



中信证券  
CITIC SECURITIES

CLSA



# CITIC Securities International Sustainability Report 2023

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# ABOUT THIS REPORT

CITIC Securities International Company Limited (the “**Company**” or “**CSI**”), along with its subsidiaries (collectively known as the “**CSI Group**”, “**we**”, or “**our**”), is delighted to present its Sustainability Report (this “**Report**”) for the year ended 31 Dec 2023. This Report reflects our commitment to sustainability, detailing our approach and achievements in managing our impacts on the economy, environment, and people.

The CSI Board of Directors (the “**CSI Board**”) has reviewed and approved this Report, including the material topics, disclosures and performances. This Report documents our concerted efforts in addressing environmental, social, and governance (“**ESG**”) issues and underscores our dedicated corporate responsibility towards a sustainable future, steered by the CSI Board’s sound governance.

## Reporting Standards

This Report has been prepared in accordance with the GRI Sustainability Reporting Standards (“**GRI Standards**”) and with reference to the recommendations of the Task Force on Climate-Related Financial Disclosures (“**TCFD**”) and the Investment Banking and Brokerage Industry Standard of the SASB Standards.

This Report has been reviewed against the GRI Standards requirements by an independent third party. A GRI content index and an external assurance report are included in the end of this Report.

## Reporting Period and Reporting Scope

CSI publishes sustainability reports on an annual basis. Information provided in this Report captures the sustainability approach and performance of the CSI Group in the financial year from 1 January 2023 to 31 December 2023 (the “**Reporting Period**”), unless otherwise specified.

The scope of this Report includes all areas of our business operations that have significant impact on our stakeholders, covering our operations in Hong Kong, Mainland China, Australia, India, Indonesia, Japan, Malaysia, the Netherlands, the Philippines, Singapore, South Korea, Thailand, the United Kingdom, and the United States.

## Information and Feedback

We are committed to continuously enhancing our sustainability practices and your feedback is invaluable in this journey. We highly value and encourage views and suggestions on our sustainability initiatives and this Report. If you have any questions or comments, please reach out to us at [communications@CLSA.com](mailto:communications@CLSA.com).

## ABOUT THIS REPORT

### Reporting Principles

This Report adheres to the following reporting principles set forth by the GRI Standards.

#### Accuracy

Qualitative information is presented with adequate detail and consistent with available evidence. Quantitative information are disclosed together with the standards, methodologies, assumptions, calculation tools, and sources of conversion factors, when applicable.

#### Clarity

The Report incorporates features for easy navigation, such as clear headings, a table of contents, a content index, etc. Information is reported concisely with the aid of graphics and data tables to enhance accessibility and comprehension.

#### Completeness

We documented activities and events relevant to our significant impacts within the Reporting Period, ensuring that no critical information is omitted. This presents a complete picture of the CSI Group's impacts on the economy, environment, and people, facilitating a thorough understanding of our sustainability performance.

#### Timeliness

CSI maintains a regular reporting schedule with consistent length of reporting periods. Each report clearly indicates the specific time period covered on the provided data, facilitating stakeholders' informed decision-making.

#### Balance

The Report comprehensively includes both the CSI Group's achievements and challenges for an unbiased picture of our impacts, while avoiding selections, omissions of information, or inappropriate presentation formats. Negative and positive year-on-year trends can be observed from our performance data.

#### Comparability

CSI presents data for the current and previous reporting periods, uses standard conversion factors and international metrics, and explains methods and assumptions used. Both absolute and normalised data are reported, with explanatory notes to facilitate comparisons where necessary.

#### Sustainability context

CSI assesses and reports its impacts in alignment with global and local sustainability goals. The Company refers to international trends and industry practices to guide its sustainability approaches and reporting.

#### Verifiability

The CSI Group implements internal controls and documentation that facilitate independent assurance and verifications. The Company has adopted process for data collection to enhance reliability with supporting evidence, and ensures the data represent our sustainability impacts.

# CHAIRMAN'S MESSAGE

Dear Stakeholders,

Amid the complex global macroeconomic environment in 2023, CSI witnessed significant developments in sustainability regulations and disclosure requirements from policymakers and regulators worldwide. Climate change action and low-carbon transition have become requisites in the sustainable finance landscape. As a leading Asian capital markets and investment group, we have further strengthened our integrated management, and consistently incorporated ESG into our global operations while expanding our sustainable finance services and responsible investments. Our commitment to managing the impact on the environment, our workforce and the community allows us to generate sustainable value for all our key stakeholders.



## CHAIRMAN'S MESSAGE

### Capitalising on sound governance to drive lasting value

At CSI, we are committed to rigorous corporate governance, with a focus on effective risk management that encapsulates ESG and climate-related risks. In 2023, the CSI Group continues to strengthen integrated management with our parent company, CITIC Securities Company Limited, under the guidance of the CSI Board and CSI Management Committee. Our governance framework underpins a culture of integrity that seamlessly weaves into our global operations. These governance practices propel CSI Group's sustainable growth and long-term success.

### Advancing sustainable finance to empower low-carbon transition

We are at the forefront of driving responsible investment practices and promoting sustainable finance with innovative ESG products. In 2023, our investment banking team underwrote 40 green, social, and sustainability bonds, raising over USD13.25 billion. Additionally, our equity capital market services played a pivotal role in facilitating the largest ever pure renewable IPO in Southeast Asia, along with other initial offerings on the Hong Kong Stock Exchange and Global Depositary Receipts ("**GDR**") issuance on the SIX Swiss Exchange for new energy-related companies.

Our alternative investment management business remains steadfast in making investment decisions that consider ESG interests, while positively influencing our clients and assets. The fund managing entities are signatories to the United Nations Principles of Responsible Investments ("**UNPRI**") and adhere to other industry principles and guidelines. Throughout the pre- to post-investment stages, our funds and their investment committees thoroughly assess ESG-related factors, risks and opportunities, contributing to the transition towards clean energy, carbon neutrality, as well as fostering social and community benefits through our portfolio companies.

**40** green, social, and sustainability bonds were underwritten

**US\$13.25 billion+** raised in total

## CHAIRMAN'S MESSAGE

### Innovating with cutting-edge research and digital transformation

Our distinguished, award-winning research brand, *Sustain Asia*, empowers institutional clients to incorporate ESG factors into their investment decisions through our expert sustainability insights. In 2023, *Sustain Asia* delivered more than 350 ESG-related research reports and studies. Our biennial *CG Watch* reports and its 2023 update have garnered significant value and trust among investors in the Asia market. To further enhance our research capabilities, we have upgraded our ESG scoring framework, doubling the number of ESG indicators tracked. We have also redesigned our live online research platform, improving the user interface and allowing users to adjust weightings according to their preferences.

The year of 2023 witnessed a transformative surge in digital technology, exemplified by the rapid advancements in generative AI and ongoing innovations in fintech. With innovation at the core of our development strategy, CSI has actively explored and accelerated the application of fintech and AI technologies. Notably, we have launched the *CITIC CLSA ChatGPT*, while simultaneously managing the associated risks including data management and security measures.

### Building a greener future with enhanced operational practices

CSI has always been a pioneer among Asian financial institutions in managing its environmental footprint, as evidenced by our ISO14001-certified Environmental Management System. We continue to explore ways to minimise our operational impacts, collaborating closely with property managers to achieve this goal. Particularly, we have participated in the Green Performance Pledge ("**GPP**") of Swire Properties, a step forward in tracking and reducing emissions, energy usage and waste.

**350+** ESG-related research reports and studies were delivered

## CHAIRMAN'S MESSAGE

### Creating positive impact for our communities

CSI actively engages in social initiatives aimed at promoting community development and welfare, both within our operating locations and beyond. In 2023, employees from our global offices volunteered over 1,500 hours in various outreach programs, marking a 50% year-on-year increase. Building on our previous collaboration with Po Leung Kuk (PLK), *CITIC CLSA Trust* launched the CITIC CLSA Youth Mental Health Programme, expecting to benefit over 100,000 individuals from 2024 to early 2025.

Despite the challenges ahead, CSI remains dedicated to embedding ESG principles into our operations and investment strategies. I invite you to read the following report, which delves deeper into our efforts to promote responsible investment and support clients and markets in their transition towards a sustainable economy. Leveraging our expertise and resources, we are committed to creating long-term value and fostering a prosperous future for society.

Yours sincerely,

**Chunbo LI**

*Chairman and CEO of CITIC Securities International*

25 September 2024

**1,500+** hours  
volunteered in our  
outreach programs

# ABOUT CSI



Headquartered in Hong Kong, CSI is a wholly-owned subsidiary of CITIC Securities Company Limited (“**CITIC Securities**”), the China’s largest investment bank, a leading securities firm which has maintained the No.1 ranking in the industry in major financial indicators for more than 10 years in a row.

## In This Chapter

- Business Overview
- 2023 Highlights
- Awards and Recognitions

## ABOUT CSI

### Business Overview

Established in Hong Kong in 1986, CLSA Limited (“**CLSA**”) is Asia’s leading investment and capital markets group. CSI acquired CLSA in 2013 and, in 2017, CLSA integrated its business with CSI, and the combined entity has since been operating in overseas markets under the brand name “CITIC CLSA”.

Following recent adjustments to our corporate structure, the CSI brand now more accurately represents its global network and unique position as a bridge, enabling domestic clients to access the international capital market and facilitating overseas clients’ participation in China’s capital market.

For over three decades, CSI has been a prominent player in the global finance industry, recognised for its award-winning research and expansive network spanning 13 countries across Asia, Australia, Europe, and the United

States. Our direct connection to China and profound local expertise, bolstered by partnerships under the CITIC CLSA brand, enable us to effectively serve our clients in these diverse markets.

We provide global institutional investors, corporations, governments, and high-net-worth individuals with unparalleled insights, liquidity, and capital to drive their investment strategies. Our efforts to foster innovation and promote growth across international borders demonstrate our commitment to advancing sustainable and profitable investment practices worldwide.

CSI provides corporate finance and capital markets, asset management, alternative investment, wealth management and securities services to global corporate and institutional clients. For more information about CSI, please visit our website at <https://www.CLSA.com/about/>.

CSI’s key areas of business are:

Institutional Services				Retail Services
<b>CORPORATE FINANCE &amp; CAPITAL MARKETS</b> <ul style="list-style-type: none"> <li>• Capital markets – ECM/DCM</li> <li>• Corporate finance – M&amp;A</li> <li>• Equity-linked</li> </ul>	<b>SECURITIES</b> <ul style="list-style-type: none"> <li>• Institutional equities</li> <li>• Equity derivatives</li> <li>• Fixed income</li> <li>• Structured finance</li> </ul>	<b>ASSET MANAGEMENT</b> <ul style="list-style-type: none"> <li>• Active investment</li> <li>• Quantitative investment</li> <li>• Cross-border investment solutions</li> </ul>	<b>ALTERNATIVE INVESTMENT MANAGEMENT</b> <ul style="list-style-type: none"> <li>• Private equity and others</li> <li>• Private credit</li> <li>• Private real estate</li> </ul>	<b>WEALTH MANAGEMENT</b> <ul style="list-style-type: none"> <li>• Retail broking</li> <li>• Margin lending</li> <li>• Advisory</li> </ul>

## ABOUT CSI

### 2023 Highlights<sup>1</sup>

#### Economic Performance



**US\$1,602.31**  
million

Revenue

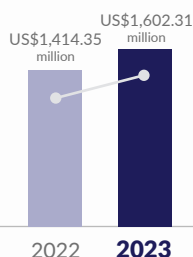


**US\$246.11**  
million

Net profit

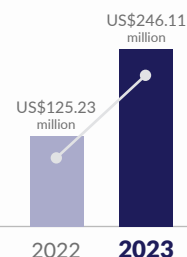
#### Revenue

↑13.29%



#### Net Profit

↑96.53%



#### ESG Solutions and Services



One of the 20 exclusive inaugural trading participants globally to help launch trading on **HKEx's "Core Climate"**



Underwrote **40** green, social and sustainability bonds raising over **US\$13.25** billion in total



↑ **22%** increase in ESG related research reports and studies published (increasing from **290** in 2022 to **356** in 2023), and **16+** ESG related seminars delivered



**50** new environmental and social indicators added to our upgraded ESG scoring system, increasing the total number of tracked indicators to **80** per company

#### Environment



↓ **3%** Year-on-year reduction in energy intensity



Certified to **ISO14001** Environmental Management System since 2007



Adopted Renewable Energy Certificates ("**REC**") for **100%** of the electricity for our New York office



Achieved **Silver** status in Swire Properties' GPP for two consecutive years

<sup>1</sup> All percentage changes shown are in comparison to 2022.

# ABOUT CSI

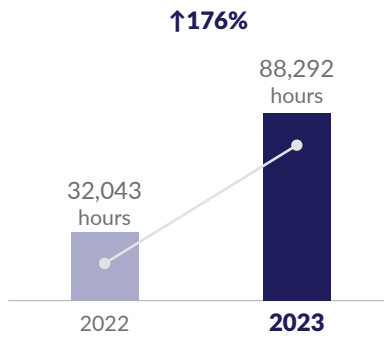
## People



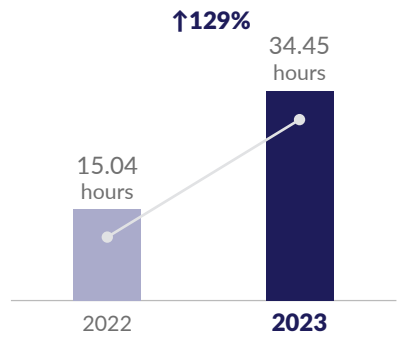
**2,186**

Total number of employees

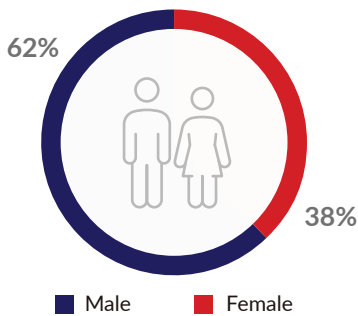
### Total Training Hours



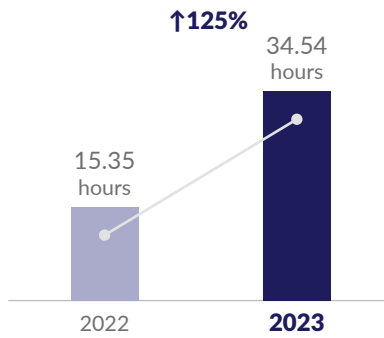
### Average Training Hours Per Employee



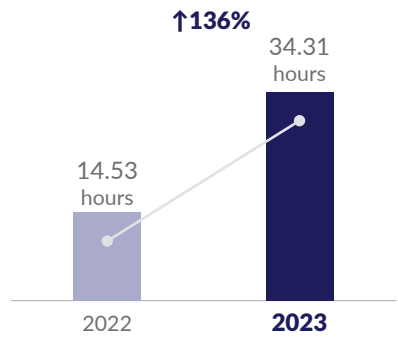
### Average Training Hours By Gender



Gender distribution



Male



Female

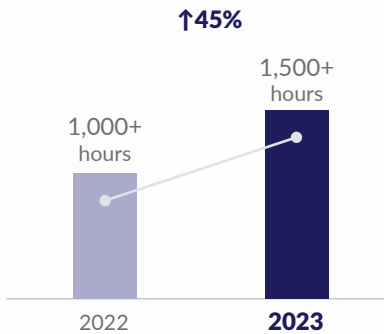
## Community



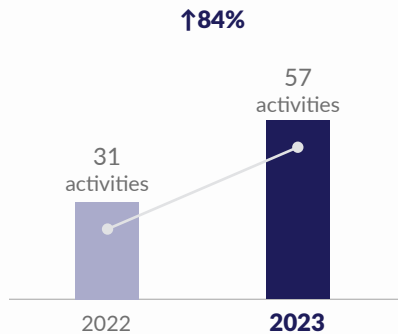
**496**

Total number of employees volunteered

### Total Volunteer Hours



### Total Community Outreach Activities Participated



## ABOUT CSI

### Awards and Recognitions

At CSI, we provide clients with world-class, award-winning research. Our deep understanding of Asia, supported by market and sector analysts strategically positioned across key regional markets, sets us apart from our competitors and has enabled us to consistently deliver top-tier research for decades.

We are committed to excellence, striving to offer industry-leading insights and differentiated execution. We empower our

clients' investment decisions with enhanced access to capital and take pride in our team's relentless dedication, which has earned us numerous prestigious industry awards. Our commitment to integrating ESG considerations into our business practices has garnered significant acclaim, as demonstrated by the accolades we received in 2023. Below is a list of the ESG-related ones, and a more comprehensive list of honours is available on our website.

Issued by	Awards/Recognitions
The Asset Triple A Sustainable Investing Awards 2023	Best Fund Administration Mandate Alternatives (Hong Kong)
Asiamoney Brokers Poll 2023	No.1 Best brokerages for ESG research - Australia No.1 Best brokerages for ESG research - Philippines No.2 Best brokerages for ESG research - China (A&B shares) No.2 Best brokerages for ESG research - Hong Kong No.2 Best brokerages for ESG research - Indonesia No.2 Best brokerages for ESG research - Japan No.3 Best brokerages for ESG research - Malaysia No.3 Best brokerages for ESG research - South Korea
International Organization for Standardization	ISO14001 Environmental Management Systems
Swire Properties	Green Performance Pledge - Silver

# APPROACH TO SUSTAINABILITY



The CSI Group has long been devoted to sustainability and social responsibility. We keep engaging with our stakeholders to communicate our efforts and progresses that address their concerns.

## In This Chapter

- Sustainability Commitment
- Stakeholder Engagement
- Material Topics

## APPROACH TO SUSTAINABILITY

### Sustainability Commitment

At CSI, our core mission is to operate as a successful and sustainable business that delivers long-lasting value for all shareholders while growing responsibly. Under the strategic direction of CITIC Securities, we are expanding our global markets and embedding sustainability within our investment processes and operations. This commitment is evident in our transparent communication about our performance on diverse ESG-related issues.

In our overall sustainability framework, the CSI Board holds the ultimate responsibility for managing our ESG risks and opportunities. Senior management of the Company is delegated to implement the framework and ensures that sustainability is incorporated in every facet of our business strategy and decision-making. The CSI Board and its governance are further described in the “Corporate Governance” chapter of this Report.

### Stakeholder Engagement

We are dedicated to engaging with all our stakeholders in a responsible and sustained manner, ensuring that our interactions reflect the evolving priorities and concerns of those we serve. Our commitment to meaningful engagement is demonstrated through a variety of interactive channels and strategic initiatives that cater to our diverse stakeholder groups, as summarised in the table below.

Stakeholder Groups	Engagement Methods
Clients	<ul style="list-style-type: none"> <li>• Phone calls</li> <li>• Email</li> <li>• Face-to-face meetings</li> <li>• Online servicing</li> <li>• Interim and annual reports</li> <li>• Surveys</li> <li>• Seminars and conferences</li> <li>• Annual account reviews</li> <li>• Annual General Meetings</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Team meetings</li> <li>• Annual performance review and appraisals</li> <li>• Intranet</li> <li>• Trainings and workshops</li> <li>• Emails</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Regular open dialogue</li> <li>• Senior management meetings</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Assessments</li> <li>• Contract negotiations</li> <li>• Review meetings</li> </ul>
Community and Non-profit Organisations (“NGOs”)	<ul style="list-style-type: none"> <li>• Directly through activities to provide voluntary support and funding</li> <li>• Daily interactions</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Daily interactions on our business and market research</li> <li>• Media releases</li> <li>• Media events such as roundtables and briefings</li> </ul>

Together, these efforts reflect our dedication and continuous improvement in our sustainability practices, guided by the feedback and interactions with our valued stakeholders.

