant department shall provide explanation to the Legal and Compliance Department and the Finance Department and implement control measures to mitigate potential social risks of the involved business partners.

Geographical Location of Suppliers	Number of Suppliers in 2021
Hong Kong	156
Mainland China	9
Europe	5
United States	3
Vietnam	2
Other Regions	6

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6. Social Responsibility

6.4 Investor and Shareholder Relations Management

Communications Policy and Channel

The Company aims to enhance shareholders' and other stakeholders' understanding of the Company's financial performance, strategic plan, ESG-related initiatives and growth prospects. The Group strictly implements its *Shareholders Communication Policy* and *Dividend Policy* which are published on the Company's website. The Investor Relations Team, under the supervision of the Company Secretary, is designated to receive and respond to the inquiries from and arrange meetings with investors and media community. Shareholders and other stakeholders may at any time send their inquiries to the Board in writing through the Company Secretary (contact information as shown below). In addition, the Company provides the following communication channels to shareholders and other stakeholders:

- Corporate website (www.gtjai.com). Important information such as annual and interim reports, announcements, press releases, business development and operations as well as ESG performance and other information are available for the public's access.
- Investor calls and meetings. The Company holds two analysts briefing conferences a year after its results announcements. The video records of the conferences are uploaded on the Company's website on the same day. The video records of the last three years' results announcement conferences are available for the public's access.
- General Meetings. The Company's general meetings have always been the most traditional platform for face-to-face communication between the Board and shareholders, separate resolutions are proposed on each motion at the general meetings.
- Social media platforms. WeChat, LinkedIn, Facebook as well as YouTube are set up to solicit and receive feedback from the public, particularly during COVID-19 pandemic.

To contact the Company's Investor Relations Team and visit dedicated webpage, please refer to:



For details of the shareholder policies, please refer to the Company's website:

Shareholders Communication Policy

Dividend Policy

Stable Dividends

The Company endeavors to reward shareholders with stable dividend income while retaining adequate reserves for its future development. The Company aims to distribute to shareholders with regular dividends semi-annually with a certain percentage of attributable profit and may also distribute special dividends from special income. The Board considers that it would be appropriate to target a payout ratio between 30% and 50%, and subject to the economic conditions as well as the Company's position. From 2010 to 2021, the annual dividend payments amounted to 46% to 57% of attributable profit.



Consistently Paying Dividends to Shareholders

Handling Inside Information

To ensure the integrity of the capital market and interest of its shareholders, the Group has spared no effort to prohibit the management and the staff from trading or causing others to trade on insider information (material non-public information) of the Company.

In 2021, the Company updated *Policy on Disclosure of Inside Information*, which lists out the definition of insider information and regulatory requirements while providing guiding principles, practices and procedures to ensure that inside information of the Company should be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations, including but not limited to, the SFO, the Listing Rules and the best practices of corporate governance. Meanwhile, the Company has stringent proprietary trading procedures to prohibit staff who possess inside information of the Company from trading the Company's securities.

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

Communications During COVID-19

The Company values the safety and wellbeing of shareholders and other stakeholders. In 2021, the Company took various measures to protect the safety of shareholders and stakeholders, such as imposing social distancing restrictions for face-to-face communications. In light of the uncertain development of the COVID-19 situation, shareholders were encouraged to appoint the chairman of the general meetings as their proxy to vote on the resolutions, instead of attending the general meetings in person, and most investor meetings were conducted through online platform. In accordance with the guidelines published by the Hong Kong Government and/or regulatory authorities from time to time, the Company will implement necessary precautionary measures to ensure the safety of the shareholders and other stakeholders during the communications and engagements.

6.5 Community Service and Caring

UNSDGs related to this section:

By enhancing the community investment and sharing the development fruits with local communities where its business operates, the Group has always been devoted to promoting and contributing to the sustainable development of society. The Company has established a Volunteer Service Recognition Scheme, in which it encourages



employees to actively participate in volunteer activities by providing compensation leave, appreciation certificates and shopping vouchers to employees for their participation, in accordance with their cumulative annual serving hours.

In 2021, the Group contributed to those who are in need and organized 6 volunteer activities for community caring and environmental protection. In honor of its efforts, the Company was recognized as the "Caring Company" for the 7th consecutive year.

