



# **Group Sustainability Report**

September 2021

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## **ABOUT THIS REPORT**

This sustainability report has been produced by CLSA to share our corporate environmental, social and governance (ESG) commitments, practices and activities. It provides both general and specific information and covers from January to December 2020 with references to data from years prior.

This report has been prepared with reference to the Global Reporting Initiative (GRI)'s Standards: Core option, including the Reporting Principles, relevant Material Topics and Disclosures. The scope of the report covers CLSA's operations globally, unless specified otherwise.

Feedback and requests for further information are welcome and can be made to:  
[communications@clsa.com](mailto:communications@clsa.com).

## CHAIRMAN'S MESSAGE TO STAKEHOLDERS

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Dear Stakeholders,

2020 was a difficult year with disruption brought by the ongoing pandemic and we have all experienced one of the most critical years of transformation and uncertainty in history. Being the global business platform of Asia's leading capital markets and investment group – CITIC Securities, we take the responsibility to all our stakeholders seriously and make every effort to enhance our environmental, social and corporate governance (ESG) performance. Our mandate of creating lasting value while growing our business responsibly underpins every step we have taken despite the unprecedented challenges.

Sustainability governance has come under the spotlight in the global arena, especially during times of instability. CLSA's integration with CITIC Securities International (CSI) in 2017 has allowed us to take a more comprehensive approach to addressing ESG risks and opportunities across our global operations. In support of our commitment to transparency, we are proud to publish our **2020 CLSA Group Sustainability Report**, outlining our approach to integrating ESG into our business and our initiatives and performance in 2020. Investors and clients can refer to this report and we welcome your suggestions and advice to further develop our sustainability strategies.

We see challenges as opportunities. With better implementation of ESG strategies after the integration, our on-the-ground teams can leverage their network and knowledge to capture global investment opportunities in 15 markets across 13 countries. With our unique Belt and Road positioning, we are especially at the cutting edge of the China markets and the record-breaking profits from our Investment Banking Department since the integration in 2013 is the best proof of our efforts last year.

We recognise the importance of sustainable development in long-term business development and our long-standing commitment to sustainability is firm and unwavering. In the past few years, we have made significant strides in our efforts to report on ESG to ensure we benchmark ourselves to the global reporting standards. Since 2017, we have been providing data to support our parent company's reporting requirements for the Hong Kong Stock Exchange and CLSA Capital Partners Group has been a signatory to the United Nations Principles for Responsible Investment (UN PRI). In the same year, we also took our commitment to the next level by adopting the Global Reporting Initiative (GRI) Standards, thereby setting the course for a long-term strategy that prioritises sustainability issues in all aspects of our business and relationships.

CLSA is committed to reducing our consumption of natural resources and impact on the environment. We take care of every aspect of our environment and we have adopted an array of approaches to address various environmental issues, including but not limited to sustainable design, indoor air quality, water, waste reduction and supplier auditing. 2020 also marks our 13th year of operating an ISO 14001-certified environmental management system, proving our determination in upholding sustainability. CLSA Capital Partners has launched the Clean Resources Asia Growth Fund to partners with innovative companies in the clean technology sector. The fund focuses on sustainable agriculture, water, recycling,

energy efficiency and cleaner energy with portfolio investments in size between US\$2.5 million and US\$13.9 million.

While the pandemic presented challenges to community engagement, we strived to reach out to members of communities and to engage in community service. CLSA employees across our network volunteered over 1,540 hours in 2019 and 2020 within their local communities, via the Community Outreach programme, including 333 people in Hong Kong. On top of that, we have cooperated with more than 130 non-profit organisations and over US\$30 million has been donated to over half a million of the world's most needy through our Chairman's Trust since 2007.

Besides our commitment to the environment and the society, we also endeavour to promote good corporate governance practices. At CLSA we have introduced a corporate governance framework that ensures the oversight, stewardship and sustainability of CLSA's businesses and reputation. We have established 12 internal committees to monitor our progress in improving our performance in risk management, compliance, internal audit, ethical management, supplier management, information security.

Looking forward, we will continue to hold our colleagues and operations to the highest principles to ensure the sustainability of our business, the positive impact we have in the market, our responsibility to our stakeholders and the maintenance of our brand and reputation. With the best interests of our business and more broadly of society and the environment in mind, we aim to implement the following going forward:

- Recognising the positive impact that ESG considerations can have when acting in accordance with the interests of investors, the current ESG initiatives being implemented will continue to be extended across more business lines to further our sustainability impact.
- In accordance with our belief that our diverse workforce is truly our most valuable asset, we will continue to prioritise health, safety and wellbeing, retention and engagement strategies while providing meaningful learning and development opportunities for employee growth.
- Our procurement process will continue to integrate ESG risks and performance into our engagement with suppliers and to seek goods and services that feature sustainable attributes.
- Our dedication to community outreach will remain steadfast through increasingly robust programmes that provide financial and human capital to support disadvantaged individuals across the globe.
- Our focus on environmental stewardship continues to drive us to minimise our environmental footprint.

We believe that incorporating sustainability in our everyday operations is not just the right thing to do, but also something that will enhance stakeholder value in the years to come.