# APPROACH TO SUSTAINABILITY

## Material Topics

In determining the material topics to be disclosed in this Report, we continue to follow the guidance provided in the latest GRI Standards. This ensures the topics and relevant

disclosures continue to reflect the most significant impact of the CSI Group on economy, environment and people. The process is summarised in the four steps shown below.



Referring to the guidance of the GRI Standards, the material topics from the 2022 Report are reviewed to account for changes in our impacts, if any. Based on the first three steps above, the 21 topics prioritised and disclosed in the 2022 Report are regrouped into key disclosures and 15 potentially material topics, then assessed and tested with stakeholders.

Internal and external stakeholders are invited to select topics representing the CSI Group’s most significant impacts and less significant impacts, considering both positive and negative impacts, actual and potential impacts, the scale and scope of impacts, as well as the likelihood and severity of potential impacts. Descriptions and relevant disclosures of the topics are provided to stakeholders for their references.

The findings informed a prioritised list of topics and a threshold for reporting. The results indicated that “Supply Chain Management” and “Emissions” are two topics that least number of stakeholders consider to be most material, whilst a significant number of responses consider that they are less material. Aligning with the previous year, the CSI Board continues to consider that “Emissions” to be our material topic, resulting in a total of 14 prioritised material topics.

## APPROACH TO SUSTAINABILITY

Hence, the prioritised material topics are listed below:

1. Economic Performance and Impacts
2. Professional Integrity and Anti-corruption
3. Technology and Information
4. Employment
5. Sustainable Finance
6. Client Experience
7. Diversity and Equal Opportunity
8. Training and Education
9. Community Engagement
10. Intellectual Property Rights
11. Waste Management
12. Climate Change Responses
13. Energy Management
14. Emissions

Comparing with material topics in 2022, the changes are as follows:

- a) Topics “risk management” and “environmental compliance and policies” are considered as key disclosures in this Report according to the GRI Standards. Therefore, they are not listed among the 15 potentially material topics for prioritisation.
- b) Topics “economic performance” and “market presence” are combined into “Economic Performance and Impacts”, which also considers indirect impacts.
- c) Topics “professional integrity” and “anti-corruption” are combined into one topic.
- d) Topics “customer health and safety” and “customer satisfaction and responsibility” are combined into “Client Experience”.

- e) The topic “incorporation of ESG factors in investment banking and brokerage activities” is simplified to be “Sustainable Finance”, which also includes subtopics like responsible investment, green and sustainable products offering, ESG research and due diligence, etc.
- f) The topic “information security” is replaced by “Technology and Information” for a broader coverage. The new topic covers related subtopics like data protection, digital transformation, Fintech and AI, etc.
- g) The topic of “product quality” is considered covered in other disclosures and topics such as “Risk Management”, “Professional Integrity and Anti-corruption”, “Client Experience” and “Technology and Information”, rather than a standalone topic.
- h) Topics “Climate Change Responses”, “Energy Management”, “Emissions”, “Waste Management”, “Intellectual Property Rights”, “Employment”, “Training and Education”, “Diversity and Equal Opportunity”, and “Community Engagement” remain to be material topics in 2023.

The above changes are viewed as the result of consolidating similar topics after analysing latest trends in ESG, the industry and peer comparison. The upcoming chapters of this Report would present our impacts on the above material topics as well as our policies, actions and progress in managing them in a well-organised structure.

# CORPORATE GOVERNANCE



CSI's governance framework and policies are kept abreast of trends and regulatory requirements, including those relevant to ESG, ensuring our effective risk management and ethical business practices.

## In This Chapter

- Board Structure, Composition and Roles
- Sustainability Governance
- Risk Management
- Business Ethics and Human Rights
- Anti-corruption and Bribery

## Board Structure, Composition and Roles

As the CSI Group is a part of CITIC Securities, the Group's governance structure is, to the extent possible, aligned with the way in which CITIC Securities is itself governed. The CSI Board holds the overall responsibility for overseeing the operations and strategic direction of the CSI Group. The Board supervises and manages the CSI Group's activities so as to guide the CSI Group in delivering value to our clients and other stakeholders. Additionally, the three board-level committees, including the Management Committee, Audit Committee and Risk Management committee, report directly to the CSI Board to support their oversight over

relevant matters and mechanisms. The senior management and other corporate entities collaborate with the CSI Board in setting and implementing approved strategies, as well as the effective day-to-day operations.

CSI maintains a sound system for the nomination and selection of board members, with criteria and processes outlined in its Articles of Association, ensuring that our leadership is equipped with the knowledge, expertise and vision to steer the CSI Group towards sustainable success. The following table shows the composition of the CSI Board in details.

Director	Gender	Roles	Other Significant Positions Held
Chunbo LI	M	Chairman and CEO of the CSI Board and Executive Director	Executive member of CITIC Securities; Member of Management Committee, Audit Committee, Disciplinary Committee, Anti-Bribery and Corruption Committee
Benliang SHI	M	Executive Director	Executive Member and Director of the Wealth Management Committee of CITIC Securities
Jianqiang XU	M	Executive Director	CEO of Wealth Management; Head of Equity Derivatives & Prime Brokerage; Head of Asset Management; Member of Management Committee, Audit Committee, Risk Management Committee, Disciplinary Committee, Anti-Bribery and Corruption Committee, Best Execution Committee
Yang YU	M	Executive Director	Head of Investment Banking; Member of Management Committee, Audit Committee, Anti-bribery and Corruption Committee, Capital Commitment Committee International
Edward PARK	M	Executive Director	Chief Executive Officer of Institutional Equities; Member of Management Committee, Audit Committee, Risk Management Committee, Anti-Bribery and Corruption Committee, Institutional Equities Executive Committee

## CORPORATE GOVERNANCE

The CSI Board convenes quarterly, with meeting minutes recorded and distributed by the Secretary. The CSI Board commits to optimising the interests of the CSI Group and fostering long-term sustainable growth and success, while adhering to the highest standards of integrity, ethics, and social responsibility. The CSI Board conducts regular self-assessments of its performance, and the findings are thoroughly discussed in Board meetings. The valuable insights gained are used to refine and enhance our corporate governance framework, ensuring that our practices align with ethical leadership and strategic foresight.

To maintain transparency and safeguard against conflicts of interest, the CSI Board discusses and resolves all significant issues in accordance with established common law principles. Article 16 of CSI provides guidelines to address and manage potential conflicts of interest, ensuring that the decisions made uphold the best interest of the CSI Group as a whole.

CSI follows a total compensation philosophy, including the remuneration for Directors and senior executives, to acknowledge and reward both individual achievements, collective efforts and quality performance. The compensation package comprises a base salary, housing rental reimbursements (where applicable), discretionary bonuses, and various allowances and benefits. Discretionary bonuses are performance-driven, directly correlate with the Company's overall success and effective impact management of the organisation.

In an effort to ensure effective management, the CSI Board delegates specific responsibilities to 12 internal committees and working groups to attend to various functional aspects of the CSI Group's businesses and activities. They report to the Management Committee on a monthly or quarterly basis, playing pivotal roles in maintaining our integrity and quality, while harmonising our operational strategies with our commitment to regulatory compliance and excellence. These internal committees and working groups include the Institutional Equities Executive Committee, the Capital Commitment Committee (International), the Strategic Development Working Group and the Operational Risk Working Group. The CSI Board continuously reviews this leadership structure, especially at the senior management level, to align with our evolving business practices, personnel, and policies.

To strengthen CITIC Securities' management and control over the CSI Group to comply with the China Securities Regulatory Commission's ("**CSRC**") regulations, CITIC Securities has determined that there should be general oversight by CITIC Securities' senior managers, business lines and boards of the CSI Group. Regulated entities in the CSI Group are subject to applicable regulatory requirements, such as licensing, code of conduct, requirements on internal controls and capital requirements, which are enforced by the Securities and Futures Commission ("**SFC**"), Monetary Authority of Singapore ("**MAS**"), Financial Conduct Authority ("**FCA**"), Securities and Exchange Commission ("**SEC**") and others.

## CORPORATE GOVERNANCE

CSI operates its regulated business lines through a network of licensed entities, each governed by a local Board appointed and/or controlled by the CSI Board. These local Boards hold the responsibility of managing the operations and ensuring compliance with all legal and regulatory requirements within their jurisdictions. They are also subject to regular examinations and inspections by the SFC or other pertinent local regulatory bodies for adherence to standards.

### Sustainability Governance

The CSI Board oversees the management of ESG risks and strategies, setting strategic goals that align the entire organisation and all employees towards common sustainability objectives. These goals not only guide our efforts but also ensure the allocation of necessary resources to enhance our overall ESG performance. The integration of ESG risk and opportunity management is more than merely an operational requirement, but a strategic imperative sternly overseen by the CSI Board.

Senior management is tasked with implementing the strategies set by the Board, continuously monitoring our performance, and taking corrective actions as needed. This ensures the CSI Group meets our goals and fosters further improvement. Moreover, senior management is charged with integrating ESG considerations into our decision-making processes, identifying emerging ESG risks and opportunities, and maintaining effective communication with stakeholders about our progress towards achieving ESG objectives.

This structured governance ensures that CSI remains at the forefront of sustainability practices, aligning our operations with our commitment to long-term value creation and responsible corporate citizenship.

### Due Diligence

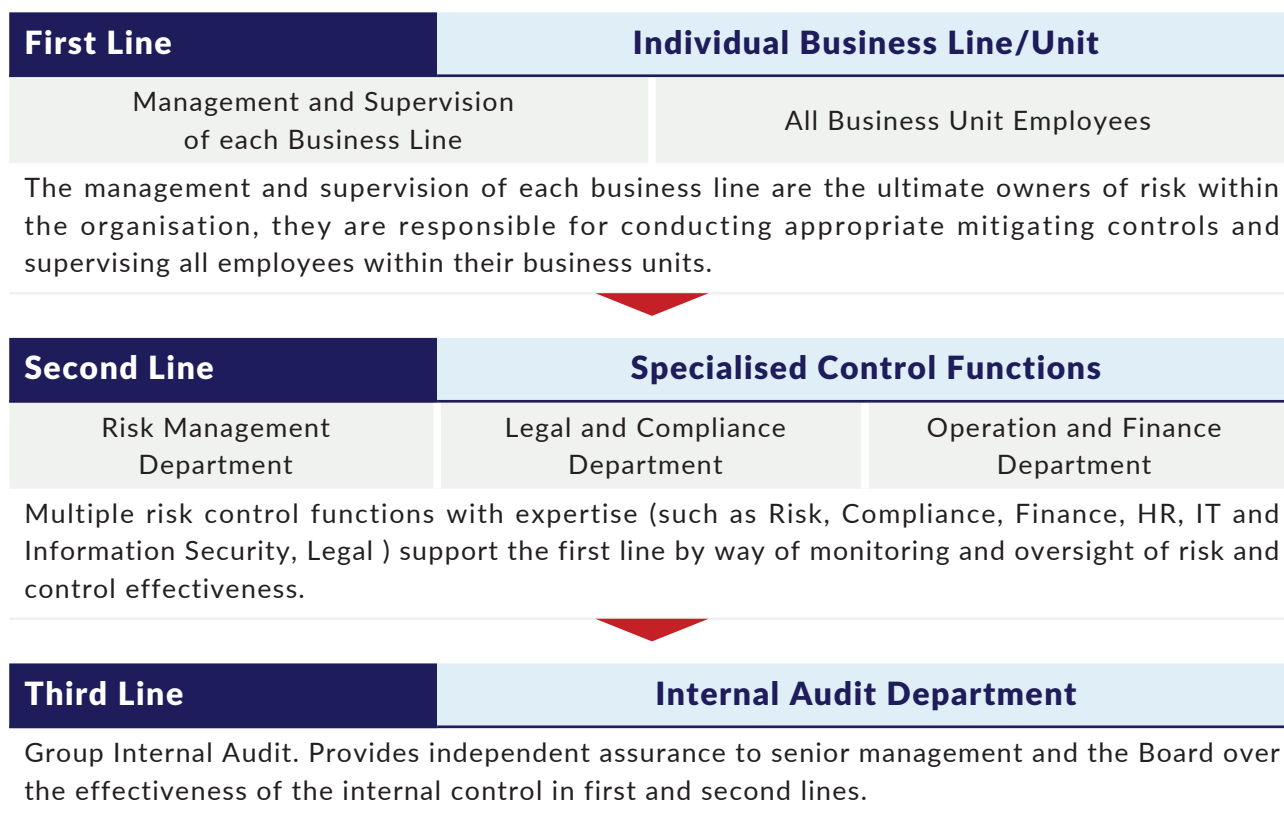
The CSI Board and senior management are dedicated to reducing or eliminating any negative impacts our operations may have on the economy, environment, and people, including potential impacts on human rights. We rigorously adhere to our Code of Conduct, ensuring our business practices meet the legal, regulatory, and ethical standards.

When the CSI Group identifies potential negative impacts, we promptly develop effective measures to prevent or mitigate them. Should our activities result in adverse outcomes, we are determined to thorough remediation of these effects. This Report elaborates on the impacts of our operations on the economy, environment, and people, as well as the specific measures we have employed to address and mitigate them, as discussed in the subsequent chapters.

## Risk Management

At the CSI Group, adeptly managing the complex risks is pivotal to our operational excellence and sustainability. Anchored by the governance and oversight by the CSI Board, our risk management strategy is designed to navigate the multifaceted risks intrinsic to the financial sector. We deploy comprehensive mechanisms and internal controls, following the standards set by our parent company, CITIC Securities, to monitor, evaluate, and manage risks across financial, operational, compliance, legal, and ESG domains.

Our extensive risk management infrastructure involves collaboration across various departments – from business lines and internal control to Operation Management professionals. Our Risk Management Committee under the CSI Board leads the efforts, ensuring strategic alignment and execution across the CSI Group. Risks are managed with a thorough process of establishing context, assessment, treatment, monitoring, and reporting. This system is implemented through a “three lines of defence” model that clearly stipulates the roles and accountability of management and staff at all levels:



The CSI Group maintains its risk management capabilities in aligning systems and integrating risk appetite indicators into our business operations. This proactive approach harmonises the risk tolerance of the Company by observing risk limits to within satisfactory

level, as well as enhances our ability to pre-emptively address and mitigate risks. Our efforts in managing concentration risk and developing early warning mechanisms have notably improved our ability to respond to potential threats, including those related to country-specific risks.

## CORPORATE GOVERNANCE

### Risk Management Framework

Across our global operations, CSI's Risk Management Department stands as a pivotal element of our corporate governance structure, tasked with the identification, supervision, and regulation of various risk types:

Risk Type	Management Approach
Operational Risk	Evaluates threats from internal process failures and external disruptions, ensuring business continuity.
Credit Risk	Manages exposures from counterparties, maintaining financial stability through rigorous credit assessments and monitoring.
Market Risk	Oversees market volatility impacts, employing strategic measures to safeguard our financial interests.
Enterprise Risk	Captures and manages significant risks that could impede our strategic objectives, fostering a resilient operational framework.
Technology Risk	Addresses threats to our IT infrastructure, protecting against data breaches and system failures.

#### *Systemic Risk Management*

Recognising the critical importance of managing systemic risk to our business, we adopt a proactive approach through a variety of strategies and practices. A cornerstone of our approach is diversification. We strategically diversify our operations across multiple business models and lines, ensuring coordinated synergy and integrated management. This diversification extends to our investment strategy, where we spread investments across different asset classes, industries, and geographic regions to minimise the impact of downturns in any single area. To further mitigate risks, we enforce proper concentration limits to manage counterparty credit risk and ensure legal entity diversification, with appropriate segregation between regulated entities to prevent contagion risk.

Beyond diversification, we are committed to robust risk management practices. We conduct regular, prudent risk assessments to identify, monitor, and manage various types of risks, including credit, market, operational, and liquidity risks. We also perform stress tests to evaluate our capital and liquidity under extreme market conditions, enabling us to identify potential vulnerabilities and take corrective actions as needed. Additionally, we have developed comprehensive business continuity and liquidity contingency plans, detailing the steps to be taken during major market disruptions or crises. These combined efforts ensure that we effectively manage systemic risk, maintaining the stability and resilience of our business.

## CORPORATE GOVERNANCE

### *Incentive Compensation Risk Management*

As a financial services provider, we understand that employee compensation plans may sometimes incentivise a focus on short-term performance, leading to behaviours or activities that result in unintended consequences. These actions may potentially harm our business, impact shareholders, and damage our reputation. To mitigate this risk, we have implemented clawback provisions for discretionary bonus payments, allowing us to recover bonuses in cases where employee actions are detrimental.

Additionally, we have established consequence management procedures that adjust performance ratings for employees who engage in disciplinary actions or misconduct leading to non-compliance with company policies. As a result, these employees may receive discounted bonus allocations during the performance appraisal process as a sanction. These measures ensure that our incentive compensation plans promote positive performance while upholding ethical behaviour and minimising potential risks.

Through these strategic initiatives, the CSI Group not only adheres to the highest standards of risk management but also ensures that our operations are resilient, compliant, and aligned with our long-term business objectives and sustainability goals.

Details of the management of climate-related risks and opportunities are provided in the “*Climate Response*” chapter of this Report.

### **Internal Controls**

At CSI, we have established a comprehensive framework of internal controls, demonstrating our commitment to ethical business practices and transparency. Our comprehensive controls comprise incident escalation mechanism, know-your-customer (“**KYC**”) policies, anti-money laundering and countering the financing of terrorism (AML/CFT) policy, gift and entertainment policy, anti-bribery and corruption policy, data protection and IT security, etc. We have designed and implemented systems to safeguard our clients, staff, and the operational integrity of our business.

Central to our governance framework, CSI’s Compliance and Internal Audit teams conduct regular reviews to ensure adherence to high standards of business practice and procedure. These audits are crucial in managing potential conflicts of interest, particularly as we navigate the complex landscapes of corporate finance, asset management, sales, trading, and research. All employees are required to declare any outside interests and directorships they hold in listed or non-listed companies, including not-for-profit organisations. We employ stringent controls, including information barriers and other policies, that ensure that sensitive information is shared strictly on a “need to know” basis, in alignment with our stringent Chinese Wall policies.

## CORPORATE GOVERNANCE

These measures not only ensure compliance but also uphold the integrity and independence of CSI's research, preventing any undue influence from interactions across our divisions, reflecting our commitment to ethical business conduct and the trust placed in us by our stakeholders.

In 2023, the CLSA reported no incidents of non-compliance with laws or regulations, including social, economic, and environmental aspects. We made no political donations, neither financial nor in-kind, in the Reporting Period.

### Business Ethics and Human Rights

A high ethical standard is essential for business continuity, impactful market presence, fulfilling stakeholder obligations, and maintaining a positive brand image. Business ethics is an integral part of CSI's corporate culture, guiding us from daily operations and compliance to broader corporate governance and strategies.

#### Code of Conduct

Our Code of Conduct (the "**Code**") is at the heart of business ethics, governing how we engage with clients and manage internal processes. The principles of ethical decision-making, honesty, integrity, professionalism, diversity, non-discrimination, and equal opportunities are specified in the Code, guiding the actions and behaviours of our employees.