Community Volunteer Services

With love and gratitude, the Group cares about the vulnerables and families in need and gives back to the community. In 2021, the Company joined hands again with Food Angel by Bo Charity Foundation for 3 volunteer days to prepare nutritious meals for the underprivileged. Additionally, the employees volunteered to participate in "Mid-autumn Festival Caring" initiated by Christian Action to distribute mooncakes and epidemic prevention kits to families in disadvantaged communities, sending blessings to them and wishing them a happy Mid-autumn Festival.



Food Angel meal preparation activity



Mid-autumn Festival Caring activity

Public Donation

In addition to volunteer services, the Group also makes donations for the benefit of the people in need. During the year, the Company donated approximately HK\$250,000 in total, including approximately HK\$96,000 to Henan Youth Development Foundation to help the flood rescue in Henan Province, HK\$20,000 to support the low-income group in "Walk for Millions 2021" organized by the Community Chest and HK\$16,000 to Food Angel to support the volunteer works and caring for the elderly and the families in need, etc.

Supporting Future Generation

Adhering to the belief that education and development of future generation are essential for the whole society, the Group is devoted to contributing its strength to support the youth. In 2021, the Group participated in the Summer Internship Program and New Graduates – New Opportunities Scheme initiated by the Hong Kong Chinese Enterprises Association. The program provided quality internship and trainee programs to the local university students and fresh graduates, offering them a fruitful experience to start career development path. Furthermore, in order to help students from low-income communities to access to online learning platforms during the pandemic, the Group donated 36 sets of desktop computers to Caritas Computer Workshop through the Hong Kong Computer Society.

Environmental Protection Practices

Facing the increasingly severe challenges posed by climate change and ecological degradation, the Group is proactively taking action to protect the environment as a part of its social responsibility. In March 2021, by participating in the Earth Hour, one of the largest movements for nature, held by the World Wildlife Fund, it reminded employees to switch off lights, computers and other unnecessary electrical appliances before leaving the office, aiming to promote a low-carbon lifestyle and raise the awareness of environmental protection.

Tree planting also contributes to carbon offset and helps tackling global warming. In June 2021, the Company participated in the "Tree Planting Challenge" organized by Friends of the Earth and planted approximately 300 local saplings at the Tai Lam Country Park. In November 2021, it cooperated with Friends of the Earth again and participated in the "Climate Tree Care" activity to weed and fertilize small saplings. Through these tree planting and caring activities, the Company promoted its ESG ideology and contributed to a greener planet.



2021 Tree Planting Challenge and Climate Tree Care

7. Environmental Responsibility





Environmental Responsibility Highlights 2021

Climate Action

- Incorporated climate risk into risk assessment
- Conducted a comprehensive ESG risk assessment
- "Physical climate risks" and "transition climate risks" were both assessed and identified as "low" level
- Stipulated the Business Continuity Plans

Environmental Targets

- Set specific short to medium term environmental targets in aspects of GHG emission management, paperless office, electricity consumption reduction, waste recycling, etc.
- Set detailed action plans to achieve each of the environmental targets

Energy Consumption

• The intensity of energy consumption was 0.018 MWh/ sq.ft., decreased by approximately 14.3%

GHG Emission

 Total GHG emission intensity was 0.014 tons CO₂-eq/ sq.ft., reduced by approximately 22.2%

Waste Management

• The intensities of hazardous waste and non-hazardous waste per 1,000 square feet of office areas decreased by approximately 60.7% and 28.1%, respectively

Nowadays, climate change has become one of the most severe challenges confronted by humans and anthropogenic activities taking responsible for it. As a responsible corporate, the Group endeavors to continuously enhance the management on the environmental issues, reduce all life-cycle ecological footprints and minimize the negative impacts on the natural resources and environment brought by its business operations. The Group has measures in place for pollution prevention, waste reduction and recycling, energy and natural resources saving and provide education to employees to strengthen their awareness on environmental protection.

7.1 Climate Action

Climate Risk Mitigation

The changing climate has increased the severity and frequency of extreme weather events worldwide, posing threats to enterprises' business operations and financial performance. Therefore, it is necessary for investors to take climate risks into consideration during the investment decision-making process. In the year, the Group has conducted a comprehensive ESG risk assessment, in which the climate-related risks, namely "physical climate risks" and "transition climate risks", were both assessed and identified as "low" risky. Nevertheless, the Group continuously seeks for better solutions to manage the potential climate related risks in the near future and get prepared for any latent harms. For example, the Company has been updating policies to incorporate climate-change factors into all investment decision-making process. It is also planning to systematically identify, tackle and mitigate climate change impacts in coming years.