Yours sincerely,

Youjun Zhang  
Chairman of CLSA

## SECTION 1: ABOUT CLSA

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- 1.1 About the Company
- 1.2 Business Overview
- 1.3 30 Years of Insights
- 1.4 Global Reach
- 1.5 Ownership and Management Team
- 1.6 Key Facts

### 1.1 About the Company

CLSA is Asia's leading capital markets and investment group. Established in Hong Kong in 1986, CLSA connects global institutional investors, corporations, governments and high-net worth individuals to *insights, liquidity and capital* to drive their investment strategies. CLSA's award winning research, extensive Asian network, direct link to China and highly-experienced financial professionals set us apart from global investment banks and regional players.

Over three decades, CLSA has built an extensive network with deep local knowledge and connections across 13 countries (15 markets) in Asia. Globally, CLSA serves clients from Asia, Australia, Europe and the United States.

#### Our Strengths:

##### Insights

- Award-winning research into the companies, economies, markets and innovations impacting global investment mandates
- No.2 Overall Combined Regional Research & Sales in Asia (ex-Australia & Japan)<sup>1</sup>
- No.2 Overall Combined Research & Sales in China (A & B shares)<sup>1</sup>
- No.3 Overall Combined Research & Sales in Australia<sup>1</sup>

##### Liquidity

- 15 Asian exchange memberships and access to 60+ equity exchanges globally
- No.1 Best Brokerage for Equity Execution as voted by institutional investors<sup>2</sup>

##### Capital

- No.1 Equity Capital Market Bookrunner in 2020 (Asia Pacific ex Asia Australia and Central Asia)<sup>3</sup>
- No.2 Announced Mergers and Acquisitions deals (Asia ex-Japan) in 2020<sup>4</sup>

<sup>1</sup>Asiamoney Brokers Poll 2020

<sup>2</sup>Asiamoney Brokers Poll 2018

<sup>3</sup>Refinitiv 2020

<sup>4</sup>Mergermarket 2020

### Corporate Culture

CLSA's corporate culture is open, inclusive and based on a 'can do', client-centric approach. For more than 30 years, we have built our business across Asia and globally through the acceptance and celebration of clients and staff of all cultures, ethnicities, religions and genders. We recognise that our most valued assets are our people, reputation and intellectual capital.

### 1.2 Business Overview

At CLSA, clients always come first. Our overarching objective is to provide unparalleled insights, differentiated execution and access to capital that empower our clients' investment decisions.

The company's key areas of business are:

#### INSTITUTIONAL SERVICES

##### ASSET MANAGEMENT

- Real Estate
- Private Equity
- Transportation and Real Assets
- Credit Strategies

## CORPORATE FINANCE & CAPITAL MARKETS

- Equity Capital Markets
- Equity Linked
- Global Debt Finance
- Mergers & Acquisitions

## SECURITIES

- Institutional Equities
- Fixed Income
- Equity Derivatives
- Structured Finance

## RETAIL SERVICES

### WEALTH MANAGEMENT

- Retail Broking
- Margin Lending
- Advisory

### **1.3     30 Years of Insights**

CLSA was founded in 1986 by Jim Walker and Gary Coull, two former journalists who ensured CLSA's research was discerning, independent and required reading. For over 30 years we have told the story of Asia. Over the years, we have led the conversation on topics that have fuelled the growth of Asia while also raising issues that impact investment outcomes.

Our market-leading analysts, economists and strategists are renowned for producing unparalleled research, ideas and insights from a uniquely-Asian perspective. With our extensive, on-the-ground presence, CLSA is the first to spot emerging issues and trends driving the region.

### **1.4     Global Reach**

CLSA's 1,826 employees and employees of CLSA affiliate businesses leverage their local knowledge and global experience to serve institutional investors, governments, family offices, corporations and other investors in 13 countries across the globe.

CLSA operates wholly-owned and staffed offices in 15 markets in Asia, as well as in Europe and the United States. In Pakistan, Sri Lanka and Taiwan, CLSA operates through partner affiliates. In each market we provide a variety of services to match client needs. See details of our global reach and extensive China network in the diagram below.



## Network - International

CLSA's global network spans 13 countries across Asia, Australia, Europe and the America.

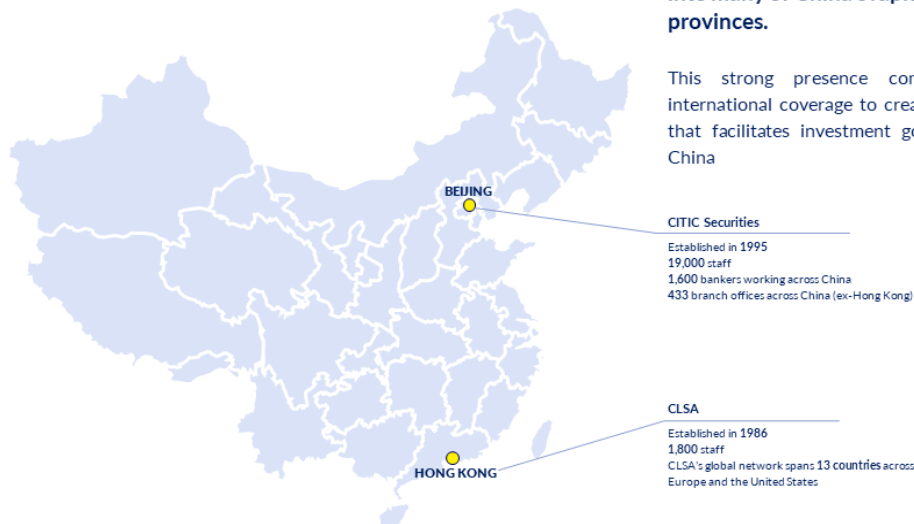
CLSA has established an unrivalled presence in 13 countries (Joint Ventures excluded) which complements our longstanding global reach in Europe and the United States. The result is a unique ability to deliver insights, liquidity and capital to clients across the globe.