The Code describes the roles and responsibilities of managers and employees, and applies to issues covering human and labour rights, confidentiality, conflicts of interest, use of asset, intellectual property rights, electronic communications, media and social media interactions. It outlines our approaches in maintaining health and safety practices, supporting freedom of association, and promoting community engagement. Through applying the Code, our employees act consistently in providing excellent services and value to clients while fostering positive impacts within their teams and to the wider community.

CSI is committed to compliance and adherence to our Code, policies and procedures. Our Disciplinary Committee handles alleged violations, regulatory misconduct and other serious improper actions rigorously and confidentially. Our Legal and Compliance Department monitors misconduct and enforces our Conduct Risk Policy. This policy prescribes the consequences of Conduct Risk Breaches, including implications in KPIs assessment of the annual appraisal of individual employee, as well as department performance review.

## CORPORATE GOVERNANCE

### Grievances and Whistleblowing

At CSI, we have rigorous grievance procedures detailed in our Employee Handbook to address employee grievances, including those related to discrimination and harassment. All grievances are taken seriously and are swiftly investigated in line with our thorough procedures.

Complaints may be reported directly to supervisors, Department Heads, or the Human Resources Department in writing. The HR team conducts these investigations diligently, potentially involving interviews with relevant parties and resolving issues within a reasonable timeframe. We aim for objective investigations and take appropriate actions based on the findings, which may include disciplinary measures. In 2023, there were no grievance cases recorded within the CLSA.

Additionally, we maintain a culture of integrity and confidence, empowering our employees to report any suspected misconduct with the assurance that their concerns will be handled confidentially, taken seriously, and addressed promptly and thoroughly. We established dedicated channels, including an email address and a telephone hotline for whistleblowing. Those reporting in good faith on unethical or illegal activities within the CSI Group or involving our clients are protected from retaliation.

Our operations are subject to local laws and regulations across jurisdictions, which may include mandatory whistleblowing obligations concerning issues like terrorist financing or money laundering. In these situations, the stricter requirements of legal or regulatory standards take precedence over our Whistleblowing Policy. In 2023, there were no whistleblowing cases that necessitated any action within the CLSA.

We take the above proactive approaches in maintaining a safe and supportive work environment for all employees, aligning with our commitment to uphold the highest standards of integrity and ethical conduct.

### Human Rights

As a leader in financial services, the CSI Group is unwavering in our commitment to the highest ethical and professional standards. We take a zero-tolerance stance against modern slavery and human trafficking and implement integral policies and practices to prevent any such occurrence of throughout our operations and supply chains. The CSI Group adheres to the UN International Bill of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, ensuring that fundamental human rights are respected within our employment and value chain.

In our commitment to human rights, the CSI Group upholds:

- The right to be free from slavery, servitude, and forced labour;
- The right to freedom of thought, conscience, and religion;
- The right to a diverse and inclusive working environment;
- The right to a safe and healthy workplace; and
- The right to health.

Our human resources policies and practices are strictly aligned with local laws to support and respect these rights. For more information on our initiatives to combat modern slavery, please refer to our “*Modern Slavery Act Statement*”, available on our governance webpage at <https://www.clsa.com/about/governance>.

## Anti-corruption and Bribery

The CSI Group is firmly committed to eliminating undue influence and fostering transparency across all levels of our organisation. We have set out clearly the relevant approaches and requirements in our internal policies, including the Global Compliance Manual, Group Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Policy, Group Gift and Entertainment Policy, and Fraud Prevention Policy. These policies mandate our employees, including members of governance bodies, in identifying and addressing potential bribery and corruption.

Our Anti-Bribery and Corruption Committee is responsible in overseeing related matters. We evaluate potential corruption risks across all business divisions and global offices through semi-annual assessments. No significant corruption risks were identified in our previous review in 2023.

A dedicated Control Room enforces our policy on Conflicts of Interest, ensuring that any actual or perceived conflicts involving employees, clients, or counterparties are addressed aligning with regulatory standards and best practices. This safeguards CSI from potential regulatory penalties or harm to our brand.

As a key element in our prevention strategy, all employees are required to complete our internal Anti-Bribery and Corruption training and Conflict of Interest training. In 2023, more than 2,500 staff members finished both courses online. Moreover, we embedded anti-bribery and anti-money laundering provisions into all external contracts and agreements, including suppliers, agents, intermediaries, and customers, to ensure compliance with applicable laws against corruption.

There were no confirmed incidents of corruption, disciplinary actions, or any public legal cases related to corruption involving the CLSA or our employees. No contracts with business partners were terminated or not renewed due to corruption-related violations. This clean record indicates the effectiveness of our policies and approach, upholding the reputation of the CLSA.

# RESPONSIBLE FINANCE



CSI conducts business while balancing and reinforcing positive impacts in economy, environment and people, leveraging our expertise and channels in facilitating capital flow and providing data for responsible and sustainable financial products and activities.

## In This Chapter

- Sustainable Finance
- Responsible Investment
- ESG Insights and Research

## RESPONSIBLE FINANCE

### Sustainable Finance

The CSI Group has established itself as a frontrunner in the sustainable finance arena. Our robust support of ESG and sustainability-related fund raising and bonds issuance is evidence. In the year 2023 alone, CSI participated in the issuance of 40 green, social, and sustainability bonds, raising over USD13.25 billion. These bonds are instrumental in funding projects that assist governments, local government financing vehicles, and financial institutions in accessing global capitals to push forward green projects and address sustainability issues.

CITIC Securities and CSI are growing into one of the best capital market contacts in the “Belt and Road Initiative”, with the composite advantages in channelling China and the relevant countries. In 2023, our investment banking division completed 10 projects in “Belt and Road” overseas countries, including the USD608 million IPO of PT Pertamina Geothermal Energy Tbk (“**PGEO**”), which is the largest ever pure renewable IPO in Southeast Asia. The team has also successfully sponsored the USD272 million REPT BATTERO Energy Co., Ltd. listing at the Hong Kong Stock Exchange. Our equity capital market services also continued to support battery related companies in issuing Global Depositary Receipts (“**GDR**”) on SIX Swiss Exchange, raising over USD770 million.

To meet the demand of our high-net-worth clients from the wealth management division, our Product and Investment Solutions (PIS) Department offers ESG funds with bonds and equities covering Asia and worldwide. PIS also provides products on specific industries and themes, such as transportation and clean energy for the needs of our clients.

These strategic efforts underscore our commitment to nurturing sustainable finance and investments, leveraging our expertise to deliver superior products and services that meet our clients’ evolving needs.

### Responsible Investment

The CSI Group has long been a participant and a promoter in the responsible investment initiative. CITICS CLSA Capital Partners (“**CITICS CLSA CP**”), our alternative investment management business, is a signatory to the six Principles for Responsible Investment (the “**PRI**”) developed by investors under the leadership of the United Nations. The PRI investor initiative is the world’s leading proponent of responsible investment. As signatories, CITICS CLSA CP and its wholly owned subsidiary, Sunrise Capital Holdings Limited, have completed Transparency Report, which is available at this link.

Besides, CITICS CLSA CP follows guidelines developed by the US Private Equity Growth Capital Council (“**PEGCC**”) and endorses the Private Equity Principles of the Institutional Limited Partners Association (“**ILPA**”), which contains best practice concepts and align interest between general partners and limited partners, fund governance and transparency and reporting. CITICS CLSA CP compiled its own internal set of Responsible Investing Guidelines, based on UN PRI and PEGCC. These guidelines were first compiled in 2012 and continually being reviewed and are updated as appropriate according to the developments in the ESG space.

CITICS CLSA CP discloses climate-related risks management measures pursuant to the regulatory framework of the Securities and Futures Commission of Hong Kong (“**SFC**”). More info are provided in the “*Climate Response*” chapter of this Report.

# RESPONSIBLE FINANCE

## Investment Process

CITICS CLSA CP has integrated our commitment to ESG into its investment strategy and two-stage investment process. This ensures ESG risks and opportunities are

reported, considered and documented by the funds and their respective Investment Committees (“IC”) under CITICS CLSA CP.

Stage	Process
Pre-investment	<ul style="list-style-type: none"> <li>ESG management and performance are taken into consideration when CITICS CLSA CP reviews potential investments to assess their viability and can be a reason for not investing in a particular company.</li> <li>Investment deal teams conduct thorough due diligence into all ESG aspects of a potential portfolio company’s operations and performance.</li> <li>Detailed submissions to the IC include material ESG findings arising from due diligence for review and details regarding decision making on how to proceed.</li> </ul>
Post-investment	<ul style="list-style-type: none"> <li>Funds engage in detailed monitoring of portfolio holdings, including following up on issues identified during the pre-investment stage and those that may arise after the investment has been made.</li> <li>Quarterly reporting to ICs includes commentary on material issues relating to each portfolio holding, such as ESG risk management and performance, as well as ESG-related opportunities for value creation.</li> </ul>

Any ESG issues arise during these stages may result in declining an investment opportunity or conditioning an investment on the remediation of identified issues, depending on their severity and materiality.

At CITICS CLSA CP, ESG oversight is a shared responsibility between the specific investment deal team and the operations team. Our fund-specific Operation Manuals include ESG compliance, ensuring staff are fully aware of the ESG policy requirements throughout the investment process and portfolio company monitoring. The operations team ensures that the Responsible Investing Guidelines are strictly applied by the Investment Team,

overseeing the management of transactions both pre-and post-investment. Adherence to CITICS CLSA CP’s policies, including the Responsible Investing Guidelines, is evaluated during the annual review process, which influences team members’ remuneration.

At the portfolio company level, CITICS CLSA CP assess ESG-related competencies as part of our due diligence, seeking to invest in companies with management teams that aligns with the guidelines. Investment agreements include representations and warranties that mandate compliance with applicable laws.

## RESPONSIBLE FINANCE

Identified ESG issues may be integrated into deal as conditions. The CITICS CLSA CP deal team's active involvement ensures engagement on relevant issues. Our investment teams collaborate with portfolio company management to ensure adequate resources are allocated for managing ESG issues. ESG factors are addressed with portfolio company boards as necessary. When additional expertise or support is required, CITICS CLSA CP engages external ESG consultants to assist.

### CLSA China Growth Fund

Our flagship China-market USD Private Equity Fund prioritises investments in rapidly growing industries such as new energy, healthcare, technology, and TMT (technology, media, and telecom). This fund is committed to advancing environmental protection and enhancing medical care in public health systems. We ensure that our investment yield financial returns while integrating ESG considerations into investment analysis and decision-making processes.

In 2023, the fund invested in Suzhou Hifen Testing Co., Ltd. ("**Hifen Testing**"), a leading third-party renewable energy testing and certification service provider in China, delivering first-class testing services for domestic and global clients in lithium batteries, renewable energy vehicles, automobile parts and other renewable-energy-related industries. Hifen Testing received wide recognition in ushering technology advancement in renewable energy battery testing industry and made significant progress in serving a wider clientele that contribute to transition to clean energy and carbon neutrality.

As a private equity fund manager and the lead investor, we introduced important access to international USD capital to Hifen Testing, which is vital in improving its capital structure with involvement of global investors, as well as enhancing the corporate governance structure of Hifen Testing to meet international standards.

CITICS CLSA CP recognises the significant capital gap in renewable energy and energy transition investments across India and ASEAN countries, driven by rapid development, urbanisation, and income growth. Addressing this gap requires substantial investment in areas such as photovoltaics, hydro and wind power, smart grids, and energy storage technologies. While private equity and private credit have largely covered these needs, the push for a cleaner energy structure is ongoing. In 2024 and beyond, CITICS CLSA CP will be advancing a new Asian Energy Transition strategy to address this financing gap and support the transition to sustainable energy.

"At CITICS CLSA CP, we continue to invest in portfolio companies in renewable energy sector in APAC (especially SEA). Our approach focuses on mobilising global investors to support the strategically important investment theme of decarbonisation. This helps guide international capital in empowering sustainable energy solutions, bridging the significant funding gap required in energy transition sector, and contributing to a cleaner, more resilient energy infrastructure in the region."

*Mr. Tom Zhang, Associate Director, CITICS CLSA CP*

## Sunrise Capital and the Japan-dedicated Mid-cap Private Equity

Sunrise Capital, a subsidiary of CITICS CLSA CP, is the manager of a Japan-dedicated Mid-cap Private Equity Fund. As a UNPRI signatory, it integrates the six principles of responsible investment within its investment framework, while ensuring alignment with our fiduciary responsibilities. In every investment decision, our team incorporates an ESG assessment into the Investment Committee memos. This practice safeguards the interests of the fund and its stakeholders.

During due diligence, the fund meticulously examines potential ESG-related risks. When critical issues arise, third-party consultants are usually engaged to provide deeper insights. If these issues prove to be deal-breakers, the investment is reconsidered. However, if the issues can be mitigated, a specialised task force is deployed to manage and monitor these concerns throughout the investment period.

Moreover, our fund actively seeks opportunities that deliver positive ESG impacts. Upon identifying such prospects, we proactively pursue investments that not only yield financial returns but also contribute to environmental or social aspects, reinforcing our commitment to sustainable investment practices.

The fund considers addressing ESG related issues in Japan while making investments, such as diversity and inclusion, as well as elderly care in the ageing society. Sunrise Capital also increasingly monitors gender ratios in its portfolio companies. Further examples include Sunrise Capital's investments on elderly care nursing homes and childcare facilities. As gender diversity is a general challenge in the working culture of Japan, providing childcare services would support housewives to return to the labour market, easing the difficulties faced by working mothers in pursuing their career.

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“Sunrise Capital is committed to enhancing the ESG performance of our portfolio companies through a hands-on approach. By leveraging our majority ownership positions and exploring opportunities to integrate ESG performance into management remuneration where possible, we strive to create sustainable value and drive meaningful change in the industries we invest in.”

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*Mr. Shota Kuwaki, Executive Director, CITICS CLSA CP*

# RESPONSIBLE FINANCE

## ESG Insights and Research

Sustain Asia is CSI’s renowned brand for sustainability research, news, data and events. It highlights the latest and top read sustainability research reports produced by our analysts and companies with recent ESG score changes.

Sustain Asia adopts both a top-down and bottom-up approach in ESG research. All the 100+ individual analysts in the CSI research team are contributing to ESG research, as well as reviewing and considering ESG performances of corporates. In 2023, there are 356 ESG-related research reports and studies produced.

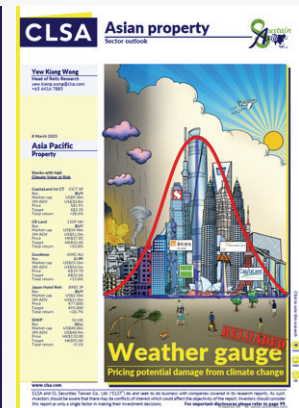


### CG Watch

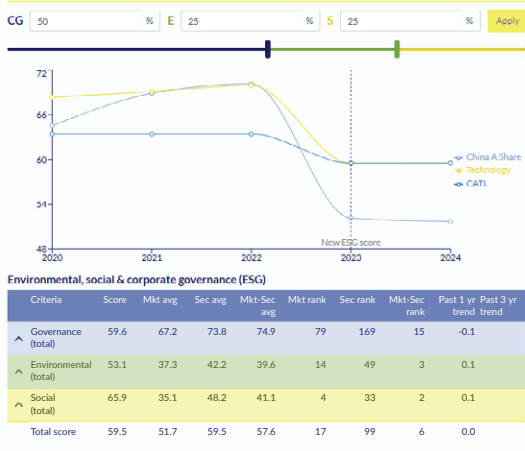
CLSA has launched and continually updating CG Watch for over 20 years with ACGA. This was how CLSA started in quantifying ESG aspects. CG Watch has been providing clients a formulation to compare governance factors despite differences in regulations across the Asian markets. This information supports clients to identify good corporates and enhance their returns in these markets. The new CG Watch 2023 has seen the biggest ranking reshuffle in 20 years, and driving new ideas and changes in thematic investments for users and clients.

### Weather gauge

Collaborating with a climate analytics firm, Sustain Asia published two reports on research findings of 500 real estate assets in key Asia-Pacific markets, including Australia, China/Hong Kong, Japan and Singapore. Climate Value at Risk (CVaR) of notable stocks and REITs in the market were estimated, based on potential damage due to hazards such as extreme weathers.



# RESPONSIBLE FINANCE



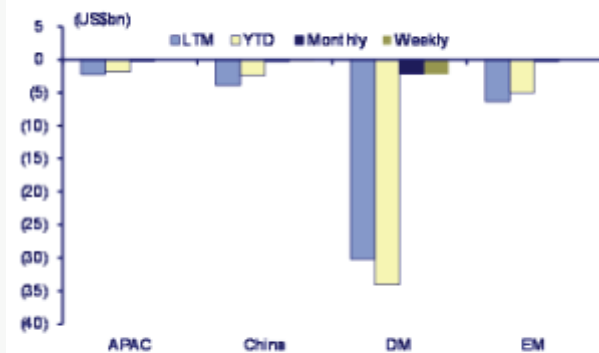
## Online ESG Platform

In 2023, the aggregated proprietary ESG Score is upgraded and became more holistic with up to 80 indicators, including analyst assessment input on Environmental and Social scores. Data are showcased in a new user interface to investors, by market and by sector with adjustable weighting.

Each company page contains a one sheet summary of individual company's sustainability trends and engagement topics, provided by our individual stock covering analysts.

## ESG fund flows & ETS tracker

### ESG fund flows (US\$bn)



Note: Data as of 24 Jul 2024. Source: CLSA, EPFR

### Emission trading scheme (ETS) pricing trends (China vs EU vs Korea)



Note: Data as of 29 Jul 2024. Source: CLSA, Shanghai Environment and Energy Exchange, Intercontinental Energy Exchange, Korea Exchange

Sustain Asia also tracks sustainability equity fund flow and carbon pricing across different regions, updated on a weekly basis.

“Sustain Asia distinguishes itself through a unique blend of top-down thematic studies on industry trends and bottom-up company-specific analysis from all individual analysts. This dual approach not only provides unparalleled insights into both macro and micro ESG factors but also empowers our clients to make informed investment decisions. By enabling clients to align their strategies with sustainability goals, we are well-positioned to drive the advancement of responsible investment practices across the region.”

Mr. Seungjoo Ro, Head of Sustain Asia Research, CLSA

## RESPONSIBLE FINANCE

CSI has been driving changes to integrate ESG into its daily business. While keeping an eye on our independence in ESG research, Sustain Asia is also exploring potential collaborations with other business divisions, which may better serve clients from these divisions, such as investors and asset managers.

Our case of ESG research and integration has gained international recognition. CSI's strategy, management support, collaboration from various departments are factors contributing to the achievements of Sustain Asia since its launch in 2021. This continues to demonstrate CSI's strength in research that is outstanding among its peers.

# SERVICE INNOVATION AND RESPONSIBLE BUSINESS



CSI continues to provide clients with innovative products and services that strengthen their financial welfare. We safeguard our systems while incorporating latest technologies in enhancing productivity and user experience.

## In This Chapter

- Client Satisfaction
- Technological Integration
- Information Security
- Intellectual Property

## SERVICE INNOVATION AND RESPONSIBLE BUSINESS

### Client Satisfaction

Our clients place their trust in us with their investments, a responsibility we take with utmost seriousness. At the core of our operations, we are committed to delivering outstanding service, ensuring transparency in our operations, and adhering to the highest ethical standards. This commitment meets our fiduciary obligations while keeping the health and safety of our clients intact. By vigilantly monitoring risks associated with our business and investments, we consistently provide trustworthy and dependable services and products.