Business Continuity Plans ("BCP(s)")

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 BCPs and established a comprehensive BCP framework based on the assessment of the key business processes by each core business. The relevant back-up plan has been designed, tested, reviewed and implemented in order to prevent significant disruptions in business operations when extreme weather or other significant disasters occur. The Group also has a comprehensive mechanism to regularly update the BCPs to ensure their validity and robustness.



7. Environmental Responsibility

Tackling Global Warming

In order to reduce the GHG emissions, the Group has set a short to medium term target to achieve an obvious reduction of carbon emissions by 2030, together with specific action plans formulated. 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 that has a higher global warming potential. Besides, when assessing and engaging outsourced data centers, the Company will constantly monitor their progress of FM200 replacement.

During the year, the Group has engaged an external professional consultant to conduct carbon assessment. The total amount of GHG emissions was remained at about the same level as compared to last year and the intensity of GHG emissions per square feet of office areas was reduced by approximately 22.2% YOY. Scope 1 emissions were reduced by approximately 2.2% YOY. Scope 2 emissions were increased by approximately 6.2% YOY was mainly due to office relocation and expansion, where scope 3 emissions were decreased by approximately 28.5% YOY due to the anti-pandemic measures such as travel restrictions, social distancing, work-from-home arrangements and online conferences.

GHG Emissions ¹	2021	2020	Unit
Scope 1 emissions ³	38.0	37.2	tons CO ₂ -eq
Scope 2 emissions ⁴	982.8	925.4 ²	tons CO ₂ -eq
Scope 3 emissions ⁵	148.4	207.6	tons CO ₂ -eq
Total GHG emissions	1,169.2	1,170.2 ²	tons CO ₂ -eq
GHG emission intensity	1.7	2.0 ²	tons CO ₂ -eq/employee
GHG emission intensity	0.014	0.018 ²	tons CO ₂ -eq/sq.ft.

Notes:

- ² The data disclosed for 2020 has been verified by a third party and restated.
- ³ Scope 1 includes direct emissions from combustion of fuel (i.e., petrol) in mobile sources and fugitive releases from equipment and systems.
- ⁴ Scope 2 includes energy indirect emissions from purchased electricity from power companies and purchased cooling from facilities management.
- ⁵ Scope 3 includes other indirect emissions from business travels and methane gas generation at landfill in Hong Kong due to disposal of paper waste.



¹ The quantification process of GHG emissions follows the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings 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.

7.2 Resource and Energy Use

Although as a financial institution, the impact of its business operations on the natural resources and environment is not significant, the Group commits to use resources and energy in a responsible manner.

Paper Consumption

Office paper is the most consumed resource and the Group has set a target to achieve digital transformation in relation to most of the customer service and internal communications by the end of 2022 in order to minimize paper consumption. On one hand, the Group has established an electronic workflow platform with its functions continuously enhanced, encouraging employees to replace paper with online workflows, on the other hand, for the unavoidable paper use, the Company makes efforts to minimize consumption. The Company purchases thinner paper (from 80gsm to 75gsm) as well as printer paper with Forest Stewardship Council (FSC) label, and encourages



Signage to encourage paper recycling

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 offices.

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 Company has posted signages around the offices. Leakage sensors have 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 offices, the water consumption amount is unavailable for disclosure.



Signage to encourage water saving in workplace



7. Environmental Responsibility

Energy Management

The major energy involved in the Group's daily operations is electricity. The Group has set the target to achieve a better control and reduction of electricity consumption by the end of 2030. The Group will gradually replace the existing T5 and T8 incandescent tubes with LED lamps in office areas. In the upcoming office renovation project, the Group will also make use of energy-saving products and solutions such as motion sensors, zone timers as well as the open plan layout to further save energy.

During the year, the increase in energy use as compared to 2020 was mainly due to the increase in cooling consumption resulting from office relocation and expansion, whereas the intensity of energy consumption per square feet of office areas was decreased by approximately 14.3% YOY. In the next year, the Group will take measures to further improve the energy use efficiency.



Switch off lights before leaving the office



Energy saving for all

Energy Use	2021	2020	Unit
Petrol	51.0	47.1 ¹	MWh
Electricity	1,194.7	1,127.5	MWh
Cooling	207.5	188.9 ²	MWh
Total energy consumption	1,453.2	1,363.5 ¹	MWh
Intensity of energy consumption	2.1	2.3 ¹	MWh/employee
Intensity of energy consumption	0.018	0.021 ¹	MWh/sq.ft.