## Network - China

**CITIC Securities' vast network extends into many of China's rapidly developing provinces.**

This strong presence complements CLSA's international coverage to create a unique bridge that facilitates investment going in and out of China



**Diagram 1: CLSA's Global and China Networks<sup>1</sup>**

<sup>1</sup> Joint venture operations in Pakistan and Sri Lanka are not included in CLSA's network scope.

### 1.5 Ownership and Management Team

CLSA is a wholly-owned subsidiary of CITIC Securities Company Limited under CITIC Securities International Company Limited. CLSA is governed by a BV Board (the Board) which meets quarterly. The Board is responsible for promoting the long-term sustainable growth and success of the CLSA Group. The Board aims to optimise the interests of the CLSA Group while committing to the highest standards of integrity and ethics.

Management of key business areas is carried out by functional committees, with support from the Audit Committee and Coordination Committee. Since early 2020 we have implemented an integrated management system, under which the heads of various CLSA business lines report to the corresponding business heads of CITIC Securities.

#### *Integration with CITIC Securities: A Key Milestone*

CLSA's parent company CITIC Securities is China's leading brokerage and investment bank<sup>2</sup>.

With the mission to become a world-class, China-focused, global investment bank, CITIC Securities acquired CLSA in July 2013 and became the first Chinese brokerage to purchase a global financial institution.

During 2017, CLSA integrated its business with CITIC Securities International (CSI) under the CLSA brand.

Completed in May 2017, the integration was several years in the making with the management and teams of CLSA and CSI working closely together to determine synergies between the two companies. CLSA was chosen as the brand for the integrated franchise as it had been established longer and was better known in international markets. The integration combined the global market presence of CLSA, with the comprehensive suite of products and services offered by CSI.

The integration has seen the finances of CLSA combined with those of CSI. As a result, the management of underlying assets, liabilities, banking relationships and capital bases now fall under a consistent and coherent regime. This has provided opportunities for economies of scale and allows CLSA to serve more effectively as the flagship of CITIC Securities in the international arena.

With a full suite of capital markets, products and services, we cater to the needs of investors and enterprises who are interested in inbound and outbound opportunities between Asia and rest of the world. The integration has also resulted in a more comprehensive approach to environmental, social and governance (ESG) issues across our global operations.

### 1.6 Key Facts

CLSA provides corporate finance and capital markets, asset management, alternative investment, wealth management and securities services to global corporate and institutional clients.

- Headquartered in Hong Kong
- More than 1,800 employees globally
- Global network spans 13 countries across Asia, Australia, Europe and the United States
- Investment services include Securities, Corporate Finance & Capital Markets, Asset Management and Wealth Management

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<sup>2</sup> CITIC Securities was the No.1 securities company in China in terms of revenue and net profit in 2020 according to its 2020 full-year financial results announced in March 2021.

- Ranked the No.2 in Overall Combined Research & Sales in Asia (ex-Japan & Australia) (*Asiamoney 2020*)
- Since 2007, the CLSA Chairman's Trust has donated over US\$30 million to more than 130 non-profit organisations

For more information about CLSA please visit our website <https://www.clsa.com/about/>

## SECTION 2: EXCELLENCE IN INVESTMENT SERVICES

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- 2.1 Business Principles
- 2.2 Outstanding Client Care
- 2.3 Independent Research
- 2.4 Renowned Investor Forums and CLSA U
- 2.5 Quality Execution Services
- 2.6 Reliable Technology Platforms

## 2.1 Business Principles

CLSA is committed to delivering superior products and services responsibly through reliable technology platforms. We strive to achieve excellence in all aspects of our business by providing high-quality customer care, execution, research and the renowned, CLSA Investor Forums.

*Our Business Principles are based on the following:*

- Excellence: We aim to surpass the ordinary through excellence in all that we do
- Innovation: We turn original ideas into commercial realities
- Integrity: We base our actions on moral and ethical principles
- Inclusion: Everyone is valued and essential to our success
- Celebration: We work hard to win and celebrate our achievements

## 2.2 Outstanding Client Care

CLSA's clients represent many of the world's largest institutional fund managers, hedge funds, governments, sovereign wealth funds, family offices, private companies and listed corporations.

CLSA is renowned for providing outstanding client care. Our clients have recognised our exceptional sales service through industry polls and numerous awards (see below). Our Institutional Equities and Fixed Income client management teams support our clients from across the CLSA network. They are dedicated to ensuring the highest levels of client care, always putting the client first.