Moreover, we recognise that ethical and responsible investments extend beyond financial returns – they significantly enhance our customers' overall well-being. Our efforts are geared towards protecting their financial interests, preventing fraudulent activities, and bolstering their economic welfare through continuous improvements in customer protection measures. Through these practices, we fulfil our duty to our clients, fostering a sustainable and trustworthy business environment.

In 2023, CSI continued to organise multiple seminars in ESG and sustainable finance. These seminars cover topics such as the development of innovative financial products that promote sustainability, the impact of regulatory changes on sustainable finance, and integrating ESG criteria into investment strategies. Best practices and case studies from leading institutions are explored that participants may gain practical insights in risk mitigation and long-term value creation of sustainable finance.

Our seminars for high-net-worth clients also covered topics on gender equality, art collection and charitable trusts, inspiring clients to fulfil investment needs while emphasising social responsibility simultaneously.

For details on the overall management of corporate and systematic risks, please refer to the section on “*Risk Management*” in the chapter “*Corporate Governance*” of this Report.

## SERVICE INNOVATION AND RESPONSIBLE BUSINESS

### Technological Integration

CSI leverages cutting-edge technologies to optimise business operations and elevate client experiences. We prioritise the highest security standards to protect client data and ensure all digital communications are conducted on secure platforms. Our client relationship management tools and our customised information system enable our sales teams to comprehensively understand client preferences in trading, events, research, roadshows, and more. These tools also facilitate continuous improvement by tracking client feedback and flagging issues across accounts, allowing us to swiftly and efficiently address concerns.

Our proprietary technology platforms enhance client experiences across multiple channels. With the ongoing shift towards digital markets, we have also developed electronic trading platforms, offering flexibility to meet client requirements and innovate rapidly in the evolving trading environment.

#### Generative AI

As the world saw a breakthrough of applications of generative AI in 2023, CSI is closely following the trend to adopt this innovative technology in enhancing our effectiveness.

**CITIC CLSA ChatGPT** is a generative AI platform that allows CSI employees and clients to interact with natural language models using a chat interface. It is built on top of the secure version of OpenAI GPT-4 provided by Microsoft Azure, which allows CSI to benefit from all the advantages that large language models have to offer in a secure manner, protecting CSI's intellectual property and preventing any accidental data leakage.

From its launch in May 2023, its usage has steadily grown with hundreds of active daily users globally and has received positive feedback on the convenience, efficiency, and quality of the platform, increasing our productivity and customer satisfaction. CSI has been able to embed generative AI into facets of its business. Specifically, applications have been developed to allow context-based translation services, AI bots embedded into CRM systems to facilitate quick access to client-related information, and generating summary reports from the extensive catalogue of current and historical research that CSI publishes.

As generative AI technology evolves and domain-specific models become more prevalent, we expect to further adopt this transformative technology into more CSI applications and systems including content creation, financial and market data analysis in discovering new patterns, trends, and insights, and personalisation of services. We believe that generative AI is a game-changer for CSI as it can enable us to create new value, enhance our capabilities, and differentiate ourselves from our competitors. We are committed to exploring and exploiting the potential of generative AI, while ensuring its ethical, responsible, and secure use.

## SERVICE INNOVATION AND RESPONSIBLE BUSINESS

### Information Security

CSI has set up its Information Protection Policy and Threat and Vulnerability Management Standard, shielding us against cyber threats, unauthorised access, and the risks associated with the storage, transmission, and disposal of sensitive information. These policy and standard safeguard all CSI information assets and resources.

Protecting the personal information of our clients is of the utmost importance, both as a key element of our governance and a critical factor in maintaining the trust that defines our lasting business relationships. At CSI, we have instituted a rigorous privacy standard as outlined in our Personal Data Protection Policy. This policy governs every aspect of personal data management including collection, handling, storage, and disclosure, ensuring strict adherence to applicable laws and regulations at our operating locations.

Our policies apply universally across the CSI Group, binding all employees, contractors, consultants, suppliers and other authorised third parties who access to CSI's information resources or handling personal data, irrespective of their role or the length of their contract. Both the [CITIC Security](#) and [CSI](#) websites provide clients with easy access to our comprehensive Privacy Policy Statements.

The Legal and Compliance Department is tasked with the review of the personal data protection policies and contracts with data processors, as well as coordinating with departments to manage individual requests (Subject Access Requests) efficiently. Meanwhile, the Information Technology Department is charged with developing security policies, recommending and evaluating security measures, implementing IT safeguards, and vetting third-party services for data storage or processing.

Our Group is aware of the severe implications of data breaches. Our Personal Data Protection Policy includes detailed guidelines and response actions to manage and mitigate such incidents effectively. Violations of these policies are met with stringent consequences. Offenders may face restrictions on their use of information resources, disciplinary measures, termination of employment, or even legal proceedings.

In 2023, there were no reported breaches of the Information Protection Policy and no instances of customer data loss, privacy breaches, substantiated complaints on customer privacy in the CLSA. We protect information and customer data privacy without compromise, underscoring our security achievement and our dedication to protecting our clients' interests and maintaining their trust.

## SERVICE INNOVATION AND RESPONSIBLE BUSINESS

Responsibility for upholding the confidentiality and integrity of CSI's information resources lies with each employee. It is imperative that no data is altered or disclosed without explicit

authorisation. We clearly define the roles and responsibilities related to information security, ensuring all team members are equipped to protect our digital landscape.

Roles	Responsibilities
IT Security	<ul style="list-style-type: none"> <li>• Safeguard company-sensitive information and protect the Company from information security threats and vulnerabilities through the development and continuous update of security policies, standards, and procedures.</li> <li>• Research, assess and communicate information regarding issues on risks, including emerging threats and vulnerabilities to Information Owners and Custodians.</li> <li>• Recommend security measures and improvements to mitigate threats with reference to technology trends.</li> <li>• Recertify and validate systems to ensure mitigation of vulnerabilities.</li> </ul>
Information User	<ul style="list-style-type: none"> <li>• Access only the data that are authorised to and have a legitimate business need-to-know.</li> <li>• Protect confidential information from unauthorised disclosure.</li> <li>• Do not introduce malware, illegal, unlicensed, or unauthorised software into systems and network of the Company.</li> <li>• Immediately report any data breaches or policy violations to the Information Owner and IT Security.</li> </ul>
Manager/Supervisor	<ul style="list-style-type: none"> <li>• Ensure that their teams are well-informed about and comply with the Information Protection Policy.</li> </ul>

## SERVICE INNOVATION AND RESPONSIBLE BUSINESS

Roles	Responsibilities
Information Owner	<ul style="list-style-type: none"> <li>• Ensure the confidentiality, integrity, and availability of the data.</li> <li>• Implement appropriate controls in line with data classification and complying with the Information Protection Policy.</li> <li>• Retain and dispose of data through its life cycle according to legal and compliance requirements.</li> <li>• Ensure any identified vulnerabilities are remediated, mitigated and resolved for their information resources.</li> <li>• Assist with vulnerability scans for their information resources as requested.</li> <li>• Immediately report any data breaches or policy violations to IT Security.</li> </ul>
Information Custodian	<ul style="list-style-type: none"> <li>• Support Information Owners in implementing the prescribed security controls in accordance with internal policies.</li> <li>• Adhere to the security updates and patching requirements, and assist with vulnerability scans for the information systems with which they are managing.</li> <li>• Immediately report any data breaches or policy violations to Information Owner and IT Security.</li> </ul>
Legal and Compliance	<ul style="list-style-type: none"> <li>• Provide guidance on group record retention requirements.</li> <li>• Monitor data leakage protection measures to ensure compliance.</li> </ul>

## SERVICE INNOVATION AND RESPONSIBLE BUSINESS

### Intellectual Property

At the CSI Group, safeguarding intellectual property (IP) rights holds key importance. Our Copyright Management Policy describes the procedures for managing and protecting these rights, applicable to all employees and directors. Infringing this policy can lead to serious civil and criminal consequences not only for individuals but also for the entire CSI Group. This policy is complemented by the Employee Handbook, Code of Conduct, Confidentiality Policy, and further internal communications and guidelines, ensuring a holistic IP management.

The originating departments that produce the respective works would handle copyright issues in their daily operation, including the creation and management of works. Meanwhile, the Legal and Compliance Department oversees the management of copyright issues within the CSI Group, which includes the development, revision, and enhancement of a comprehensive copyright management system. Furthermore, the Legal and Compliance actively coordinates with and provides guidance to all relevant departments, including Corporate Communications, of our copyright management practices, including the resolution of disputes and other related areas.

By integrating the efforts of various departments, we ensure that our intellectual property assets are not only protected but are also leveraged effectively, aligning with our corporate governance and ethical business practices. With the aim of rewarding and encouraging creativity, ultimately benefiting the society through innovation and creative outputs.

# CLIMATE RESPONSE



CSI acknowledges its role in responding to climate change as a financial institution. We devise investment strategies and assess climate-related risks and opportunities in our investments and asset management businesses.

## In This Chapter

- Adapting to Climate Change
- Governance
- Strategy
- Risk Management
- Metrics and Targets

## CLIMATE RESPONSE

Embracing a conscientious approach to our responsibilities, the CSI Group recognises the significance of addressing climate change relevant to our businesses. We understand that climate change demands immediate action from all sectors of society. This global challenge extends far beyond its implications for our business, impacting the ecosystems, economies, societies, and overall prosperity. We have proactively integrated climate considerations into our risk management strategies, ensuring that our decisions reflect a commitment to sustainability, resilience, and social responsibility.

### Adapting to Climate Change

The TCFD was established by the Financial Stability Board in 2015, and has emerged as a leading framework for guiding organisations in disclosing climate-related risks and opportunities in their financial filings. TCFD's recommendations provided a structured approach for companies to assess and disclose their climate-related risks, enabling stakeholders to make informed decisions in the face of escalating climate challenges. We publish climate-related financial disclosures with reference to the recommendations of the TCFD under the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets. By aligning our reporting with the TCFD framework, we underscore our commitment to transparency, risk management, and sustainable business practices, thereby fostering trust among investors, clients, and other stakeholders.

### Governance

At CSI, our governance framework is designed to ensure rigorous oversight and management of climate-related risks and opportunities, integrating these considerations into our overall corporate strategy.

Our asset management business, CLSA Asset Management Limited ("**CLSAAM**"), has formulated the Climate Risk Policy to provide guidance on the approach and expectations across all its business units. The Board of Directors of CLSAAM (the "**CLSAAM Board**") is the highest governing body of the asset management business and is responsible for overseeing climate-risk-related matters across our investment and operations. To factor in the climate risks and opportunities into our investment and risk management process, climate-related discussions are embedded in the director meetings which are held quarterly. Additionally, we have provided annual climate training workshops to all investment and risk team members to strengthen their climate awareness.

The CLSAAM Board delegates climate responsibility to various teams and ensure progress towards climate goals. The Investment Committee is responsible for managing investments and ensuring the firm-wide implementation of climate risk management. Comprised of senior leaders, the Investment Committee develops climate goals that align with CLSAAM's business strategy. They review and approve climate issues during their annual financial reviews and report quarterly to the CLSAAM Board on the progress of climate-related risk management in investments, ensuring continuous oversight and alignment with our strategic objectives.

# CLIMATE RESPONSE

## Strategy

Our value investment is established in rigorous fundamental research, allowing us to capture the multiple factors that can impact our investments. Recognising the critical relevance of climate-related risks and opportunities, we have integrated these considerations into our investment strategy for enhancing decision-making and ensuring resilience.

We proactively identify and assess climate-related factors to ensure that our investment decisions are well-informed and strategically sound. CLSAAM has adopted a four-step approach to integrate relevant and material climate considerations throughout our investment and risk management processes.

### Step 1: Pre-investment screening

Our investment team will evaluate both physical and transition risks levels of the target investment opportunity with our proprietary climate risk screening tool. This evaluation considers the industry classification, sector, and location of operations, cross-referenced against independent climate data sources.

### Step 2: Climate Risk Threshold Check

The investment targets deemed to have material climate-related risk will be further investigated to check if they exceed the pre-determined climate risk threshold.

### Step 3: Post-investment Monitoring

Ongoing climate risk management includes actively monitoring of climate-related news, reports, and KPIs. Bespoke climate engagement checklists are also adopted for investments that deemed climate material, which aims to ensure comprehensive post-investment climate monitoring.

### Step 4: Annual Portfolio Re-assessment

We conduct annual review of the physical and transition risks associated with our portfolio. An aggregated portfolio-level climate risks score is evaluated against benchmark indices, and the portfolio overview is submitted to the Investment Committee and CLSAAM Board. Any significant updates to the climate risk management strategy are promptly communicated to our investors.

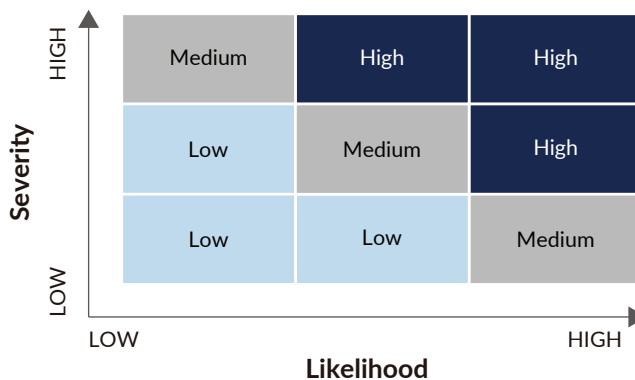
Similarly, CITICS CLSA CP has adopted the ILPA principles and follows the SFC disclosure requirements on climate risks. We will assess the climate-related risks for each company in the portfolio, the materiality and relevancy of risks will be assessed with SASB sectoral guide and qualitative analysis based on scenarios from Network for Greening the Financial System (“**NGFS**”) and other references. By

integrating climate considerations into our investment and risk management processes, we demonstrate our commitment to sustainability and long-term value creation. This approach not only mitigates potential risks but also positions us to benefit from the transition to low-carbon economy, aligning with our broader corporate strategy and stakeholder expectations.

## Risk Management

### Climate-related Risks

In the previous year, we have conducted a climate risk assessment to identify, access, and quantify the relevant climate-related risks that are relevant to our business. We reviewed and confirmed that the major findings and conclusion continues to apply in 2023. We have diligently assessed both physical risks and transition risks to our operations and financial performance. Our assessment strategy involves evaluating these risks based on their likelihood and severity, utilising a descriptive ranking system that ranges from low to high. Likelihood represents the probability of the risk occurring, while the severity represents the potential damage or consequences that could arise. By combining these factors, we



place each identified risk within a risk matrix to determine its overall risk level. This method enables us to prioritise our risk management efforts effectively, ensuring that we are prepared to address and mitigate potential impacts that could affect our business in the face of evolving climate challenges.

Climate Risk Type	Time Horizon	Overall Risk Level	Potential Financial Impact
<b>Physical Risks</b>			
<b>Acute</b>	Short term	High	Acute physical risk stems from sudden events like floods, storms, and extreme weather events such as cyclones, hurricanes and storm surges. It may pose significant financial impact on our operation as such events could interrupt our daily operations and damage the physical assets of our investment.
<b>Chronic</b>	Long term	High	Chronic physical risk emerges from long-term shifts in climate patterns, such as temperature increase and sea level rise. It may lead to increased capital and operating costs, higher human resource expenses, and rising insurance premiums. In areas with high exposure to natural disasters, there may also be reduced insurance availability, increasing financial and operational risks for the CSI Group.

## CLIMATE RESPONSE

Climate Risk Type	Time Horizon	Overall Risk Level	Potential Financial Impact
<b>Transition Risks</b>			
<b>Policy and Legal</b>	Long term	High	Policy and legal risk involves financial impacts from evolving climate regulations and compliance requirements. Tightened SFC requirements on climate risk management and disclosure can lead to increased compliance costs and potential legal liabilities for non-compliance. These regulations may also drive changes in investment strategies and operational practices, affecting financial performance and operational flexibility as we adapt to stricter climate-related standards.
<b>Technology</b>	Long term	Low	The CSI Group anticipates higher expenses for R&D or procurement to integrate new and alternative technologies aimed at reducing the environmental impact of its products. Additionally, there will be extra costs associated with adopting and implementing new practices and processes.
<b>Market</b>	Medium term	Low	With the rapid growth of sustainability investing and the increasing importance of ESG factors and the public, failing to offer comprehensive ESG research products and services could place us at a competitive disadvantage. Without adapting to these market trends, we risk missing business opportunities and market share to competitors who are better positioned with their ESG offerings. To remain competitive, it is crucial to leverage insights from Sustain Asia, our dedicated unit for sustainability, to meet evolving market demands and enhance our brand positioning.
<b>Reputation</b>	Long term	Low	Reputation risk arises when companies are perceived as contributing to or inadequately addressing climate change. Such perceptions can damage a company's reputation, affecting its ability to retain clients and investors. As awareness of climate issue grows, stakeholders increasingly prefer firms that demonstrate strong commitment to sustainability and responsible environmental practices.

## CLIMATE RESPONSE

The transition to a low-carbon economy presents us with high risk from physical risks and policy and legal risks. We believe that proactive and effective risk management is part of good corporate governance and one of the foundations of long-term growth and success of CSI Group. To this end, we have integrated ESG risks into our comprehensive risk management framework and extended them into our decision-making processes. We continuously enhance the control and management of ESG risks at both the corporate and business levels. This process involves assessing, measuring, monitoring, responding to, and reporting these risks. These measures aim to boost the effectiveness of our non-financial risk control and support the long-term sustainable development of the CSI Group.

On the other hand, we consider risks associated with technology, market, and reputation to be relatively low. Our leadership in sustainable investments and the expertise of our dedicated sustainability research team have positioned us to capitalise on the shift in consumer preferences towards sustainable investments. This transition has presented significant business opportunities, paving the way for new avenues of development for the CSI Group.

### Climate-related Opportunities

The CSI Group has identified significant climate-related opportunities that enhance our business growth and sustainability impact. One of the key initiatives is the development of ESG and sustainability bonds, including a substantial portfolio of green bonds. These bonds are specifically designed to finance environmentally friendly projects and initiatives, helping to diversify our product portfolio and create new revenue streams. By

playing a pivotal role in the development of innovative financial products, we are at the forefront of driving sustainable finance.

Another critical opportunity lies in our integration of ESG factors into our investment analysis and decision-making processes. CITICS CLSA CP is a signatory of the UN PRI, which our fund managers are required to follow a set of internal Responsible Investment Guidelines. This strategic approach enables us to identify and leverage opportunities that align with our clients' value while managing risks associated with companies failing to meet ESG standards. By embedding ESG considerations into our investment strategies, we enhance our reputation, attract new clients, and mitigate sustainability risks. This commitment to responsible investing and long-term value creation underscores our dedication to sustainable finance and strengthens our position as a market leader.

### Metrics and Targets

Sustainable finance projects and offerings are one of our metrics that reflect the performance in seizing climate-related opportunities. In 2023, we underwrote 40 green, social, and sustainability bonds, raising over USD13.25 billion.

We diligently track our greenhouse gas (“GHG”) emissions portfolio, continuously striving to improve the availability and quality of our data. By enhancing our data management practices, we ensure accurate monitoring and reporting, enabling us to manage GHG emissions and its reduction. During the Reporting Period, the CSI Group has emitted 5,045.65 tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>eq.”). For further information on our GHG emissions portfolio, please refer to the section of “Emissions” in the “Green Operation” chapter of this report.