Notes:

¹ The data for 2020 has been restated due to the use of new conversion factors based on the Energy Statistics Manual issued by the European Commission this year.

² The data disclosed for 2020 has been verified by a third party and restated.

7.3 Waste and Air Emissions

Waste Management

The Group adopts effective measures to manage its waste and strictly complies with the Waste Disposal Ordinance and other applicable laws and regulations. Most of the waste generated by the Group's business operations is non-hazardous, such as domestic waste and used paper. In order to minimize the generation of non-hazardous waste, the Company provides reusable utensils in pantry rooms and encourages employees to bring their own food containers for takeout so as to avoid the unnecessary consumption of disposable plastics. The Group's operations only generate a



Plastic free

small amount of hazardous waste, mainly including used cartridges, light tubes and electronic devices. The used cartridges are 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 electronic waste disposal companies approved by the Hong Kong government.

In 2021, the Group has set targets and action plans to improve its waste management. For non-hazardous waste, the Group aims to increase the collection and recycling rate by leaving adequate space for the installation of waste separation bins. For hazardous waste, the Group aims to decrease the generation of hazardous waste and sets the target of 100% of hazardous waste to be collected and handled by qualified waste treatment agencies by 2030. In order to achieve this target, the Group will continuously deal with the hazardous waste carefully and properly.

During the year, the total hazardous waste was decreased by 50% YOY and the total non-hazardous waste was decreased by approximately 11.8% YOY. The intensities of hazardous waste and non-hazardous waste per 1,000 square feet of office areas were decreased by approximately 60.7% and approximately 28.1% YOY, respectively.

Waste	2021	2020	Unit
Total hazardous waste	0.9	1.8	tons
Intensity of hazardous waste	1.3	3.1	tons/1,000 employees
Intensity of hazardous waste	0.011	0.028	tons/1,000 sq.ft.
Total non-hazardous waste	15.7	17.8	tons
Intensity of non-hazardous waste	22.8	30.1	tons/1,000 employees
Intensity of non-hazardous waste	0.194	0.270	tons/1,000 sq.ft.

7. Environmental Responsibility

Air Emission Management

The Group's air emissions are relatively insignificant and mainly come from the emissions from passenger cars. The Group endeavors to minimize the air emissions by first considering the most fuel-efficient vehicles or green vehicles in the procurement process, applying energy-saving products and encouraging employees to use public transportation and adopt a low-carbon lifestyle.

During the year, the amounts of Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Particulate Matter (PM) emitted from vehicles remained at about the same level as compared with 2020.

Air Emissions ^{1,2}	2021	2020	Unit
Nitrogen Oxides (NO _x)	2.12	2.12	kg
Sulphur Oxides (SO _x)	0.08	0.07	kg
Particulate Matter (PM)	0.16	0.16	kg

Notes:

¹ Refer to combustion of fuels by vehicles for commercial use.

² The emission factors used were based on the 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





ESG Factors in Policies

 Incorporated ESG factors in both Group-wide Risk Framework and front-line business policies in 2021

Sustainable Finance Highlights 2021

Responsible Investment with Active Ownership

- Applies negative screening excluding industry engaging with gambling, drugs, high energy consumption and high pollution, etc.
- Actively upholds ESG in the investee company's board's decision-making once becoming a board member

Green and Sustainable Bonds

 Fundraising amount of assisting its clients in issuance soared to HK\$70.1 billion, increased by 271% YOY in 2021

ESG-related Structured Products

- Reached HK\$2,100 million as at the end of 2021
- Remained same as the end of 2020 despite challenging market conditions

Green Equity Issuance

 Fundraising amount of assisting its clients in issuance grew exponentially to HK\$33.1 billion, increased by 1,041% YOY in 2021

Other Green Investment Position

- Reached HK\$1,270 million as at the end of 2021
- Completed new investments in management company for electric vehicles batteries, an autonomous driving company, and ESG data service provider

8. Sustainable Finance

8.1 Statement

Megatrend

Following China's pledge to achieve carbon neutrality by 2060, a series of supporting regulatory and legislative policies are being formulated to reach this important goal. Issuers and investors are increasingly paying attention to ESG financing and investing resulting in the emergence of a thriving green and sustainable finance market. In particular, with China's aim to peak carbon emission by 2030, more and more enterprises across various industry sectors are taking on the challenge of decarbonization.