<b>Asset Management</b>	<ul style="list-style-type: none"> <li>• Institutional fund managers</li> <li>• Governments / SWF<sup>3</sup></li> <li>• Endowment funds</li> <li>• Family offices / HNWI<sup>4</sup></li> </ul>	Americas, Asia and Australia
<b>Securities</b>	<ul style="list-style-type: none"> <li>• Institutional fund managers</li> <li>• Hedge funds</li> <li>• Family offices / HNWI</li> </ul>	Americas, Europe, Asia, Australia
<b>Corporate Finance &amp; Capital Markets</b>	<ul style="list-style-type: none"> <li>• Private companies</li> <li>• Listed corporations</li> <li>• Governments / SWF</li> </ul>	Asia, Australia, Europe

**Table 1: CLSA's Client Base**

Awards:

*Asiamoney* Brokers Poll 2020:

- No.2 Overall Combined Regional Research and Sales in Asia (ex-Australia & Japan)
- No.2 Overall Regional Research in Asia (ex-Australia & Japan)
- No.2 Overall Regional in Asia (ex-Australia & Japan)
- No.2 Overall Combined Research & Sales in China (A & B shares)
- No.3 Overall Combined Research & Sales in Australia
- No.1 Best Quantitative /Technical Analyst in Asia
- No.1 Best Analyst for Banks in Asia
- No.1 Best Analyst for Semiconductors & Semiconductor Equipment in Asia
- *Asiamoney* China Corporate and Investment Banking Awards 2020
  - Best for Cross Border M&A: CLSA
- *FinanceAsia* Country Awards 2020
  - Best Broker in China: CITIC Securities
- *FinanceAsia* Achievement Awards 2019
  - Best Broker in Asia: CLSA
- *Sina Finance* Hong Kong Financial Institutions Awards (HKFIA) 2020

<sup>3</sup> Sovereign Wealth Funds

<sup>4</sup> High-net Worth Individuals

- Best IPO Advisor: CLSA
- *Euromoney's Structured Retail Products (SRP) China Awards 2020*
  - Best Distributor, Securities House: CITIC Securities
  - Best Performance, Securities House: CITIC Securities
  - Best Domestic House: CITIC Securities
  - Best Index Provider, Securities House: CITIC Securities

For more examples of awards received refer to: [www.clsa.com/about/who-is-clsa/](http://www.clsa.com/about/who-is-clsa/)

### **2.3 Independent Research**

Our commitment to our clients is to publish research that is impartial, independent, clear, fair and not misleading. Our analysts do not receive compensation from the companies they cover.

Our Asset Management, Corporate Finance & Capital Markets, Securities and Research are distinct from one another to maintain the independence and integrity of CLSA's research. CLSA's research analysts report to the management of the research department, who in turn report directly to CLSA's senior management.

#### *Award-winning research through a single portal*

Our dedicated research portal provides clients direct and secure access to CLSA's award-winning research. This includes economic, company and country research, microanalysis and customised charting capabilities. More than 100 research analysts cover 19 key industry sectors across 13 markets, providing deep sector and company insights that inform our client's investment strategies. CLSA is constantly enhancing the functionality of the research portal to ensure clients have access to the most relevant and timely information to support their investment decisions.

#### *Regional coverage*

Our award-winning Asia research has informed global investors for decades. Unlike many of our competitors, CLSA has dedicated market and sector analysts on the ground in our key markets across Asia. We understand the region from a local perspective.

#### *China coverage*

CLSA's China sector coverage and macro/micro-analysis of the market is renowned. Due to strong client demand, CLSA now covers A shares, with the same level of critical analysis we have always applied to companies. In 2020, research analysts from CLSA and CITICS covered 788 A shares. Our coverage also includes collaboration with CITIC Securities on topics of shared interest such as *One Belt One Road*.

### **2.4 Renowned Investor Forums and CLSA U**

CLSA's renowned Investor Forums are a key platform for knowledge exchange on all number of topics that impact global investments, including ESG-related trends, theories, technologies and services. CLSA secures global speakers and industry experts to present at CLSA Forums or to participate in our CLSA U programme.

CLSA U provides tailored courses to meet CLSA clients' needs on any subject or theme. Instructors and content are sourced from around the world ensuring clients have access to the best available independent experts, unfiltered by CLSA analysts. Courses fall into four broad categories:

1. Sector dynamics and trends
2. Investment theories and techniques
3. Macro outlook/speaker series
4. CLSA U+

CLSA U+ offers an array of experts to address personal health and development subjects such as stress management, personal skills, executive health, effective parenting and personal wealth management.

CLSA Forums have featured a number of distinguished speakers, including:

- Al Gore - 45th Vice President of the United States
- Alan Greenspan - Former chair of the Federal Reserve
- Arnold Schwarzenegger - Actor and former governor of California
- Ben Bernanke - Former chair of the Federal Reserve
- Bill Clinton- 42nd President of the United States
- David Beckham - Former professional footballer & fashion icon
- Dick Cheney - 46th Vice President of the United States
- Drew Barrymore - Actress, producer, director and author
- George Clooney - Actor, producer, director and entrepreneur
- John Kerry - Presidential candidate & former Secretary of State
- Joseph Stiglitz- Academic, author, economist and public policy analyst
- Magic Johnson - NBA champion & CEO of Magic Johnson Enterprise
- Michael Phelps - Olympic champion swimmer
- Sarah Palin - Former governor of Alaska and candidate for Vice President

2020 CLSA Forums' statistics are as follows\*:

	Institutional Investors	Corporates	Scheduled Meetings
Investors' Forum 2020	2,500	425	2,200
Japan Forum 2020	700	127	860
India Forum 2020	540	114	430

**Table 2: Key Metrics of CLSA Forums in 2020**

\*All forums in 2020 had turned to virtual format due to COVID-19.

## 2.5 Quality Execution Services

As a leader in Asia's equities markets, our uniquely broad, local presence gives us early access to important information.