# HUMAN CAPITAL



Our workforce connects the CSI Group with its stakeholders, playing a key role in our sustainability approach. We take care of the well-being and development of our employees and maintain an inclusive workspace to unleash the full potential of our team.

## In This Chapter

- Caring for Employees
- Employee Well-being
- Developing Talents
- Diversity and Inclusion

### Caring for Employees

Our human capital represents our most valuable organisational assets. We recognise the profound significance of cultivating a supportive and inclusive work environment that fosters the growth and development of our employees' careers.

At CSI, we are dedicated to providing a comprehensive suite of benefits to all our employees, including both permanent and temporary staff. These benefits include but are not limited to:

- **Leave benefits:** our leave benefits include paid time off, sick leave and vacation days to allow employees to balance work and personal responsibilities.
- **Healthcare coverage:** our healthcare benefits include medical and dental plans to support the overall well-being of our employees.
- **Life and personal accidental death and disablement plans:** we provide financial protection for employees in the event of unexpected circumstances.
- **Parental leave:** we have established maternity and paternity leave programs to provide support for new parents.
- **Retirement benefits:** we offer a range of retirement benefits to help employees plan for their long-term financial security.

While the specific details of these benefits may vary across our different locations, comprehensive information can be found in the local Employee Handbooks for each of our offices. We believe that providing our employees with a robust benefits package is a crucial aspect of creating a supportive and inclusive work environment. By ensuring that our staff have access to a wide range of benefits, we enable them to thrive both personally and professionally, which contributes to their overall well-being, job satisfaction, and success within the Company.

Establishing a sustainable workforce that delivers continuous value creation for our clients is a key imperative. To this end, offering competitive compensation and benefits packages is essential. Our salaries are benchmarked against market standards to ensure we remain competitive and attractive to top talent. Additionally, we have established a Performance Management System that is utilised company-wide to assess the technical and behavioural capabilities of all employees on an annual basis. This system allows us to identify individuals who are exceeding expectations, as well as those whose performance has fallen short of our organisation goals. By regularly evaluating employee performance against key performance indicators, we are able to make informed decisions regarding compensation, promotions, and development opportunities. This enables us to reward and retain our top performers, while providing targeted support and guidance to those who may require additional coaching or training.

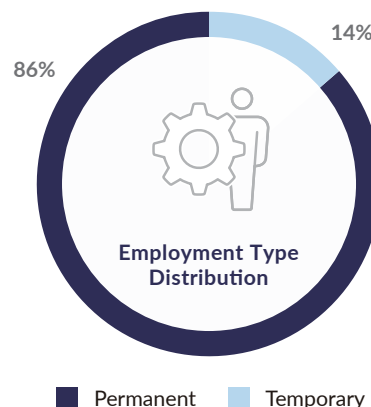
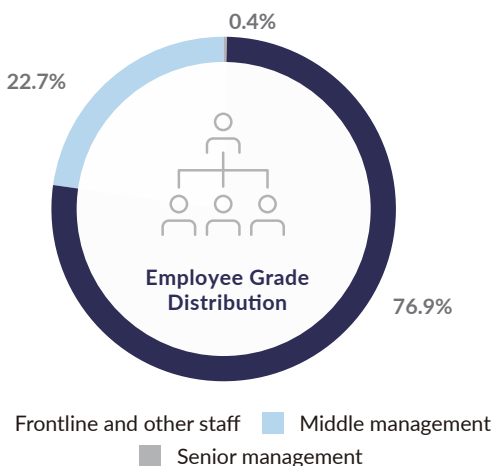
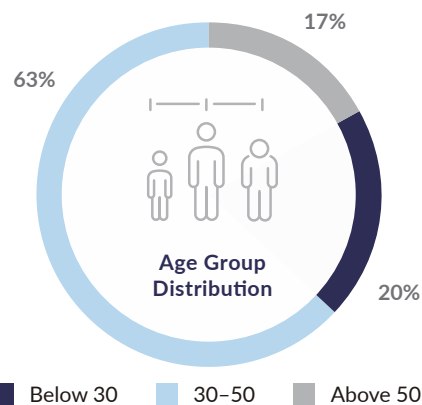
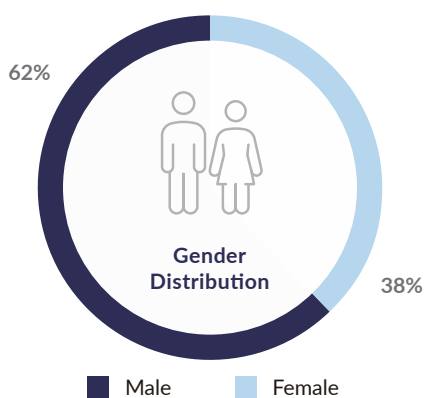
# HUMAN CAPITAL

Our Remuneration Policy follows a total compensation approach, which includes discretionary bonuses that are determined based on an individual employee’s performance ratings assessed through our appraisal process. Employees are evaluated against role-specific key performance indicators and core competencies that align with our company’s values and guiding principles. This ensures a fair and merit-based assessment of each employee’s contributions and allows us to effectively motivate and recognise our top-performing employees.

Maintaining proper working conditions and adhering to minimum age requirements are top priorities for us. We have rigorous processes in place to verify that all employees exceed legal age limits and that their work is performed voluntarily without coercion. To uphold these workforce standards, our managers and

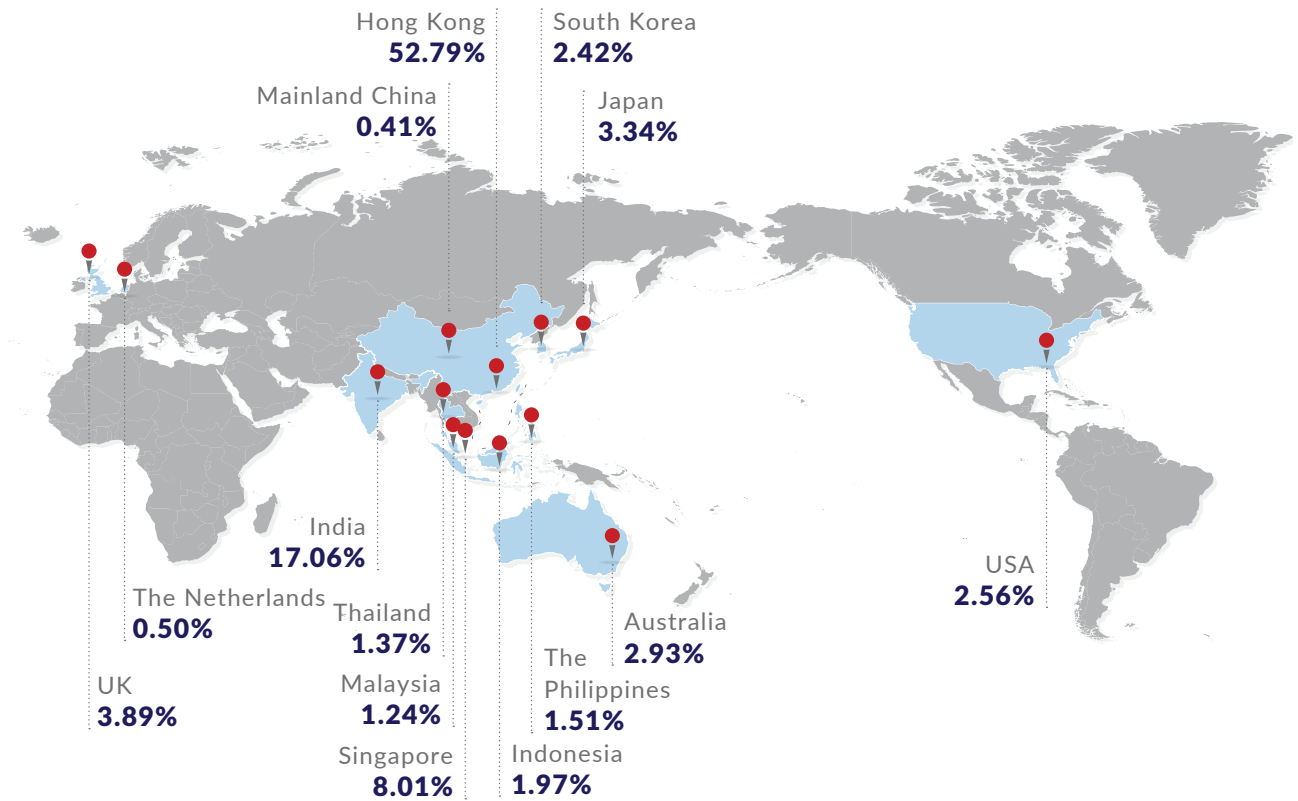
employees are bound by the policies and guidelines set forth in our CSI Code of Conduct and Employee Handbook. These help cultivate a culture of trust, accountability, and compliance, values that are fundamental to our long-term success.

As of 31 December 2023, the Company employed a total workforce of 2,186 individuals, representing an increase of 56 employees compared to 2,130 in 2022. The majority of the Company’s workforce consisted of full-time employees, as well as temporary employees. We also engage with non-employee workers including but not limited to 84 account executives and outside contractors in 2023. The breakdown of employees by gender, age group, employee grade, and employment type are outlined below.



# HUMAN CAPITAL

The geographical locations of our employees:



## Recruitment, Retention and Promotion

At CSI, we have clearly defined and communicated our policies and practices governing all aspects of employment, including compensation, dismissal, recruitment and promotion. These key employment guidelines are outlined in our Employee Handbook, which serves as a central reference for our entire workforce. Each employee is provided with an individualised employment contract outlining the specific terms of their engagement, including wages, benefits, and termination clauses. Additionally, our employees are required to complete an annual human

resources policy declaration, formally acknowledging their understanding of our Code of Conduct and Employee Handbook. In addition, we mandate that all employees undergo regular refresher training on our mandatory policies and standards, which helps to maintain a consistent level of awareness and adherence to our organisational guidelines.

## HUMAN CAPITAL

Securing the most qualified talent for our company, without exception, is a foundational commitment that underpins our operations. Our Human Resources Department efficiently and impartially manages our recruitment processes, collaborating closely with business and hiring managers to identify and secure exceptional talent. Maintaining a presence in 13 countries, we sustain a competitive corporate profile in attracting and retaining top talent, while also pledging to cultivate a positive market presence.

We believe that retaining and developing our talent is essential to the ongoing success and growth of our business. As such, we prioritise nurturing and promoting our staff internally before considering external candidates for new opportunities. As part of our candidate sourcing strategy, all job openings are listed on our internal Job Opportunities@CLSA intranet page, which is accessible to all employees. This approach not only reinforces our commitment to internal mobility, but also empowers our team members to proactively explore and pursue career advancement opportunities within the Company. Furthermore, we have implemented talent development and promotion practices to recognise and reward individual outstanding performance, with the aim of providing meaningful career progression pathways and fostering a culture of excellence across the Company.

Our Performance Management Exercise provides a structured framework for employees to provide performance feedback and any development plans. This not only supports ongoing performance review, but also serves as a valuable tool for career development.

This approach helps us maintain a competitive stance in the dynamic global market and ensures that top-tier talent is attracted, retained, and motivated to contribute their best, aligning their personal achievements with the Company's performance and growth.

### *CLSA Internship Program*

Cultivating the next generation of industry leaders is a core priority at CSI. This commitment is exemplified through our prestigious CITIC CLSA Internship Program. Our internship serves as the first step in our talent identification process, providing final-year and penultimate-year university students the chance to gain hands-on experience within our company and build a rewarding career in financial services.

## **Employee Well-being**

We are committed to fostering a workplace that promotes physical and mental health. As such, we have established the Employee Assistance Program (“EAP”), which supports employees who need help managing personal difficulties or life challenges in a confidential environment.

In addition, we organise educational seminars and workshops to empower our employees to take proactive steps towards improving their well-being.

## Wellness Summer: Healthy Eating. Healthy Activities. Healthy Lifestyle

To promote holistic well-being, we organised a series of wellness events for our employees, including three informative webinars on improving mental health, breaking unhealthy habits, and developing sustainable healthy eating practices, as well as three on-site workshops shown below.



### ***Enhancing Health through Physiotherapy Stretch Workshop***

In line with our dedication to safeguarding employee health, we organised a workshop to help employees relieve neck and back pain caused by poor posture. Employees learned simple, effective stretches and exercises, paving the way for a healthier lifestyle.

### ***Promoting Wellness through Aromatherapy***

By delivering a soothing massage aromatherapy workshop focused on alleviating muscle pain through essential oil blends and targeted massage techniques, we empowered employees to integrate these practices into their daily routines for enhanced well-being.



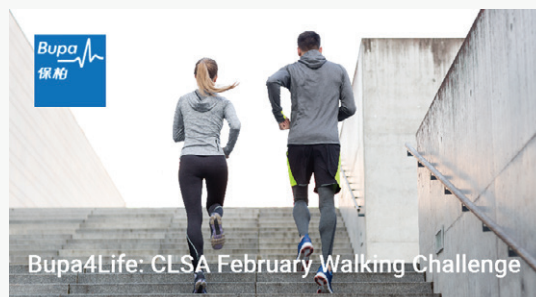
### ***Encouraging Healthy Eating Habits***

Recognising the key role that diet plays in maintaining health, we held a healthy energy ball DIY workshop for our employees. This interactive session allowed them to learn easy and nutritious recipes in a fun and engaging way, fostering employee well-being.

## HUMAN CAPITAL

### Walking Challenge x Photo Sharing: A Better You, Today!

In partnership with Bupa, we introduced the Bupa4Life wellness mobile app to encourage healthy lifestyles among employees. The app enables users to monitor their health, set fitness goals, and access well-being resources. To drive app adoption, we organised a walking challenge in February 2023, with the top 20 walkers earning wellness points redeemable for healthy cash vouchers. These top performers were also eligible for a photo sharing contest, where the most-voted entry won an iPad mini.



### Promoting Employee Wellness through Massage

To enhance employee well-being and boost performance, we organised relaxation massage sessions at 4 Hong Kong offices in May 2023. Over 140 employees benefited from these restorative breaks, helping them unwind and recharge effectively.

### Health and Safety

Safeguarding the well-being and safety of all who engage with our company is at the forefront of our priorities. We adhere to Occupational Health and Safety (“OHS”) regulations and employ best-practice policies and procedures throughout our business operations. We actively promote an environmentally friendly and employee-supportive workplace by responding efficiently to accidents and emergencies, as well as implementing sustainable practices that benefit the environment while minimising health and safety risks. Our offices are maintained as smoke-free environments, with regular cleaning, pest control, and fan coil unit and carpet cleaning conducted to ensure excellent indoor air quality.

In addition to our OHS practices, we provide comprehensive healthcare and pension plans for our permanent staff, aligning with local market standards and ensuring compliance with statutory requirements at our various office locations.

## Developing Talents

We believe that investing in our employees' professional development is fundamental to our success. Our Learning and Development ("L&D") function, a vital part of our Human Resources team, plays a central role in cultivating a dynamic learning culture within the Company.

Driven by our commitment to drive employee growth, we provide diverse internal and external training and development opportunities to employees at all levels, regardless of gender, age, employment contract type or job category. Our L&D Team works closely with our business units and functional teams to analyse skill gaps and training needs, enabling the formulation of tailored, impactful training programs that address the specific needs of our workforce.

Our L&D catalogue is structured around three key focus areas: personal effectiveness, technical effectiveness and management skills. By empowering our people to shape and drive their own career progression, we equip them with the core skill competencies necessary to take on key roles and responsibilities within the Company.

The following outlines our core L&D program offerings:

- 1. Firmwide Training Program:**  
A series of 1-hour webinars covering both technical and interpersonal skills, aiming to foster employees' professional and personal growth.
- 2. Management Essentials:**  
A program specifically designed for people managers, equipping them with essential principles and skills in managing staff performance, such as motivating, delegating, and aligning with performance goals.
- 3. Junior Training Program:**  
A program tailored for junior-level employees to enhance their personal effectiveness and technical skills.
- 4. Departmental Training Program:**  
Provides guidance on designing customised programs based on department-specific needs, such as functional technical skills and team-building initiatives.

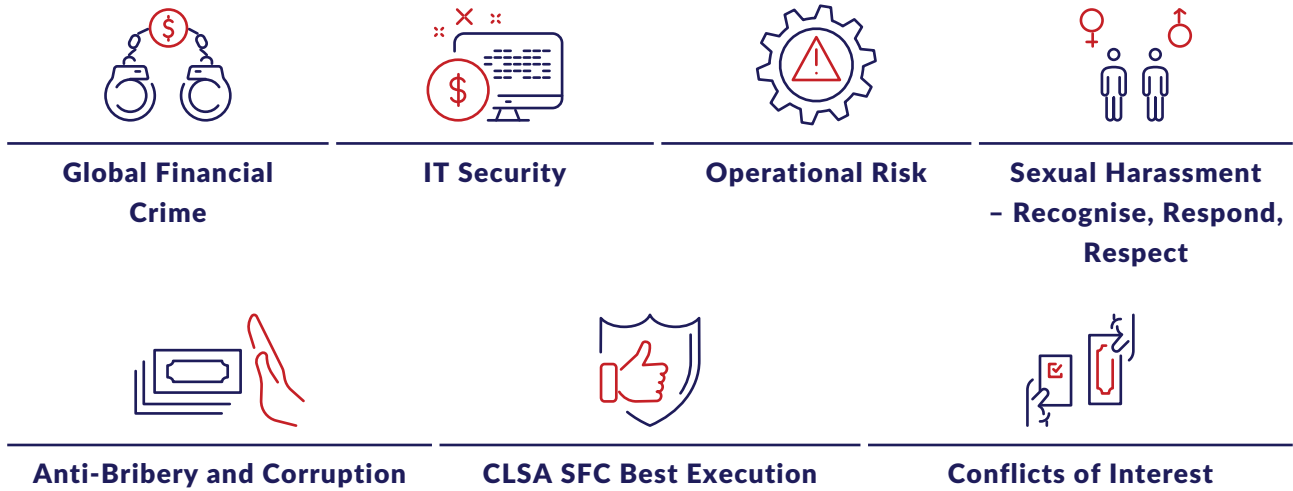
By providing a range of strategic upskilling programs for our employees, we strive to cultivate a future-ready workforce, foster a culture of continuous growth and retention, provide career enrichment opportunities for high-potential employees, and facilitate cross-functional networking and exposure across the organisation. By investing in the capabilities of our people, we are positioning ourselves for long-term success and ensuring that our employees are equipped to navigate the evolving demands of our industry.