Strategical Priority Change

During the past year, COVID-19 pandemic further prompted issuers and investors to focus on sustainability management and performance of individual corporations, the entire industry, and throughout supply chains. Advancing towards an era of sustainability, a strategic priority change is happening among finance issuers and investors, where more emphasis is attached to the countermeasures of the carbon neutrality target, such as formulating net zero plans and seeking additional funding to support low-carbon transformation.

Appealing Opportunities

In addition to carbon capture and solar PV power technology that have been prominent in previous years, the hotspots of clean coal, green electricity grids, high-energy-efficiency buildings, sustainable waste management, as well as the circular economy in the manufacturing industry are emerging and are expected to be among the most appealing investment opportunities.

Finance for the Good, Finance for the People

As one of the first Chinese securities firms who established international businesses, the Group witnessed the rapid development of the global financial market over the past three decades. Leveraging on the profound experience in dealing with needs of both the overseas allocation of the wealth in China and corporate finance in global markets, combined with a practical strategy, proper deal structure and strong execution capabilities, the Group has established extensive trust within the financial markets. Upon the ambition of China's carbon neutrality and carbon emission peak pledge, the Group is prepared to create value for the social and environmental sustainability through quality sustainable finance and responsible investment practices, thus providing ESG-risk-adjusted returns for its shareholders. Adhering to the operating philosophy of "Finance for the Good" (金融向善) and "Finance for the People" (金融為民), the Group strives to improve sustainability performance not only for itself but also for its clients and society.

For details of sustainable finance of the Group, please visit the Company's website:

8.2 Polices 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^{note}, 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 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.

8.3 Responsible Investment Practice

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

8.3.1 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.

Policy Integration

In 2021, the *ESG Policy* for the Asset Management Business of the Group was adopted, which 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. This includes both emerging markets such as 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. When an ESG factors is considered as material, the analysts should monitor and assess whether the investee company understand such issue and what are the steps taken to address the risk or opportunities. The team should also use materiality matrix to monitor various sectors and industry to understand the ESG opportunities and risks.

The Investment Team should also actively encourage the practice of improving the investee company's ESG standards. The team should make different level disclosures annually by releasing the portfolio carbon foot print of 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 Team 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.

Along with the Investment and Risk Team, there were dedicated analysts in charge of ESG issues during 2021.

Note: Refers to debt capital market, equity capital market and IPO sponsor business.

8. Sustainable Finance

ESG Training

In 2021, the Asset Management Department organized several training sessions both within 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.

8.3.2 Private Equity

The private equity business continued to gain a foothold among high quality companies in the primary equity market of 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 2021, the Private Equity Department published its *Guidelines on ESG Investment*, incorporating 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, ESG big data analysis, plant meat/artificial meat, and low-carbon trading system. 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 If the management of the company has been involved in a serious corruption scandal;

This guideline also sets out active ownership requirements. If the Group had 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 use the observer seat or 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.

8.4 Sustainable Finance Performance

In 2021, the Group has actively promoted sustainable finance through businesses such as corporate finance, asset management and private equity, to meet the needs of corporate issuers and institutional investors to transform to low-carbon and sustainable development. During the year, the Group has participated in 54 sustainable finance projects in total, covering various industries such as property management/development, renewable energy, logistics, education, biotechnology, automobile, chemical, recycling, financials and public utilities. Total financing and investing amount of sustainable and green finance exceeds HK\$106.9 billion, increased significantly by 323%.



Performance of sustainable corporate finance service soared exponentially. In 2021, the amount of funds raised by the Group's funds raised by green and sustainability bond business increased by 271% YOY to HK\$70.1 billion, while funds raised by green equity business increased by 10.41 times YOY to HK\$33.1 billion, both at record-breaking levels.

Responsible Investment Boosts China's New Economy. As at 31 December 2021, the Group's ESG-related derivatives products¹ position remained at HK\$2,100 million despite the challenging environment in 2021, which is mainly from forest management industry. Moreover, the ESG-related assets under management of private equity business amounted to approximately HK\$900 million. In 2021, the Group completed new quality investments including Wuhan Weineng (battery management business for electrical vehicle), Plus (a heavy truck autonomous driving company), Miotech (ESG data service provider) and ATRenew (unicorn in recycling economy). Meanwhile, the ESG related position from asset management and market making added up to HK\$370 million.