For the past 30 years, we have consistently retained a top-tier equity execution team to help our fund manager clients capitalise on our best-in-class research. Our high-touch teams are complemented by low-touch solutions supported by one of the most experienced equity execution teams in Asia. Our high-quality execution services can be seen in the following offerings:

*Transaction Cost Analysis:* CLSA has teamed up with Markit, allowing us to provide our clients with an unbiased and transparent assessment of our execution performance through customised reports.

*Commission Sharing Agreements:* CLSA has a dedicated team ready to assist our clients with setting up and administering Commission Sharing Programmes. We follow the rules and regulations in each jurisdiction and design programmes suitable to the specific requirements. We offer clients access to a web-based platform for a clear view of their balances and transactions and to allow easy management of the payment process.

*Front-to-back Service:* Integrated middle and back office operations ensure highly-attentive and holistic trade servicing.

## **2.6     *Reliable Technology Platforms***

CLSA ensures that all digital communications with clients occur on secure platforms and the highest level of security is applied to protecting client data and information. We have implemented client relationship management tools including Salesforce and our own customised information system (CIS) to ensure clients receive the highest levels of customer care. These relationship management tools ensure our sales teams have visibility on client preferences around research, events, roadshows and trading. In addition, feedback from client reviews is fed into the system, flagging issues that arise across client accounts, allowing us to escalate and actively address concerns. This is a key function of our client strategy.

In addition, we have developed in-house technology platforms to manage our renowned CLSA Forums. Constantly striving to enhance our clients' experience at our award-winning conferences, we have developed the CLSA Forum App to provide clients with digitised meeting schedules, presentation materials and company and speaker profiles.

As markets have turned digital, we have built our own proprietary electronic trading platforms which allow us the flexibility to meet our clients' needs and innovate rapidly as the trading environment changes.



## SECTION 3: SUSTAINABILITY@CLSA

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- 3.1 Highlights
- 3.2 Sustainability Framework
- 3.3 Our Stakeholders, Materiality and Engagement

### 3.1 *Highlights in 2019-20*

- CLSA Capital Partners has been a United Nations Principles for Responsible Investment (UN PRI) signatory since 27 September 2017
- Biannual Corporate Governance Watch report published
- Our diverse workforce comprises people of 34 different nationalities
- 13th year of operating an ISO 14001-certified environmental management system
- In 2019-2020, US\$0.5million was disbursed and pledged to a range of Chairman's Trust charities across Asia and beyond
- CLSA staff engaged in over 1,540 hours of volunteer work, via the Community Outreach programme, including 333 people in Hong Kong

### 3.2 *Sustainability Framework*

#### *Overview*

CLSA is focused on creating long-term value for all shareholders while growing our business responsibly. A successful and sustainable business is our goal.

As our business grows under CITIC Securities and CLSA continues to expand its markets, we understand the importance of strengthening our commitment to integrate sustainability into our operations and investment processes and to reporting on our economic, social and governance (ESG) performance.

As outlined in the Corporate Governance section of this report, managing our ESG risks and opportunities, as part of our overall sustainability framework, is the responsibility of the Board with implementation delegated to CLSA's senior management.

#### *Reporting*

As a non-listed company, reporting on CLSA activity is not mandatory, but we recognise the importance of ensuring transparency in our actions and disclosing appropriately. We continue to move towards reporting against global reporting standards to ensure we benchmark ourselves to the highest international standards as per below.

- **Hong Kong Stock Exchange.** As a wholly-owned subsidiary of CITIC Securities (HK6030), we have been providing data to support our parent company's reporting requirements on ESG since 2017.
- **Global Reporting Initiative (GRI).** CLSA has prepared this report with reference to the GRI Standards: Core option. This internationally-recognised, voluntary standard defines principles and disclosure topics to measure and report on our ESG performance. Our intention is that adopting the GRI Standards will increase transparency and comparability of our metrics across our operations, and further our ESG performance
- **UN PRI.** CLSA's Asset Management business, CLSA Capital Partners, is a signatory of the UN PRI and commenced reporting in 2019.

### 3.3 *Our Stakeholders, Materiality and Engagement*

CLSA takes care to engage with our stakeholders, those who are essential for the sustainability of our business, in a responsible and sustained manner. Our key stakeholder groups, how we regularly engage with them and the chief areas of interest for each stakeholder group are outlined below. The issues that are material to our stakeholders, as raised in our ongoing dialogue and communication channels, inform the scope of our sustainability reporting.

Our stakeholder groups	How we engage with our stakeholders	Material topics to our stakeholders along the value chain
Clients - asset managers, public and private corporations, governments and high net-worth individuals	Face-to-face meetings, online servicing, annual statements, surveys, speaking at public and private events	Service standards, financial performance, business strength, reputation, cyber security, good governance, environmental and social impact, including climate change
Employees – 1,800 CLSA colleagues in 18 CLSA offices across the globe	Team meetings, appraisals, intranet, training programmes, emails	Remuneration, employee relations, training and development, diversity and inclusion, health and safety, sustainability
Regulators - market regulators in each of the jurisdictions in which we operate	Regular open dialogue, senior management meetings	Governance, ethics, anti-corruption, cyber security, customer protection, reporting
Media - international and local market media in jurisdictions in which we operate	Daily interactions, media releases, media events such as roundtables and briefings	Financial performance, business strength, leadership, governance, remuneration, diversity, environmental and social impact, including climate change
Community and non-profit organisations - across Asia, Australia, Europe and the US who receive CLSA funding or voluntary support from the CLSA Chairman's Trust and employees	Directly through activities to provide voluntary support and funding	Inclusion, education, disaster relief, environmental and social impact, community funding to address climate change
Suppliers - of goods and services to support the seamless provision of CLSA services. These include companies in the legal, tax, finance, technology, communications and consulting sectors	Assessments, contract negotiations, review meetings	Data protection, anti-bribery and corruption, environment (waste management), human and labour rights, including modern slavery