# HUMAN CAPITAL

## Mandatory Online Training

To ensure compliance with laws and regulations across our global operations, we provide mandatory training programs through our e-learning portal. These in-house

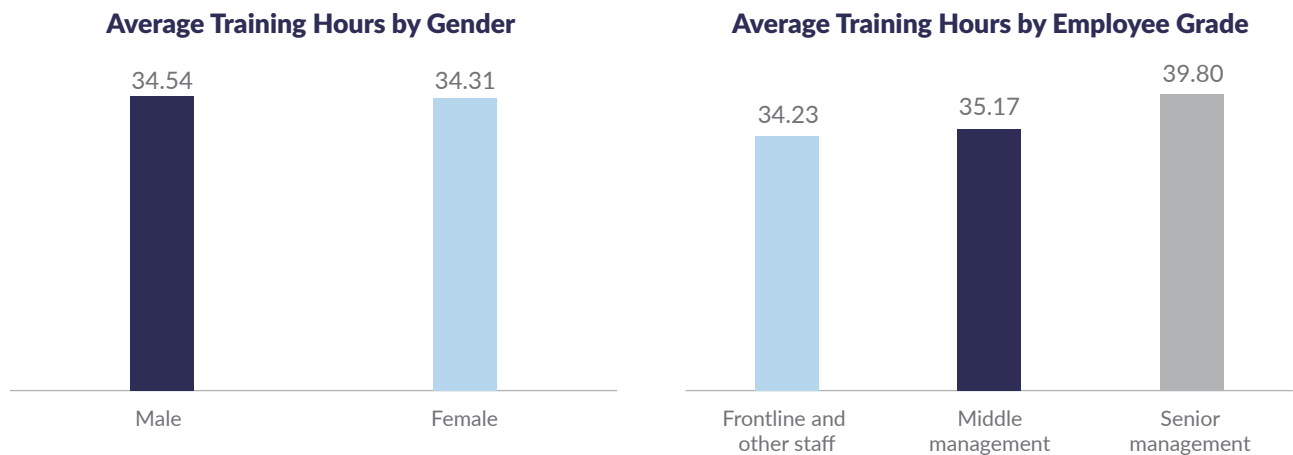
developed modules cover the following key areas:



## Development Programs

In 2023, 100% of our employees received training. A total of 88,292 training hours were provided, averaging at 34.45 training hours per employee. The following graphs provide a

detailed breakdown of the training hours across different categories.



## HUMAN CAPITAL

The Company actively fosters professional development among its employees. We encourage permanent staff to pursue learning and training opportunities that enhance their skills and contribute to organisational efficiency and profitability. Eligible employees can apply for reimbursement of approved learning and development activities. Moreover, the Company prioritises the future well-being of our employees as they approach their retirement age or the equivalent statutory retirement age, if applicable. The Human Resources Department will proactively engage with employees 6 to 12 months prior to their anticipated retirement to discuss the transition process. Employees nearing retirement are also encouraged to reach out to the Human Resources Department to collaboratively plan their retirement journey and ensure a smooth process. We are dedicated to providing guidance and assistance for our employees to ensure a positive retirement transition.

### **Diversity and Inclusion**

We are dedicated to fostering a diverse and inclusive work environment that ensures equal employment opportunities across all levels of our organisation. We strictly adhere to all equal opportunity and anti-discrimination legal requirements in our jurisdictions, ensuring our practices meet the highest ethical standards.

Our recruitment process upholds our commitment to equal opportunities for all applicants for employment. Additionally, our Equal Opportunity and Anti-Discrimination Policy guides our efforts to prevent discrimination based on gender, gender identity, age, marital status, family responsibilities or pregnancy, religion, political convictions, non-relevant criminal record, sexuality, sexual orientation, carer's responsibilities, national or ethnic origin, trade-union status, disability or physical appearance. This policy is integrated into our Employee Handbook, reinforcing our stance on strengthening diversity and inclusion. Furthermore, our Code of Conduct includes an Equal Opportunity Statement, underscoring our commitment to safeguard our employees and job applicants from any unlawful discrimination, harassment, or victimisation.

### **Diversity and Inclusion Training**

Diversity and inclusion are central to CSI's core values and business strategy. In line with this commitment, we have implemented an in-house Diversity and Inclusion Training Program as a mandatory course for all new joiners. The training covers a wide range of topics to promote a more inclusive and equitable workplace, including but not limited to:

- Leveraging Cultural Diversity
- Women and the Future of Work
- Beyond IWD: Building a More Equitable Workplace
- Empowering Women in Leadership

By enhancing participants' skills and knowledge in these critical areas, the training aims to foster a diverse and inclusive work environment where all employees can thrive regardless of their background.

# GREEN OPERATION



CSI has been managing the environmental impacts from its operation. We keep seeking ways in minimising impacts and promoting green initiatives in our daily work.

## In This Chapter

- Environmental Management
- Energy
- Emissions
- Waste
- Green Activities

## GREEN OPERATION

In this rapidly evolving business landscape, sustainability has become a cornerstone of responsible corporate practices. The CSI Group recognises the impact of our operations on the environment, and we are dedicated to implementing green practices into our daily operations, reducing our environmental footprint wherever possible. We work closely with both internal and external stakeholders to drive our green initiatives forward. Internally, we engage with employees at all levels, fostering a culture of environmental responsibility and innovation. Externally, we collaborate with business partners and local communities to share best practices and explore new ideas.

### Environmental Management

At CSI Group, environmental stewardship is a fundamental aspect of our operations. CSI was one of the first brokerage and investment group in Asia to achieve ISO14001 certification since 2007. We have implemented our ISO14001-certified environmental management system (“**EMS**”) across the majority of our offices. We not only maintain this certification through annual audits in Hong Kong and triennial audits in regional offices, but also proactively set environmental targets that align with our sustainability objectives. These targets are reviewed annually as part of our commitment to continuous improvement, ensuring that we remain at the forefront of environmental responsibility and sustainability practices within our industry.

We are committed to following our “Clean & Green” philosophy and formulated the Environmental Policy to steer our operations towards a more sustainable path. These commitments encompass a wide array of initiatives aimed at fostering eco-friendly practices within the CSI Group.



#### Laws and Regulations

Identifying and complying with all compliance obligations including local environmental legislation and regulations, and with other applicable requirements to which the Company subscribes, and continually seeking to improve its environmental performance wherever possible.



#### Sustainable Operation

Operating our facilities and delivering services in a sustainable manner. We strive to protect the environment by determining and adopting best practices to conserve energy and resources, while minimising pollution and achieving sustainable improvement.



#### Environmentally Friendly Workplace

Maintaining an environmentally sound and employee-friendly workplace by implementing beneficial environmental work practices and taking appropriate measures to minimise environmental, health, and safety risks, and promptly respond to accidents and emergencies.

## GREEN OPERATION



### Environmental Awareness

Providing regular training to enhance environmental awareness and understanding, and actively participate in external environmental activities.



### Continuous Monitoring

Utilising monitoring programs to assess and analyse our environmental performance, communicating our environmental commitment and achievements through annual reports distributed to stakeholders.



### Active Cooperation

Seeking active cooperation in improving attitudes towards environmental issues within the communities we operate in.

CSI Group has taken a significant step towards fostering sustainability by enrolling in the GPP initiated by Swire Properties. This pledge signifies a robust collaboration between landlords and tenants to collectively work towards shared sustainability objectives. We are proud to announce that as a result of our efforts, we have been awarded a Silver status for two consecutive years, recognising our dedication to environmentally responsible practices.

As part of our ongoing sustainability journey, we actively participate in the GPP Academy, which is designed by Swire Properties to enhance our sustainability capabilities by providing valuable insights and strategies to elevate our environmental performance. Through the GPP Academy, we are equipped with the knowledge and tools necessary to implement practical and impactful initiatives aimed at reducing carbon emissions, energy consumption, water usage, and waste generation.



"We recognise that sustainability starts from within. By reinforcing our current practices, such as maintaining our ISO14001 certification, and continually exploring new avenues for reducing our environmental impact, we aim to create lasting, positive change for the environment and drive sustainable growth. Our commitment extends beyond compliance; it is about embedding sustainability into every facet of our operations, ensuring that our actions today contribute to a greener future for generations to come."

*Ms. Peggy Tsu, Senior Administration Manager, CITIC CLSA*

## GREEN OPERATION

### Energy

In our pursuit of sustainability, we recognise the critical role energy consumption plays in shaping our carbon footprint. Notably, over 67% of our total GHG emissions stem from Scope 2 energy indirect sources, underscoring the pressing need to mitigate our energy-related environmental impact. To this end, CSI Group strives to integrate energy-efficient philosophy into our daily operations. Along with our sustainability initiatives, our headquarters in One Pacific Place was certified as Platinum rating under the Leadership in Energy and Environmental Design (“LEED”) by the US Green Building Council.

Within our office operations, electricity usage emerges as a focal point for improvement. To confront this challenge, our global offices are actively integrating sustainable design features to address our energy consumption patterns. Key measures include the use of energy-efficient LED tubes, implementation of motion sensors on office floors to regulate lighting based on occupancy, installation of timers for water boilers, and setting personal computers and office equipment to energy-saving modes when not in use. Complementing these efforts, we have installed informative signage in office areas to encourage employees to adopt energy-efficient habits in their daily work routines. The administration department keeps track of the CSI Group’s energy consumption and will notify related divisions/departments if there is an unusual increase in energy consumption.

Furthermore, our Sydney office, located in a carbon neutral building, has made significant strides in sustainable energy practices. They have installed solar panels and thermal storage systems, leading to the attainment of 5.0 star NABERS energy rating (6.0 star with greenpower). Meanwhile, the building housing our New York office has implemented an innovative supplemental ice storage system, a pioneering solution in the city. This system operates by utilising a dedicated chiller during off-peak hours at night to generate ice in 28 storage tanks. This stored ice subsequently reduces electricity consumption for cooling during hot days when carbon factor of electricity is substantially higher. Besides, 100% of the electricity used in our New York office has obtained Green-e Certified REC. These initiatives exemplify our commitment to pioneering energy-efficient solutions and advancing sustainable practices across our global offices. Moreover, our procurement practices now prioritise sustainable attributes in renovation materials and fittings, fostering environmentally responsible building and office design strategies.

Energy Consumption	Unit	2023
<b>Total</b>	<b>kWh</b>	<b>5,992,882.65</b>
Purchased electricity	kWh	5,863,301.74
Diesel	kWh	31,764.43
Petrol	kWh	97,816.48
<b>Intensity</b>	<b>kWh/m<sup>2</sup></b>	<b>176.96</b>

## Emissions

As we continue our path of environmental stewardship, we are committed to reducing our GHG emissions and air emissions because we recognise how urgent it is to address these environmental issues.

### GHG Emissions

During the Reporting Period, our business activities led to the emission of 5,045.65 tCO<sub>2</sub>eq., which encompassed a mix of GHG including carbon dioxide, methane, and nitrous oxide, and hydrofluorocarbons. Notably, our GHG emissions intensity is recorded at 0.15

tCO<sub>2</sub>eq./m<sup>2</sup> with reference to the total floor area of the CSI Group's business operations. Embracing a heightened commitment to transparency and environmental responsibility, we have expanded our reporting scope to include Scope 3 emissions since 2022. Moving forward, we are dedicated to further broadening our Scope 3 reporting in alignment with the GHG Protocol standards, reinforcing our pledge to comprehensive sustainability practices and accountability. For details of the GHG emissions in the previous reporting period, please refer to the Appendix – Summary of Sustainability Indicators.

GHG Emissions <sup>2</sup>	Unit	2023
<b>Total</b>	<b>tCO<sub>2</sub>eq.</b>	<b>5,045.65</b>
Scope 1	tCO <sub>2</sub> eq.	36.93
Scope 2	tCO <sub>2</sub> eq.	3,405.59 <sup>3</sup>
Scope 3		
- Electricity used for freshwater processing	tCO <sub>2</sub> eq.	0.66
- Electricity used for sewage processing	tCO <sub>2</sub> eq.	0.33
- Business air travel	tCO <sub>2</sub> eq.	1,602.14
<b>Intensity</b>	<b>tCO<sub>2</sub>eq./m<sup>2</sup></b>	<b>0.15</b>

<sup>2</sup> In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the Group. Scope 1 and Scope 2 GHG emissions are consolidated using the operational control approach. Scope 3 GHG emissions cover other indirect emissions from electricity used for processing fresh water and sewage as well as business air travel by employees.

<sup>3</sup> All New York office's electricity consumption is 100% covered by REC, which corresponds to GHG emission of 97.72 tCO<sub>2</sub>eq.

## GREEN OPERATION

### Air Emissions

Due to our business nature, air emissions primarily stem from our fleet of vehicles that rely on fossil fuels. These vehicles contribute to the emission of pollutants such as nitrogen oxides (“**NO<sub>x</sub>**”), sulphur oxides (“**SO<sub>x</sub>**”), and respiratory suspended particles (“**RSP**”) into the atmosphere. To actively reduce these air

emissions, we plan to phase out our current fleet of fossil-fuelled vehicles and replace them with hybrid or electric alternatives. We aim to significantly lower our air emissions footprint and contribute to a healthier environment in the areas where we operate.

Air Emissions	Unit	2023
NO <sub>x</sub>	kg	106.71
SO <sub>x</sub>	kg	0.21
RSP	kg	10.48

### Waste

Despite the nature of our business, we are aware of the waste we generate encompasses both hazardous and non-hazardous waste. We are dedicated to embracing the fundamental principle of the 3R approach – reduce, reuse, recycle – in our daily operations.

During the Reporting Period, CSI Group generated a total of 23,016.49 kg of hazardous waste, primarily consisting of batteries, toner cartridges, and electronic devices. Such waste was responsibly collected and managed by certified waste handlers, ensuring proper treatment and adherence to environmental regulations. We also produced 66,970.00 kg of non-hazardous waste in 2023, comprising domestic waste, metals, plastics, and paper waste. Of this total, 10,232.00 kg was successfully recycled, reflecting our commitment to sustainable waste management practices. The handling and disposal of both hazardous and non-hazardous waste is in accordance with applicable laws and regulations.

In our endeavour to reduce office waste, we have installed water filtration systems in most of our offices, eliminating the necessity for plastic water dispensers. This sustainable approach not only diminishes the reliance on large plastic bottles but also slashes associated transportation emissions. Notably, the Hong Kong government has implemented a comprehensive ban on a range of disposable plastic products and restaurants are prohibited from offering disposable plastics straws and cutlery for takeaway services. We recognise the importance of such measures in mitigating environmental impact. Our offices provide reusable chopsticks and cutlery as substitutes for single-use wooden or plastic utensils, further mitigating waste in our daily routines. Cultivating a green office ethos is central to our operational approach. We strive to continually refine our office systems by transitioning to digital platforms for the dissemination of non-confidential documents and materials. Additionally, the implementation of a responsible document printing system underscores our commitment to sustainable practices, emphasising the utilisation of consumables such as printing paper and ink cartridges.

## GREEN OPERATION

Our Hong Kong office also engages in the annual Electronic Waste Recycling Campaign, enabling both our office and individuals to contribute electronics to NGOs for refurbishment or environmentally sound recycling. As part of our waste reduction strategy, we have strategically reduced the number of rubbish bins in our office, aiming to instil sustainable habits among our employees over time, emphasising the importance of waste minimisation and eco-conscious practices in our workplace culture.

In Hong Kong, our property management company, Swire Properties, demonstrates a commitment to environmental responsibility and sustainability. As part of its eco-conscious initiatives, Swire Properties actively promotes recycling practices within its premises. We actively engage in recycling activities that encompass a wide range of materials, including coffee grounds, coffee capsules, food waste, fluorescent tubes, and toner cartridges. Our collaboration with Swire Properties underscores our shared commitment to sustainability and responsible waste management practices.

### Green Activities

At the core of our sustainability efforts lies a deep commitment to fostering a culture of environmental responsibility within CSI Group. We actively encourage and engage our

employees to participate in a variety of green activities. Not only to raise awareness among our staff about crucial environmental issues, but also to promote sustainable lifestyle choices.

#### DIY Upcycling Workshops

In 2023, we organised a series of upcycling workshops that showcased innovative ways to repurpose waste materials. These workshops aimed to find environmentally friendly solutions for materials that would otherwise end up in landfills. Participants received practical training on creatively repurposing waste and gained insights into the advantages of using natural ingredients and practising responsible consumption.

- DIY Coffee Moisture Absorber & Insect Repellent Workshop
- DIY Eco Planter Workshop
- Eggshell Upcycling Workshop



## GREEN OPERATION



### Kitchen Herb Workshop

In collaboration with Rooftop Republic, we organised two kitchen herb workshops at the Hong Kong office. Participants had the opportunity to plant three different types of herbs. They learned how to grow and care for these common culinary herbs throughout the year while also exploring sustainable living practices.

### Organic Farming Experience Day

As part of our sustainability strategy, we hosted an Organic Farming Experience Day in collaboration with HKFYG Organic Farm. This event allowed our employees to learn from local farmers and gain hands-on experience with organic farming techniques.



### Zero Carbon Park Visit

We organised a visit to the Zero Carbon Park in March, which is an exhibition centre dedicated to zero carbon building design and technologies. Our team gained firsthand knowledge and inspiration regarding cutting-edge approaches to sustainable building design and living, further reinforcing our commitment to embracing eco-friendly practices and reducing our carbon footprint.



# COMMUNITY ENGAGEMENT



CSI continuously invests in and engages with the wider communities where we operate, demonstrating our commitment to social responsibility. We share our resources to assist those in need and support minorities to promote their inclusion within our society.

## In This Chapter

- Building a Stronger Community
- Social Inclusion
- Social Well-being
- Youth Education and Support
- Environmental and Sustainable Development

## COMMUNITY ENGAGEMENT

CSI believes in the value of driving meaningful change for the communities in which we operate. Our dedicated Community Outreach Team leads our efforts, strategically identifying opportunities to make a tangible impact through our key focus areas of “Youth Education,” “Diversity and Inclusion,” “Poverty Alleviation,” and “Environmental and Sustainable Development”. By championing a diverse range of community outreach initiatives, we aim to support those in need, enhance our corporate reputation and drive business expansion, ultimately fostering a more prosperous world and leaving a lasting positive legacy.

Our employees are central to this mission. We are delighted to report that during the Reporting Period, our employees volunteered over 1,500 hours to support meaningful causes. Through our global office network, we actively support various community outreach programs that enable our employees to contribute their time and expertise to significant local projects.

Total volunteer hours in 2023

**1,500+ hours**

While most volunteer activities are scheduled for weekends, we actively encourage our employees to utilise their volunteer leave to engage with the community. This approach is intended to foster a culture of giving back and inspire others to join us in making a meaningful impact.

Our philanthropic efforts are guided by our Corporate Donation & Sponsorship Policy, which ensures our engagement with companies and activities that align with our business and ESG strategy. In 2023, we were honoured to receive awards from multiple organisations, including “Exceptional Corporate Partner” from Caritas Hong Kong and “The Highest Corporate Volunteer Service Hours Award” from TREATS Hong Kong. Notably, 2023 marks the 9th consecutive year that the Company has been awarded the “Caring Company” recognition.

To enhance employee engagement, we provide two days of paid volunteer leave annually. This leave can be utilised to support CITIC CLSA Trust projects, participate in charity events, or engage in community outreach activities. We are firm believers that by offering our employees opportunities to connect with their communities, we can cultivate a sense of purpose and contribute to the development of more robust and resilient societies.

Number of volunteers in 2023

**about 500 employees**

## COMMUNITY ENGAGEMENT

### CITIC CLSA Trust

Founded in 2006, the CITIC CLSA Trust (the “Trust”) offers financial and human resources to assist underprivileged individuals, groups, and communities in Asia, Australia, Europe, and the Americas. Since its establishment, the Trust has contributed approximately USD30 million to more than 120 grassroots organisations globally, positively impacting the lives of over half a million individuals.

Centred on poverty alleviation and educational advancement, the CITIC CLSA Trust strives to unite ideas, people and communities to drive positive social progress. In 2023, notably, the Trust’s donation to Po Leung Kuk enabled the launch of the “CITIC CLSA x PLK Youth Mental Health Programme”, an initiative designed to raise awareness about mental health among students in Hong Kong and support their holistic development. Spanning approximately one year from February 2024 to March 2025, the program is expected to benefit over 101,000 individuals. Established in 1878, Po Leung Kuk is one of the oldest and leading charitable organisations in Hong Kong. It provides multifaceted social services to children and youth among other beneficiaries through its 300 service units.