Notes:

1. The ESG-related derivatives products are mainly held by the Group for its clients.

8.5 Case Study

Clients or Investee Companies	Project Summary	Related UNSDGs
Мютесн	Private Equity Business: In 2021, the Group successfully led the B+ round of financing in Miotech (妙盈科技), a sustainable development data and technology provider based on artificial intelligence technology. The latest financing will be used to expand and accelerate its product development, strengthening its position as a leading provider of ESG data and carbon neutral technologies serving financial institutions, companies and individuals around the world.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
登 蔚能	Private Equity Business: In 2021, the Group participated in the second round financing of Wuhan Weineng (武漢蔚能) Battery Asset Co., Ltd, an electric vehicle replaceable battery project of the first digital battery asset operation company worldwide. The fund raised would be utilized for the innovation of renewable energy vehicle battery sectors and especially for the investment of battery as a business, which will contribute to the clean energy transition. The Group has also participated in the first-round financing of Wuhan Weineng in 2020.	7 AFFORMARIE AND CLEAN ENERGY
) 广州地铁 Guangzhou Metro	Corporate Finance Business: In September 2021, the Group, as the joint green structuring advisor, joint global coordinator, joint bookrunner and joint lead manager, assisted Guangzhou Metro (廣州地鐵) successfully in issuing US\$200 million 5-year senior fixed-rate green bonds, which set the record of the lowest interest rate for US dollar bonds issued by China-based local state-owned enterprises during the same period, and was also the first green overseas bond issued by a state-owned enterprise in Guangdong-Hong Kong-Macao Greater Bay Area in 2021. The funds raised will be fully used for low-carbon transportation projects. The bond was highly regarded by many well-known domestic and international investment institutions, with a maximum book order of over US\$2.2 billion and 11-times oversubscription.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Corporate Finance Business: In November 2021, the Group, as the joint global coordinator, joint bookrunner and joint lead manager, assisted **Shangyu Urban Construction Group Co., Ltd.**(上虞城建集團) successfully issuing a 5-year US\$240 million senior unsecured sustainable bond. This is the first sustainable overseas bond issued by a state-owned enterprise in the Yangtze River Delta region. The proceeds will be used to refinance the issuer's offshore debt under a sustainable financial framework.



8. Sustainable Finance

Clients or Investee Companies	Project Summary	Related UNSDGs
五菱汽車控股 Wuling Motors Holdings	Corporate Finance Business: In early 2021, the Group successfully assisted Wuling Motors Group Holdings Limited (五菱汽車控股) in the placement and subscription, raising approximately HK\$550 million. The Group acted as the sole placement agent in this project, assisting Wuling Motors to capture new opportunities in the new energy vehicle market and for the research and development projects of new model electric logistic vehicles.	7 AFFORDABLE AND CLEAN ENERGY
CCNG 中國碳中和	Corporate Finance Business: In 2021, the Group acted as the placing agent in a share placement project for the Carbon Neutral Development Group Limited (中國碳中和發展集團) and raised in aggregate HK\$231 million. All the raised fund would be used for the investment in the carbon capture infrastructure and forest carbon sinks, as well as the carbon asset research and development.	13 Guimate
RISUN	Corporate Finance Business: The Group acted as the placing agent, sole global coordinator and joint bookrunner in a share placement project for China Risun Group Limited (中國旭陽集團 有限公司), a chemical company, to raise HKD\$2,065 million. 80% of the raised fund have been applied for upgrading the existing manufacturing equipment and environmental protection facilities.	13 climate
<mark>万物新主</mark>	Corporate Finance and Private Equity Business: In June 2021, ATRenew (萬物新生), known as "the first ESG-related China concept stock" in the Group's investment portfolio, was successfully listed on the New York Stock Exchange. ATRenew positioned itself as a leader in the "Internet + environmental protection" circular economy. In the listing process, the Group provided underwriting services which demonstrated its capabilities in all-round business synergy.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

9. About the Report

This ESG report provides stakeholders with information regarding the efforts made by the Company to improve its management and performance on ESG issues and advance to a more sustainable future. 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 been prepared in full compliance 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
Materiality	The Group has conducted a comprehensive stakeholder survey in 2021 to better understand the most significant ESG issues. The survey engaged both internal and external stakeholders and the issues of the most importance to both of the Group's business and various 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.
Quantitative	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.
Balance	This report provides stakeholders with an unbiased picture of the Group's sustainability performance by sticking to a high standard of integrity and transparency.
Consistency	Unless as 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. About the Report

9.2 Reporting Scope and Period

The scope of 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.