**Table 3: Stakeholder Group Engagement and Material Topics**

Engagement with our stakeholders takes place through both formal and informal mechanisms. Clients are engaged on a daily basis by front-line employees through messaging platforms, emails, phone calls, face-to-face meetings and at our events. Annual account reviews are held for securities clients and Limited Partners of CLSA's Asset Management businesses to receive investment updates and opportunities to question management about performance at Annual General Meetings.

Employees are engaged through annual staff performance management reviews. The information from these reviews determine staff bonuses and are designed to raise issues of performance in a formal mechanism. Some staff, primarily client-facing sales staff, receive twice-yearly performance reviews. CLSA further engages with employees through an internal online portal, departmental and town hall meetings, business updates and other informal channels.

CLSA maintains an open dialogue with market regulators to ensure they understand the changing nature of CLSA's business. CLSA engages with journalists on a daily basis in both proactive and reactive ways. CLSA receives more than 1,300 media inquiries per year about its business and market research.

CLSA supports numerous charities across Asia through the CLSA Chairman's Trust, providing close and meaningful engagement with grassroots, not-for-profit organisations. The feedback we receive from these organisations is extremely positive. Refer to the testimonials below and the section on Our Community in this report for a detailed list of charities.

### **Testimonial - Lily Kasoem, Founder, Titian Foundation**

A big earthquake hit Central Java and Yogyakarta in 2006. CLSA Jakarta immediately contacted me and asked how they could help. The organisation I founded, Titian Foundation, discovered a school that had been completely destroyed in the earthquake, in the small village of Bayat, 20 km away from Yogyakarta. Luckily there had not been any casualties, as students were not at school when the incident occurred.

About a week later Nick Cashmore who was then the CLSA Indonesia Country Head, travelled to Bayat with me to see this school. We found all 600 students studying on top of the rubble, in makeshift blue tents in the heat of blazing sun, where their school had once been. On the spot, Nick decided to make a recommendation to the CLSA Chairman's Trust to support a grant to rebuild the school. A year later, a beautiful school was complete, and the students were bursting with pride at the new and improved facilities. Bright new furniture complemented a wide range of new learning facilities such as a library, computer lab and science lab.

However, we subsequently realised that 65% of students at this school would drop out after Grade Nine, when the government educational subsidy came to an end. As most of these students came from disadvantaged backgrounds, their parents felt that leaving school at age 15 was the right time for their children to enter the workforce. When Nick Cashmore heard this statistic, he simply said, "This cannot happen - we have to help these kids". Shortly thereafter, the Chairman's Trust approved a grant to pay for the last three years of education for 50 students at Bayat.

Fast forwarding ten years to the present day, the village of Bayat, in conjunction with Titian Foundation, has produced almost 200 university graduates working in a variety of industries; 400 well-paid and well-regarded vocational school graduates work in factories (some even abroad in Korea, Japan and Taiwan); and others have their own businesses. They all earn significantly higher salaries than their parents and have successfully broken through the poverty cycle. They are moving forward to a brighter future, and so will their children and future generations of their families.

As for Titian Foundation, it is an honour for us to witness and be a part of this incredible transition; to be given the opportunity to mentor these bright students to lead them to across the *Titian* (bridge). We thank everyone at the Chairman's Trust for giving us this opportunity and for trusting us to help these amazing young people. Indonesia thanks you too.

CLSA engages with numerous suppliers to facilitate the efficient and effective running of our business. CLSA's supplier policy is implemented wherever a contractual relationship is in place. CLSA plans to develop a sustainable sourcing policy to integrate consideration of ESG risks and performance into our engagement with suppliers and to further our procurement of items and services with sustainability attributes.

CLSA further engages with our stakeholders through memberships and involvement in the following initiatives:

- Direct membership of 15 stock exchanges in Asia
- Asian Corporate Governance Association (refer to detail below)
- United Nations Principles of Responsible Investing (UN PRI)
- International Day of Forests - Tree Planting
- 2019 International Olympic Day Run (Hong Kong)
- 2019 Charity Walk for Suicide Prevention Services (Hong Kong)

- Chaitanya Mahila Mandal Foundation (India)
- Intuition (Learning Management System)

**ACGA**

CLSA is a founding member of the Asian Corporate Governance Association (ACGA). This non-profit membership association is dedicated to promoting substantive improvements in corporate governance in Asia through independent research, advocacy and education. ACGA engages in a constructive dialogue with regulators, institutional investors and listed companies on key corporate governance issues and works towards making improvements.

Together, CLSA and ACGA have co-published CG Watch reports in 2003, 2004, 2005, 2007, 2010, 2012, 2014, 2016, 2018 and 2020. ACGA endorses the methodology used in the CLSA company survey and undertook the market rankings, with input from CLSA. This is an eagerly sought-after report that is unique and provides a comprehensive analysis of corporate governance practices and regulatory developments in the markets in this region.