## COMMUNITY ENGAGEMENT

### Building a Stronger Community

Central to our mission is a dedication to enhancing community cohesion and inclusivity. We advocate for social inclusion, better community health, and offering care and assistance to the disadvantaged. Through these endeavours, our goal is to establish a fairer and more empathetic society where all individuals have the chance to flourish and achieve their utmost potential.

### Social Inclusion

In February 2023 and June 2023, we partnered with Po Leung Kuk to foster social inclusion by cooking and delivering hot meals to senior citizens at the Po Leung Kuk Elderly Centre. Our employee volunteers assisted in packing hot meals for the elderly at the community kitchen, supported in distribution, and visited the seniors with gift bags as part of the initiative. In November 2023, we actively co-organised a social activity with Caritas Hong Kong to hold birthday celebrations for children living in sub-divided flats. During the activity, our volunteers interacted with the children through games and magic performances. Gift bags were also distributed to each family, ensuring that they left with not only precious memories but also practical support. Through these activities, CSI aims to share warmth and kindness with vulnerable groups in the community, reminding them that they are valued and cared for.

CSI is devoted to supporting the disadvantaged and advocating gender equality and inclusivity. In 2023, we took part in a charity trail run organised by RUN Hong Kong, marking our first collaboration with this Hong Kong-based non-profit organisation that focuses on supporting vulnerable refugees, particularly women, to build resilience. The event occurred on 25th November 2023, the International Day for the Elimination of Violence against Women, with the goal of increasing awareness about gender-based violence. CSI stands firmly behind RUN Hong Kong in empowering marginalised communities and working towards a better tomorrow. In addition to the above-mentioned activities, we also supported other community programs throughout 2023 that provided aid to underprivileged members of the community. These programs include:

- Helping Hand Cookie Campaign in May 2023

CSI took part in Helping Hand's Cookie Campaign for fundraising. The funds raised were used to support the operating expenses of elderly homes and services, as well as to organise various activities for the residents, making the lives of the elderly living in the homes more fulfilling and worry-free.

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“At CSI, our commitment to community outreach goes beyond corporate responsibility – it is a core value. Our approach is rooted in understanding and addressing the unique needs of those we serve. Every year, we proactively seek new opportunities and forge partnerships with both large and grassroots organisations to diversify our initiatives, ensuring we reach a broader spectrum of those in need. In doing so, we continuously amplify our impact, creating a ripple effect of positive change that extends across diverse communities.”

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*Ms. Winnie Mui, Community Outreach Team, CITIC CLSA*

## COMMUNITY ENGAGEMENT

- Donation of Laptops to HOLF in June 2023

CSI donated laptops to HOLF, an organisation dedicated to providing care for children and adults with special needs. These laptops not only facilitate learning and skill development but also contribute to improving the overall quality of life for the individuals under HOLF's care.

- Volunteering at the Animal Shelter in November 2023

Our employees supported the animal volunteering services at House of Joy and Mercy by helping with the cleaning and tidying of the animals' living spaces, as well as taking them for walks, contributing to animal rescue efforts.

- Evening Charity Walk in December 2023

CSI collaborated with the Hanuman Charity to provide food and other essential items to the homeless. Through this activity, our employees also gained a deeper understanding of the living difficulties faced by the underprivileged.

At CSI, we hold the belief that festivals are an opportunity to spread happiness and demonstrate compassion for the less fortunate in our community. In 2023, we engaged in a range of community activities during festive occasions:

- Dragon Boat Festival – Dragon Boat for All in July 2023

Our volunteers teamed up with 8 students with special needs to form an inclusive dragon boat team, undertaking 6 sessions of intensive dragon boat training and participating in 2 thrilling dragon boat races with other teams and achieving decent results.

- Mid-Autumn Festival – Mooncake Workshop with Students with Special Educational Needs (“**SEN**”) in September 2023

CSI partnered with TREATS Hong Kong to co-organise a special Mid-Autumn Festival Celebration, where our employees and their families, alongside a group of SEN students, had the chance to create their own mooncakes.

- Christmas Day – Christmas Appeal in December 2023

Collaborating with the Salvation Army, our employees donated around 40 toys to grassroots children as part of the "Love•Share" Christmas initiative, delivering holiday blessings to the underprivileged.

- Christmas Day – Christmas Celebration for Children with Autism in December 2023

Driven by our commitment to diversity and inclusion, CSI collaborated with the Autism Partnership Foundation (“**APF**”), hosting a heartwarming Christmas celebration for children with autism and their families.

Through these initiatives, we strive to provide assistance, spread happiness to the underprivileged, and foster a more compassionate and inclusive community.

## COMMUNITY ENGAGEMENT

### Social Well-being

We understand the importance of promoting wellness and driving positive social progress in the local community. In line with our dedication to this goal, CSI organised multiple charity yoga classes in 2023. Our employees were encouraged to take part in this physical activity, which not only enhanced their physical and mental health, but also raised funds for Hands On Hong Kong to support the disadvantaged.

To facilitate the integration of the underprivileged into the local community, our employees took part in athletic training sessions organised by RUN Hong Kong. They actively trained alongside participants from disadvantaged backgrounds, aiming to promote fitness and enhance their confidence through sports. Additionally, our employees showed their support for students with special needs by engaging in kin-ball training and competitions organised by TREATS Hong Kong. This activity provided a supportive environment for students to unlock their capabilities, guiding them step by step to achieve their aspirations and discover new possibilities.



With CSI's dedicated philanthropic endeavours, we have actively provided support to the community and uplifted the underprivileged by participating in a range of programs focused on enhancing community well-being and offering aid to those requiring assistance. These programs include:

- Great Eagle Music Children Ensemble Debut Concert in January 2023

CSI volunteers served as voluntary workers at the “Inheritance” concert held by the Music Children Foundation, ensuring the smooth running of this meaningful event.

- Elderly Home Visit in February 2023

Partnering with the charity Helping Hand, our employees formed a team of caring ambassadors and visited the elderly living alone at the Little Sai Wan Jockey Club Home during the Chinese New Year. They spent a lively and heartwarming afternoon with the elderly by playing games, performing activities, and distributing Chinese New Year gift bags.

- Decorate Flowerpots for HOLF's Residents in July 2023

HOLF is a local charity organisation providing lifelong care and a warm living space for individuals with intellectual and physical disabilities. Our volunteers decorated flowerpots for the sensory garden of the home. The garden is designed to stimulate the senses, providing a tranquil outdoor space for residents to relax and enjoy.

## COMMUNITY ENGAGEMENT

- Drive to Raise Tube-feeding Formula for HOLF Residents in September 2023

CSI organised a fundraising event for the residents of HOLF to meet their nutritional needs, resulting in the successful donation of nearly 200 bottles of nutritional milk for the residents.

- Food Drive for World Food Day in October 2023

In response to the United Nations Sustainable Development Goal of “Zero Hunger”, CSI encouraged employees to participate in World Food Day to promote food sharing and eliminate hunger. Our volunteers in Hong Kong donated food to assist those in need, embodying a spirit of compassion and community support.

### Youth Education and Support

In our pursuit of a sustainable future, we recognise the importance of fostering youth education and providing career guidance. By ensuring access for young people to quality learning environments and necessary support, we aim to cultivate future leaders equipped with the knowledge and skills to tackle the challenges of tomorrow.

In March 2023, CSI collaborated with the Hong Kong Arts and Culture Development Center to organise a career planning program for high school students, providing career exploration support for participating students. Our volunteers actively shared their employment experiences with young people and provided students with a more direct hands-on experience.

In 2023, CSI partnered with Engineers Without Borders Hong Kong (“**EWB-HK**”) for the first time to co-host workshops for primary school kids in April and September. EWB-HK, a volunteer-based organisation supported by members and volunteers from engineering and non-engineering backgrounds, is committed to empowering disadvantaged communities through engineering solutions for sustainable

development. The workshops were designed to introduce children to the interdisciplinary field of Science, Technology, Engineering, Arts, and Mathematics (“**STEAM**”) through hands-on activities and games. CSI volunteers played a key role as coordinators, guiding the children through the activities, fostering their creativity, and inspiring them to explore the world of knowledge.

Recognising the significant academic pressure experienced by students with special education needs in the school environment in Hong Kong, CSI volunteers joined Christian Action's homework support session. They assisted a group of primary and secondary school students with refugee or asylum-seeking backgrounds in their studies and helped them build resilience. Through this activity, participants received encouragement, boosting their confidence to overcome challenges.

## COMMUNITY ENGAGEMENT

### Environmental and Sustainable Development

CSI is committed to nurturing a sustainable future for our planet. To reduce our environmental impact, CSI has been actively promoting sustainable practices among our staff both locally and globally through a range of awareness-raising initiatives.



#### Earth Hour 2023

In March 2023, CSI's Hong Kong and overseas offices, including Australia, Mainland China, India, Indonesia, Japan, Malaysia, the Netherlands, the Philippines, Singapore, South Korea, Thailand, the United Kingdom, and the United States, enthusiastically responded to the world's largest environmental movement, Earth Hour. On that day, starting at 8:30 PM, they turned off non-essential lights and appliances for one hour to show their concern and commitment to tackling the climate crisis and the rapid decline in biodiversity.

This collaborative action not only spurred immediate climate action and ecological protection for sustainable development, but also allowed our employees to make a difference in the fight against climate change.

#### Hiking Trail Cleanup

As part of our support for Earth Day 2023, our volunteers, equipped with gloves, garbage bags, and tongs, cleaned up the hiking trail leading to Devil's Peak. The team collected litter along the way, leaving a cleaner and safer trail for hikers and wildlife in the mountains.



## COMMUNITY ENGAGEMENT

### Tree Adoption

To combat global climate change and enhance sustainable forest management, CSI global staff have planted trees and built the “CLSA Global Forest” since 2021 through the tree adoption program from a platform run by a certified B-Corporation. As of 2023, a total of 5,697 trees were adopted in 10 countries including Ecuador, Kenya, Indonesia, Malaysia, Peru, Nepal, India, the Philippines, Thailand, and Uganda, sequestered over 135,736 kg CO<sub>2</sub>. This initiative supported three Sustainable Development Goals (“SDGs”): “Climate Action”, “Life on Land”, and “Reduced Inequality”. By expanding our “CLSA Global Forest”, we are working towards safeguarding our planet for future generations, while simultaneously enhancing the well-being and livelihoods of the communities where the trees are being planted.

Total Trees Adopted as of  
2023

**5,697 trees**



### Coastal Cleanup Day

Environmental conservation is a fundamental aspect of CSI’s corporate social responsibility. In June 2023, CSI organised a coastal cleanup event in support of World Ocean Day, with over 10 volunteers, along with their family members and friends, participating in the initiative. The team engaged in cleaning up the coastline near the Stanley Blake Pier, focusing on collecting various debris. This effort aimed to address marine pollution challenges in Hong Kong waters and raise awareness about the critical importance of ocean conservation.

# INDEPENDENT ASSURANCE REPORT

## Independent Assurance Opinion Statement

### CITIC Securities International Company Limited

#### Sustainability Report 2023

AVISTA Risk Advisory Limited (“**AVISTA**” or “**We**”) has been engaged by CITIC Securities International Company Limited to assist its management in providing an independent assurance opinion statement (the “**Opinion Statement**”) on the information relating to the Sustainability Report 2023 (the “**Report**”) for CITIC Securities International Company Limited (“**CSI**”), covering the period from 1 January 2023 to 31 December 2023 (the “**Reporting Period**”, the “**Year**” or “**2023**”).

This Opinion Statement has been prepared for CSI solely for the purposes of assuring the information relating to the Report, more particularly described in the Scope below. It was not prepared for any other purpose. We will not, in providing this Opinion Statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or towards any person by whom this Opinion Statement may be read. This Opinion Statement is intended to be used by stakeholders and the management of CSI for the designated purposes.

## Scope

The scope of the assurance included evaluation of the quality, accuracy and reliability of specified performance information, including the text and 2023 data in accompanying tables contained in the Report (the “**Specified Performance Information**”).

Specified Performance Information is limited to those information and data directly related to and provided by CSI and its subsidiaries only, but does not include any CSI’s suppliers, contractors, or the data or information provided by other third parties. Any queries regarding the content or related matters within this Opinion Statement should be addressed to CSI only.

## Assurance Standard

Type 2 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 (“**AA1000AS v3**”), covering:

- Evaluation of the extent of CSI’s adherence to four reporting principles: Inclusivity, Materiality, Responsiveness and Impact; and
- The reliability and quality of Specified Performance Information within our findings and conclusions.

## Reporting Criteria

Global Reporting Initiative Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI Standards) as of 30 June 2022

## Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities in accordance with AA1000AS v3 Type 2 Moderate level requirements:

- A top-level review of the processes used by CSI to identify key stakeholders and define the sustainability topics that are relevant and material to its operations and stakeholders. We had no direct contact with external stakeholders;
- Interview with personnel involved in sustainability management and the preparation of the Report and associated Specific Performance Information;

# INDEPENDENT ASSURANCE REPORT

- Assessment of CSI's Specific Performance Information and management processes, based on the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AS v3, and a review of the extent of adherence to these principles;
- Review of CSI's sustainability management system;
- Sample testing of documentary evidence and performing analytical procedures of the Specific Performance Information to assess the reliability and quality;
- Recalculation of the quantitative Specific Performance Information based on the evidence provided; and
- Any other procedures deemed necessary.

## Conclusions

Based on the procedures we have performed and the evidence we have obtained, nothing comes to our attention that CSI does not adhere in its reporting to the four reporting principles: Inclusivity, Materiality, Responsiveness and Impact as per the AA1000AS v3, and that the Specified Performance Information is not fairly stated in all material aspects, in accordance with the Global Reporting Initiative Sustainability Reporting Standards.

## Inclusivity

CSI has adopted relevant processes to identify key stakeholders and engaged with its key stakeholders through various stakeholder engagement channels, such as tenant satisfaction surveys, employee engagement surveys, charitable activities, etc., to understand their views and expectations.

## Materiality

CSI has conducted a materiality assessment to identify and evaluate the relevance of sustainability topics that are considered material to both CSI and its stakeholders. The process and results of the materiality assessment have been disclosed in the Report, providing a comprehensive and balanced understanding and prioritisation of the material topics.

## Responsiveness

CSI has conducted surveys, established feedback mechanisms and published sustainability reports to develop responses related to material topics and communicate them to stakeholders.

## Impact

CSI has implemented processes to understand, measure, evaluate and manage its material impacts through establishing applicable policies and conducting materiality assessment to respond to its operational impacts on the environment and society.

## Responsibilities

It is the responsibility of the management of CSI to provide necessary information for us to conduct the assurance and ensure the evidence provided to us is accurate. Our responsibility is to provide an independent assurance opinion statement to the management of CSI giving our professional opinion based on the scope, methodology and limitations described in this Report.

# INDEPENDENT ASSURANCE REPORT

## Limitations

Our work was subject to the following limitations:

- The assurance is limited to the information set out in the Report;
- The assurance process is unavoidably subject to inherent uncertainties, such as the reliance on sampled evidence for conducting the assessment;
- Some documents are inaccessible with respect to certain statements and data within the assurance scope leading to a limitation of scope for those statements and data; and
- In the absence of the generally accepted and recognised standard and/or benchmark for the evaluation and measurement of non-financial information, the commonly accepted methods and measurement technologies adopted by CSI may impair the comparability of the non-financial information in the Report with that of other entities.

The following exclusions should be noted:

- Information related to activities outside the defined Reporting Period or Scope;
- Company position statements and forward-looking statements (including any expression of opinion, aspiration, aim, belief, expectation or future intent);
- Content of external websites or documents linked from the Report;
- Appropriateness of any new targets, commitments as well as objectives established and communicated by CSI; and
- Any financial information data that has been or will be assured by applicable financial auditing standards.

## Competency and Independence

We are independent of CSI and have no financial interest in its operation, except for the purpose of assessment and assurance.

Our independence from CSI is in accordance with the Code of Practice outlined in the AA1000AS v3.

We have been recognised by AccountAbility. Our assurance team possesses extensive industry experience and has undergone professional training in standards related to sustainable development, including the GRI Standards, the AA1000AS v3, the Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) issued by the Hong Kong Stock Exchange, Carbon Auditing Professional (“**CAP**”), ISO14064 Greenhouse Gas Accounting and Verification, and more. The assurance team has a sufficient understanding of and the necessary capabilities of implementation of the AA1000AS v3. The assurance is carried out in line with our internal assurance protocol.

For and on behalf of  
AVISTA Risk Advisory Limited  
12 September 2024  
Hong Kong SAR, China



**AA1000**  
Licensed Report  
000-568/V3-XPTHY

# APPENDIX – SUMMARY OF SUSTAINABILITY INDICATORS

## Economic Performance

	Unit	2023	2022	2021
Direct economic value generated	USD million	<b>1,602.31</b>	1,414.35	924.53

## Environmental Performance

Air Pollutant Emissions	NO <sub>x</sub>	kg	<b>106.71</b>	8.98	N/A
	SO <sub>x</sub>	kg	<b>0.21</b>	0.24	N/A
	RSP	kg	<b>10.48</b>	0.66	N/A
GHG Emissions	Total GHG emissions	tCO <sub>2</sub> eq.	<b>5,045.65</b>	4,107.48	3,268.10
	- Scope 1	tCO <sub>2</sub> eq.	<b>36.93</b>	43.32	45.81
	- Scope 2	tCO <sub>2</sub> eq.	<b>3,405.59</b>	3,521.82	3,222.29
	- Scope 3	tCO <sub>2</sub> eq.	<b>1,603.13</b>	542.33	N/A
	Intensity	tCO <sub>2</sub> eq./m <sup>2</sup>	<b>0.15</b>	0.13	N/A
Waste	<b>Hazardous waste</b>				
	Total hazardous waste generated	kg	<b>23,016.49</b>	8,984.85	N/A
	Intensity	kg/m <sup>2</sup>	<b>0.68</b>	0.28	N/A
	<b>Non-hazardous waste</b>				
	Total non-hazardous waste generated	kg	<b>66,970.00</b>	64,534.00	N/A
	Intensity	kg/m <sup>2</sup>	<b>1.98</b>	1.99	N/A
Paper	Total paper consumption	kg	<b>12,354.00</b>	4,262.00	12,592.27
	Intensity	kg/employee	<b>5.65</b>	2.00	6.39
Energy	Total energy consumption	kWh	<b>5,992,882.65</b>	5,905,263.49	N/A
	- Purchased electricity	kWh	<b>5,863,301.74</b>	5,747,177.14	4,852,532
	- Diesel	kWh	<b>31,764.43</b>	158,086.35	N/A
	- Petrol	kWh	<b>97,816.48</b>		N/A
	Intensity	kWh/m <sup>2</sup>	<b>176.96</b>	182.54	N/A
Water	Total water consumption	m <sup>3</sup>	<b>1,511.72</b>	1,094.10	N/A
	Intensity	m <sup>3</sup> /m <sup>2</sup>	<b>0.045</b>	0.034	N/A

## APPENDIX – SUMMARY OF SUSTAINABILITY INDICATORS

### Notes:

1. Totals may not be the exact sum of numbers shown here due to rounding.
2. Air emissions data for 2021 were unavailable.
3. Emission factors for calculating air emissions and GHG emissions data from vehicles were made reference to “*How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs*” (“**Appendix 2**”), published by the Hong Kong Exchanges and Clearing Limited (“**HKEX**”).
4. Company owned and controlled vehicles were used in Hong Kong, Indonesia, South Korea, and Thailand office. Fuel consumption data were collected to calculate the SO<sub>x</sub> emissions. Data on distance travelled by the vehicles were collected to calculate the emissions of NO<sub>x</sub> and RSP. The significant increase in NO<sub>x</sub> and RSP emissions is due to an enhancement in our data collection methods. In instances where travel distance data could not be retrieved, we adopted a new approach by estimating the distance travelled based on vehicle types and fuel consumption.
5. The actual distance travelled by company controlled vehicles in South Korea office could not be retrieved. Please refer to our 2022 Report for more details.
6. In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the Group. Scope 1 and Scope 2 GHG emissions are consolidated using the operational control approach.
7. Location-based Scope 2 emissions are reported. The emission factors used for purchased electricity in Australia, Mainland China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Thailand, the United Kingdom, and the United States offices were referred to the Australian National Greenhouse Accounts Factors 2023, the Ministry of Ecology and Environment of People’s Republic of China, HK Electric Investments Sustainability Report 2023, CO<sub>2</sub> Baseline Database for the Indian Power Sector, Climate Transparency Report 2022 – Indonesia, TEPCO ESG Data 2024, TENAGA NASIONAL BERHAD Sustainability Statement 2023, Key Energy Statistics 2022 – Department of Energy Philippines, Singapore Energy Statistics 2023, Climate Transparency Report 2022 – South Korea, EGAT Sustainability Report 2022, The UK Government Greenhouse Gas Reporting: Conversion Factors 2024, and EPA GHG Emission Factors Hub 2024, respectively.
8. Scope 3 GHG emissions cover other indirect emissions from electricity used for processing fresh water and sewage as well as business air travel by employees. Emission factors used for processing fresh water and sewage were made reference to Appendix 2 published by the HKEX, while GHG emissions from business air travel were calculated using the online tool provided by the International Civil Aviation Organisation (“**ICAO**”).
9. Electricity consumption data of the Netherlands office was not available in 2021. Please refer to our 2022 Report for more details.
10. As noted in the 2022 Report, the electricity usage data for the Netherlands office will no longer be estimated to provide accurate information of the CSI Group’s electricity consumption and GHG emissions.
11. Hazardous waste data of Indonesia, the Netherlands, the Philippines, South Korea and the United States offices were unavailable in 2023. The significant increase in hazardous waste data compared to 2022 is attributed to enhancements in our data collection system. The 2022 hazardous waste data has been adjusted to reflect actual situation.
12. Non-hazardous waste data for Mainland China, Japan, South Korea, and the United States offices were unavailable in 2023.
13. Water data from Australia, Mainland China, India, Malaysia, the Netherlands, Singapore, South Korea, Thailand, and the United Kingdom offices were unavailable in 2023.