This report covers the period from 1 January 2021 to 31 December 2021. Certain information is disclosed up to 30 May 2022, being the latest practicable date for ascertaining such information contained herein.

9.3 Feedback

The Group values the feedback and suggestions from its stakeholders. It is always committed to providing stakeholders with valuable information and constantly improving its ESG management and performance. Should there be any suggestions or opinions, please contact the Company by the following ways:

Department: Office of the Board Telephone: 2509-9118 Email: esg@gtjas.com.hk Mailing address: 27/F, Low Block, Grand Millennium Plaza, No. 181 Queen's Road Central, Hong Kong

Item	Description	Relevant Section and Remarks	
Governance Structure	A statement from the board containing the following elements:	nemans	
	(i) a disclosure of the board's oversight of ESG issues;		
	 the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and 	2. Board Statement 4. ESG Management	
	(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:		
	Materiality : 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.	9.1 Reporting Basis and	
	Quantitative : 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.	Principles	
	Consistency : 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" Provi			
General Disclosures and KPIs	Description	Relevant Section and Remarks	
A. Environment			
Aspect A1: Emissions			
General Disclosure	Information on:		
	(a) the policies; and	7.1 Climate Action 7.3 Waste and Air Emissions	
	(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.		
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). 7.1 Climate Action		
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.3 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).		
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.		
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a	7.3 Waste and Air	

General Disclosures and	Description	Relevant Section and	
KPIs	Description	Remarks	
A. Environment			
Aspect A2: Use of Resource	ces		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		
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).	7.0 5	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.2 Resource and Energy Use	
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	
Aspect A3: The Environme	nt and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	7. Environmental	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Responsibility	
Aspect A4: Climate Chang	e		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.4.01;+- 4+'	
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.	7.1 Climate Action	
B. Social			
Employment and Labour F	Practices		
Aspect B1: Employment			
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.		
Aspect B2: Health and Saf	ety		
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.		

General Disclosures and KPIs	Description	Relevant Section and Remarks	
B. Social			
Employment and Labour P	ractices		
Aspect B3: Development a	nd Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.2.4 Training and Development	
KPI B3.2	The average training hours completed per employee by gender and employee category.		
Aspect B4: Labour Standa	rds		
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.	-	
Operating Practices			
Aspect B5: Supply Chain M	<i>l</i> anagement		
General Disclosure	Policies on managing environmental and social risks of the supply chain.		
KPI B5.1	Number of suppliers by geographical region.	6.3 Supply Chain Management	
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.		
Aspect B6: Product Respo	nsibility		
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 Data Privacy	

General Disclosures and		Relevant Section and		
KPIs	Description	Remarks		
B. Social				
Employment and Labour P	ractices			
Aspect B7: Anti-corruption				
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. 	5.3 Anti-corruption and Anti-bribery		
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the year and the outcomes of the cases.			
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.			
KPI B7.3	Description of anti-corruption training provided to directors and staff.			
Community				
Aspect B8: Community Inv	estment			
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		
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	and Caring		
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.			

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Appendix 2: Ten Principles of the UN Global Compact

Prin	ciples	Relevant Section				
Hun	Human Rights					
1.	Business should support and respect the protection of internationally proclaimed human rights; and	6.3 Supply Chain Management6.2.2 Employment Management6.2.3 Health and Well-being				
2.	make sure that they are not complicity in human rights abuses.	6.5 Community Service and Caring				
Lab	our					
3.	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;					
4.	the elimination of all forms of forced and compulsory labour;	6.2.2 Employment Management				
5.	the effective abolition of child labour; and	6.2.2 Employment Management				
6.	the elimination of discrimination in respect of employment and occupation.					
Env	ironment					
7.	Business should support a precautionary approach to environmental challenges;					
8.	undertake initiatives to promote greater environmental responsibility; and	7.1 Climate Action 7.2 Resource and Energy Use 7.3 Waste and Air Emissions				
9.	encourage the development and diffusion of environmentally friendly technologies.					
Anti	Anti-corruption					
10.	Businesses should work against corruption in all its forms, including extortion and bribery.	5.3 Anti-corruption and Anti-bribery				



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