CLSA has been a sponsor of ACGA since 2001, and a regular participant to its annual member conferences and events.

## SECTION 4: CORPORATE GOVERNANCE

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- 4.1 Approach and Structure
- 4.2 ESG Responsibilities
- 4.3 Risk Management
- 4.4 Compliance
- 4.5 Internal Audit
- 4.6 Ethical Management
- 4.7 Corporate Governance Training
- 4.8 Supplier Management
- 4.9 Information Security

#### 4.1 Approach and Structure

At CLSA we have established a corporate governance framework that ensures the oversight, stewardship and sustainability of CLSA's businesses and reputation. Our objective is to ensure ongoing capital creation for our clients and sustained value for key stakeholders such that CLSA is making a positive contribution to the global economy and the communities in which it operates.

##### Board Oversight

The CLSA BV Board (the "BV Board") has overall responsibility for overseeing the CLSA Group's activities. The composition of the Board is decided by the shareholder. The Chair of the CLSA B.V. Board, Mr. Youjun Zhang is also the Chairman of CITIC Securities, the parent company of CLSA.

The Board is responsible for setting strategic direction for and providing leadership to the CLSA Group in order to deliver value to clients, shareholders and other stakeholders. The BV Board supervises and manages the activities of the group, in conjunction with the senior management of CLSA Limited and other relevant entities which are charged with the setting and implementation of the strategies approved by the BV Board and the day-to-day running of the business.

The Board conducts a regular self-assessment of its performance. The outcome is discussed in Board meetings. The latest assessment was done in 2020, the findings and conclusions thereof were duly taken into consideration in fine-tuning and upgrading the corporate governance framework and practices of CLSA.

##### CLSA BV Board

The BV Board's membership comprises five individuals as follows:

	Members	Roles
1	Youjun Zhang	Chairman <ul style="list-style-type: none"> <li>Also Chairman of CITIC Securities, parent company of CLSA</li> <li>Responsible for oversight on overall governance and performance of CLSA as a whole</li> </ul>
2	Xiao Dong Lin	Vice Chairman of CLSA
3	LI Chunbo	Head of Global Institutional Equity Management Committee
4	James Xu	Head of Equity Derivatives & Prime Brokerage
5	Frank Yu	Head of IBD

**Table 4: CLSA Board Membership**

As CLSA Group is part of CITIC Securities, the CLSA Group's governance structure is, to the extent possible, aligned with the way in which CITIC Securities is governed. To strengthen CITIC Securities' management and control over the CLSA Group and to comply with CSRC's regulations, CITIC Securities has determined that there should be general oversight by CITIC Securities' senior managers being on various committees and boards of CLSA Group. Regulated business lines in the CLSA Group (currently comprising Asset Management, Private Equity, Corporate Finance & Capital Markets, EQD, FICC, Institutional Equities, Research and Wealth Management) are subject to applicable regulatory requirements such as licensing, code of conduct, requirements on internal controls and supervision, financial resources rules, which are enforced by the SFC, MAS, FCA, SEC and others.

The regulated business lines of the CLSA Group operate in various licensed entities within the Group. Each local Board is directly or indirectly appointed and/or controlled by CLSA BV Board and is

ultimately responsible for the businesses and operations carried out by the respective licensed entity and for ensuring compliance with the applicable legal and regulatory requirements. As such, they are also subject to the ordinary examination and inspection requirements of the SFC or any other local regulatory authorities. In addition to the local Boards, The BV Board supervises and manages the activities of the group, in conjunction with the senior management of CLSA Limited and other relevant entities which are charged with the setting and implementation of the strategies approved by the BV Board and the day-to-day running of the business. Further, for certain businesses, there may be various committees that may be set up for such business. For instances, the Business Commitment Committee (BCC), Capital Commitment Committee (CCC) and the Quality Control Committee (QCC) are all established for the purpose of managing the Investment Banking business which is conducted in various jurisdictions.

In addition, there are various internal committees which are responsible for attending to different functional aspects of the CLSA Group's businesses and activities as follows:

- Risk Management Committee
- Operational Risk Working Group
- Group Disciplinary Committee
- Anti-Bribery and Corruption Committee
- Global Financial Crime Committee
- FATCA CRS Steering Committee
- New Product Approval Group
- Best Execution Committee
- Institutional Equities Executive Committee
- Business Commitment Committee
- Quality Control Committee
- Capital Commitment Committee

All committees at CLSA are governed by detailed terms of reference which set out their respective memberships, scope of purview/responsibilities/activities, frequency and mode of meetings, and escalation procedures should these become necessary.

#### **4.2 ESG Responsibilities**

The Board provides overall oversight of ESG risk and strategy for CLSA. The integration of ESG risk and opportunity management into CLSA's operations and the review and improvement of CLSA's performance is delegated to senior management. The Board establishes ESG strategic goals to align the efforts of all employees and to allocate resources to improve our performance. Senior management also monitors CLSA's ESG performance and takes corrective action when necessary.

#### **4.3 Risk Management**

Central to CLSA's success is the effective management of the risks that are inherent to our business. A key focus of sound governance and Board oversight, our comprehensive risk management processes assist CLSA in identifying, monitoring, evaluating and managing the risks we face in conducting our business in the 15 markets across Asia in which we operate.