## APPENDIX - SUMMARY OF SUSTAINABILITY INDICATORS

### Social Performance

		2023	2022	2021
<b>Workforce</b>	Total workforce	<b>2,186</b>	2,130	1,970
<b>By Gender</b>	Male	<b>1,356</b>	1,327	1,241
	Female	<b>830</b>	803	729
<b>By Age Group</b>	Below 30	<b>444</b>	519	414
	30 - 50	<b>1,375</b>	1,324	1,261
	Over 50	<b>367</b>	287	296
<b>By Employee Grade</b>	Senior management	<b>8</b>	8	N/A
	Middle management	<b>496</b>	489	N/A
	Frontline staff and others	<b>1,682</b>	1,633	N/A

		Male	Female	Male	Female	Male	Female
<b>By Employment Type</b>	Permanent	<b>1,202</b>	<b>682</b>	1,225	712	1,162	670
	Temporary	<b>154</b>	<b>148</b>	102	91	79	59
	Full-time	<b>1,351</b>	<b>821</b>	1,323	792	1,239	721
	Part-time	<b>5</b>	<b>9</b>	4	11	2	8

		Permanent	Contract	Permanent	Contract	Permanent	Contract
<b>By Geographical Region</b>	Australia	<b>60</b>	<b>4</b>	63	2	62	3
	Mainland China	<b>6</b>	<b>3</b>	7	2	5	1
	Hong Kong	<b>939</b>	<b>215</b>	989	152	917	103
	India	<b>364</b>	<b>9</b>	350	1	330	3
	Indonesia	<b>38</b>	<b>5</b>	42	7	41	3
	Japan	<b>69</b>	<b>4</b>	73	4	67	3
	Malaysia	<b>25</b>	<b>2</b>	26	1	26	1
	The Netherlands	<b>11</b>	<b>0</b>	7	1	6	2
	The Philippines	<b>30</b>	<b>3</b>	32	1	31	1
	Singapore	<b>149</b>	<b>26</b>	148	10	148	10
	South Korea	<b>44</b>	<b>9</b>	49	2	49	3
	Thailand	<b>24</b>	<b>6</b>	25	3	30	2
	UK	<b>71</b>	<b>14</b>	71	6	61	1
USA	<b>54</b>	<b>2</b>	55	1	61	0	

## APPENDIX – SUMMARY OF SUSTAINABILITY INDICATORS

New Hires		2023		2022		2021	
		Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Total New Hires		416	19%	495	23%	589	30%
By Gender	Male	223	16%	312	24%	373	30%
	Female	193	23%	183	23%	216	30%
By Age Group	Below 30	200	45%	222	43%	233	56%
	30 – 50	189	14%	261	20%	330	26%
	Over 50	27	7%	12	4%	26	9%
By Geographical Region	Australia	6	9%	13	20%	33	51%
	Mainland China	4	44%	2	22%	3	50%
	Hong Kong	219	19%	265	23%	380	37%
	India	74	20%	104	30%	77	23%
	Indonesia	1	2%	5	10%	7	16%
	Japan	6	8%	11	14%	9	13%
	Malaysia	5	19%	5	19%	3	11%
	The Netherlands	3	27%	1	13%	0	0%
	The Philippines	4	12%	11	33%	6	19%
	Singapore	41	23%	46	29%	42	27%
	South Korea	15	28%	2	4%	7	13%
	Thailand	11	37%	1	4%	3	9%
	UK	16	19%	21	27%	10	16%
USA	11	20%	8	14%	9	15%	

## APPENDIX – SUMMARY OF SUSTAINABILITY INDICATORS

Employee Turnover		2023		2022		2021	
		Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Total Turnover		377	17%	386	18%	435	22%
By Gender	Male	206	15%	249	19%	293	24%
	Female	171	21%	137	17%	142	19%
By Age Group	Below 30	124	28%	129	25%	130	31%
	30 – 50	209	15%	224	17%	280	22%
	Over 50	44	12%	33	11%	25	8%
By Geographical Region	Australia	8	13%	13	20%	28	43%
	Mainland China	4	44%	0	0%	2	33%
	Hong Kong	204	18%	189	17%	249	24%
	India	61	16%	77	22%	92	28%
	Indonesia	7	16%	3	6%	6	14%
	Japan	10	14%	4	5%	6	9%
	Malaysia	5	19%	5	19%	0	0%
	The Netherlands	0	0%	0	0%	0	0%
	The Philippines	5	15%	10	30%	5	16%
	Singapore	29	17%	48	30%	28	18%
	South Korea	12	23%	2	4%	5	10%
	Thailand	9	30%	6	21%	2	6%
	UK	9	11%	13	17%	3	5%
	USA	14	25%	16	29%	9	15%

## APPENDIX – SUMMARY OF SUSTAINABILITY INDICATORS

Development and Training		2023	2022	2021
Total Training Hours		88,292	32,043	N/A
Average Training Hours per Employee		34.45	15.04	N/A
By Gender	Male	34.54	15.35	11.2
	Female	34.31	14.53	10.9
By Employee Grade	Senior management	39.80	19.06	N/A
	Middle management	35.17	15.66	N/A
	Frontline staff and others	34.23	14.84	N/A
<b>Performance Review</b>				
Percentage of Employees Received Performance and Career Development Review		100%	100%	100%
By Gender	Male	100%	100%	100%
	Female	100%	100%	100%
By Employee Grade	Senior management	100%	100%	100%
	Middle management	100%	100%	100%
	Frontline staff and others	100%	100%	100%
Anti-discrimination	Number of incidents of discrimination	0	0	0
Anti-corruption	Concluded legal case regarding corrupt practices	0	0	0

## APPENDIX – SUMMARY OF SUSTAINABILITY INDICATORS

### Notes:

1. The breakdown of employee number in 2021 by employment type, gender, and age group is estimated using the percentages from the corresponding categories provided in the 2021 Report.
2. The data of employee number in 2021 by employee grade is unavailable.
3. The definition of employee turnover refers to employees who leave the CSI Group voluntarily or due to retirement, dismissal or other reasons.
4. Turnover rate refers to total number of employee turnover in the specific group per the total number of employees of the corresponding group  $\times 100\%$ .
5. The overall turnover rate was calculated by the number of employees left during the Reporting Period/the number of employees as of 31 December of the Reporting Period  $\times 100\%$ .
6. New hire rate refers to total number of new hires in the specific group per the total number of employees of the corresponding group  $\times 100\%$ .
7. The overall new hire rate was calculated by the number of new hires during the Reporting Period/the number of employees as of 31 December of the Reporting Period  $\times 100\%$ .
8. Senior Management, Middle Management, and Frontline and Other Staff refers to Department Head level, People Managers, and Individual Contributors without direct reports, respectively. Both front office and back office apply. 100% of our senior management are hired from the local community.
9. The total training hours, average training hours per employee, and average training hours by employee grade in 2021 is unavailable.
10. Average number of training hours in each category = Total number of training hours received by all employees (including turnover) in each category during the Reporting Period  $\div$  (Number of employees in each category at the end of the Reporting Period + Number of employees turnover in the category during the Reporting Period).
11. Performance review data excluded employees on probation.

# GRI CONTENT INDEX

<b>Statement of use</b>	CITIC Securities International has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Application of GRI Sector Standard</b>	Not Applicable

Disclosure	Report Reference	Remarks
<b>General Disclosures</b>		
<i>GRI 2: General Disclosures 2021</i>		
2-1	Organisational details	About CSI – Business Overview
2-2	Entities included in the organisation’s sustainability reporting	About this Report All subsidiaries with notable impacts are included.
2-3	Reporting period, frequency and contact point	About this Report Chairman’s Message
2-4	Restatements of information	Appendix - Summary of Sustainability Indicators
2-5	External assurance	About this Report Independent Assurance Report
2-6	Activities, value chain and other business relationships	Chairman’s Message About CSI – Business Overview
2-7	Employees	Human Capital – Caring for Employees Appendix – Summary of Sustainability Indicators
2-8	Workers who are not employees	Human Capital – Caring for Employees
2-9	Governance structure and composition	Corporate Governance – Board Structure, Composition and Roles Reason for omission: Confidentiality constraints – CSI considers tenure of Board members to be confidential.

## GRI CONTENT INDEX

Disclosure	Report Reference	Remarks	
2-10	Nomination and selection of the highest governance body	Corporate Governance - Board Structure, Composition and Roles	Reason for omission: Confidentiality constraints – CSI considers relevant information to be confidential.
2-11	Chair of the highest governance body	Corporate Governance - Board Structure, Composition and Roles	
2-12	Role of the highest governance body in overseeing the management of impacts	Approach to Sustainability Corporate Governance - Board Structure, Composition and Roles	
2-13	Delegation of responsibility for managing impacts	Corporate Governance - Board Structure, Composition and Roles	
2-14	Role of the highest governance body in sustainability reporting	About this Report Approach to Sustainability	
2-15	Conflicts of interest	Corporate Governance - Board Structure, Composition and Roles	Stakeholders may also refer to the Annual Report and announcements of CITIC Securities for notable disclosures in conflicts of interest, including those with related parties, if any.
2-16	Communication of critical concerns	Corporate Governance – Business Ethics and Human Rights	
2-17	Collective knowledge of the highest governance body	Corporate Governance - Board Structure, Composition and Roles	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance - Board Structure, Composition and Roles	
2-19	Remuneration policies	Corporate Governance - Board Structure, Composition and Roles	Reason for omission: Confidentiality constraints – CSI considers remuneration-related information to be confidential.
2-20	Process to determine remuneration	Corporate Governance - Board Structure, Composition and Roles	Particular CSI Board members also held significant positions at CITIC Securities, thus additional information may be found in the Annual Report 2023.
2-21	Annual total compensation ratio	<i>nil</i>	

## GRI CONTENT INDEX

Disclosure	Report Reference	Remarks	
2-22	Statement on sustainable development strategy	Chairman's Message	
2-23	Policy commitments	Corporate Governance - Sustainability Governance	
2-24	Embedding policy commitments	Corporate Governance - Sustainability Governance	
2-25	Processes to remediate negative impacts	Corporate Governance - Sustainability Governance	
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance - Business Ethics and Human Rights	
2-27	Compliance with laws and regulations	Corporate Governance - Risk Management	
2-28	Membership associations	Responsible Finance	
2-29	Approach to stakeholder engagement	Approach to Sustainability - Stakeholder Engagement	
2-30	Collective bargaining agreements	<i>nil</i>	No formal collective bargaining agreements are in place within CSI. However, our employees enjoy the freedom to take part in trade unions and collective bargaining if they wish.
<b>Material Topics</b>			
<i>GRI 3: Material Topics 2021</i>			
3-1	Process to determine material topics	Approach to Sustainability - Material Topics	
3-2	List of material topics	Approach to Sustainability - Material Topics	
<b>Economic Performance and Impacts</b>			
<i>GRI 3: Material Topics 2021 / GRI 201 Economic Performance 2016</i>			
3-3	Management of material topics	About CSI Responsible Finance	
201-1	Direct economic value generated and distributed	Appendix - Summary of Sustainability Indicators	Reason for omission: Confidentiality constraints - CSI considers that data of economic value distributed are confidential information.
202-2	Proportion of senior management hired from the local community	Appendix - Summary of Sustainability Indicators	

## GRI CONTENT INDEX

Disclosure		Report Reference	Remarks
<b>Professional Integrity and Anti-corruption</b>			
<i>GRI 3: Material Topics 2021 / GRI 205 Anti-Corruption 2016</i>			
3-3	Management of material topics	Corporate Governance – Anti-corruption and Bribery	
205-1	Operations assessed for risks related to corruption	Corporate Governance – Anti-corruption and Bribery	
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance – Anti-corruption and Bribery	Reason for omission: Confidentiality constraints – CSI considers that number of business partners by type and region are confidential information.
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance – Anti-corruption and Bribery	
<b>Technology and Information</b>			
<i>GRI 3: Material Topics 2021 / GRI 418 Customer Privacy 2016</i>			
3-3	Management of material topics	Service Innovation and Responsible Business – Technology, Information Security	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Service Innovation and Responsible Business – Technology, Information Security	
<b>Employment</b>			
<i>GRI 3: Material Topics 2021 / GRI 401 Employment 2016</i>			
3-3	Management of material topics	Human Capital – Caring for Employees	
401-1	New employee hires and employee turnover	Appendix – Summary of Sustainability Indicators	

## GRI CONTENT INDEX

Disclosure	Report Reference	Remarks
<b>Sustainable Finance</b>		
<i>GRI 3: Material Topics 2021 / GRI 203 Indirect Economic Impact 2016</i>		
3-3	Management of material topics	Responsible Finance
203-1	Infrastructure investments and services supported	Responsible Finance
<b>Client Experience</b>		
<i>GRI 3: Material Topics 2021 / GRI 416 Customer Health and Safety 2016</i>		
3-3	Management of material topics	Service Innovation and Responsible Business – Client Satisfaction
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Corporate Governance – Risk Management In 2023, the CLSA does not note any non-compliance with regulations or voluntary codes concerning health and safety impacts of products and services that resulted in a warning, fine or penalty.
<b>Diversity and Equal Opportunity</b>		
<i>GRI 3: Material Topics 2021 / GRI 405 Diversity &amp; Equal Opportunity 2016</i>		
3-3	Management of material topics	Human Capital – Diversity and Inclusion
405-1	Diversity of governance bodies and employees	Corporate Governance – Board Structure, Composition and Roles Appendix – Summary of Sustainability Indicators
<b>Training and Education</b>		
<i>GRI 3: Material Topics 2021 / GRI 404 Training and Education 2016</i>		
3-3	Management of material topics	Human Capital – Developing Talents
404-1	Average hours of training per year per employee	Human Capital – Developing Talents

## GRI CONTENT INDEX

Disclosure		Report Reference	Remarks
404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital – Developing Talents	
404-3	Percentage of employees receiving regular performance and career development reviews	Appendix – Summary of Sustainability Indicators	
<b>Community Engagement</b>			
<i>GRI 3: Material Topics 2021 / GRI 413 Local Communities 2016</i>			
3-3	Management of material topics	Community Engagement	
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement	100% of our operations implemented local community development program (including tree planting) in 2023.
<b>Intellectual Property Rights</b>			
<i>GRI 3: Material Topics 2021</i>			
3-3	Management of material topics	Service Innovation and Responsible Business – Intellectual Property	
<b>Waste Management</b>			
<i>GRI 3: Material Topics 2021 / GRI 306 Waste 2020</i>			
3-3	Management of material topics	Green Operation – Waste	
306-1	Waste generation and significant waste-related impacts	Green Operation – Waste	
306-2	Management of significant waste related impacts	Green Operation – Waste	
306-3	Waste generated	Green Operation – Waste Appendix – Summary of Sustainability Indicators	
306-4	Waste diverted from disposal	Green Operation – Waste Appendix – Summary of Sustainability Indicators	
306-5	Waste directed to disposal	Green Operation – Waste Appendix – Summary of Sustainability Indicators	

## GRI CONTENT INDEX

Disclosure	Report Reference	Remarks
<b>Climate Change Responses</b>		
<i>GRI 3: Material Topics 2021 / GRI 201 Economic Performance 2016</i>		
3-3 Management of material topics	Climate Response	
201-2 Financial implications and other risks and opportunities due to climate change	Climate Response	Reason for omission: Confidentiality constraints – CSI considers that financial implications of climate change are confidential information.
<b>Energy Management</b>		
<i>GRI 3: Material Topics 2021 / GRI 302 Energy 2016</i>		
3-3 Management of material topics	Green Operation – Energy	
302-1 Energy consumption within the organisation	Green Operation – Energy Appendix – Summary of Sustainability Indicators	
302-3 Energy intensity	Green Operation – Energy Appendix – Summary of Sustainability Indicators	
<b>Emissions</b>		
<i>GRI 3: Material Topics 2021 / GRI 305 Emissions 2016</i>		
3-3 Management of material topics	Green Operation – Emissions	
305-1 Direct (Scope 1) GHG emissions	Green Operation – Emissions Appendix – Summary of Sustainability Indicators	
305-2 Energy indirect (Scope 2) GHG emissions	Green Operation – Emissions Appendix – Summary of Sustainability Indicators	
305-3 Other indirect (Scope 3) GHG emissions	Green Operation – Emissions Appendix – Summary of Sustainability Indicators	Reason for omission: Information incomplete – data for certain Scope 3 GHG emissions are not collected.
305-4 GHG emissions intensity	Green Operation – Emissions Appendix – Summary of Sustainability Indicators	
305-7 Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	Green Operation – Emissions Appendix – Summary of Sustainability Indicators	Reason for omission: Not applicable – CSI considers emissions other than NO <sub>x</sub> , SO <sub>x</sub> , and RSP to be insignificant.



CITIC Securities International Company Limited  
18/F, One Pacific Place, 88 Queensway, Hong Kong