Reputational risk is assessed throughout the risk management process and imbedded into our risk framework. All activities are assessed according to their potential impact on CLSA's reputation – positive, negative or neutral. Those that potentially have a negative impact are reviewed, tested, challenged and finally directed for action to ensure the reputational risk is neutral or better.



### Principles

Risk management is an intrinsic component of CLSA's corporate governance structure. CLSA's risk management principles provide a guideline for creating higher corporate value even during times of market volatility.

CLSA supports an independent risk oversight mechanism, the Risk Management Department, which has remit and resources to assess and appraise each risk and to escalate it to the Risk Management Committee. The Risk Department maintains a comprehensive view of all CLSA's risks and has delegated authority to impose measures and controls where required. In 2020, there were no incidents of critical concern that required the attention of senior governance bodies.

### Framework

CLSA's Risk Management department is part of CLSA's corporate governance structure. Our mandate is the identification, oversight, management and control of certain risks, namely Market Risk, Credit Risk, Operational Risk, Enterprise Risk and Technology Risk, as outlined below.

Group Chief Risk Officer (CRO)				
Head of Market Risk	Head of Credit Risk	Head of Operational Risk	Head of Enterprise Risk	Head of Risk (US)
<b>Operational Risk Management</b>	Assesses the impact to CLSA's bottom line and/or our ability to continue operating part or all of our businesses due to a compromise of internal processes (e.g. IT systems failure, fraud, operational workflow failures) or from external forces (such as power outages, flooding, earthquakes, etc.). Operational Risk Management also reviews risks to the business that include: <ul style="list-style-type: none"> <li>- Legal and regulatory risk</li> <li>- Business process risk</li> <li>- Financial crime risk</li> <li>- People risk</li> <li>- Change risk</li> <li>- Governance risk</li> </ul>			
<b>Credit Risk Control/Credit Analysis</b>	Assesses the impact on CLSA's bottom line due to a failure of a client or counterparty to pay what is owed to CLSA. Credit Risk teams are responsible for performing credit analysis over counterparties, assigning internal ratings, setting credit terms, establishing credit limits, monitoring credit exposures and performing periodic limit reviews.			
<b>Market Risk Management</b>	Assesses the impact on CLSA's business of market-driven events such as equity market fluctuations, foreign exchange, interest rates and political instability. Market Risk Management is responsible for establishing limits, measuring, monitoring and reporting market risk exposures.			
<b>Technology Risk Management</b>	Assesses the impact on CLSA's technology infrastructure from malicious or erroneous actions that may cause infiltration of viruses, loss of confidential information and intellectual property, destruction or corruption of data or system failures. Managing technology risk involves reviewing change releases, follow-up of mitigations for data leakage or system failure, monitoring control reports and issue escalation.			
<b>Enterprise Risk Management</b>	Assesses the impact on CLSA's business by capturing major risks that could prevent the firm from achieving its goals. Enterprise Risk works towards establishing a framework that employs a comprehensive, integrated approach to risk management. It is designed to enable processes through which we identify, assess, monitor and manage the risks we assume in conducting all our activities.			

### *Risk Control*

CLSA's three lines of defence model is used to provide clarity to staff and management around their roles with respect to the identification, management and monitoring of risks. Responsibilities of staff vary depending on which line of defence they are in, as outlined below.

- First line: Front Office supervised by heads of business, business line COOs and responsible officers. As the ultimate owners of risk within the organisation, they are responsible for designing appropriate mitigating controls.
- Second line: Risk and Compliance. Supports the first line by way of monitoring and oversight of risk and control effectiveness.
- Third line: Internal Audit. Provides independent assurance to senior management and the Board over the effectiveness of the first and second lines.

CLSA's Risk and Control Self-Assessment (RCSA) assists the three lines of defence with identification, mitigation and monitoring of risks.

### *Business Continuity*

CLSA is committed to ensuring staff safety and maintaining an effective business survival capability in the event of a significant disruption such as loss of office premises, loss of systems, or unavailability of staff due to a contagious disease or other event.

Every office within CLSA's global network maintains and regularly tests business continuity capability so as to be able to sustain business activities after the occurrence of an incident. The key aims are to:

- Protect staff, clients, counterparties, exchanges/clearing and markets from losses
- Protect CLSA from losses
- Protect CLSA from increased risk
- Minimise any interruption to the business
- Maintain compliance with laws and regulations under which the business is conducted

## **4.4 Compliance**

The compliance function plays a critical role in ensuring the CLSA Group of businesses and their staff are licensed and compliant with the rules and regulations governing our global business activities.

Throughout the organisation, we foster a culture of honesty, fairness and transparency through proactive training of staff, offering practical regulatory advice to the business. Early identification, assessment and resolution of potential compliance issues is our focus.

The CLSA Global Compliance manual governs all aspects of our business. CLSA staff are required to acknowledge their understanding of the manual on an annual basis. CLSA staff are also required to comply with a number of internal policies, including but not limited to; Conduct Risk Policy, Staff Dealing, Outside Directorships, Anti-Bribery and Corruption, and Gifts and Entertainment.

CLSA Group Compliance supports staff that require regulatory licences and continuous professional training requirements. Ensuring CLSA Group staff understand their compliance obligations through ongoing training, is a key aspect of the CLSA Group Compliance remit.

To monitor and assess compliance, test internal systems and controls, and identify non-compliance for investigation and corrective and preventative action, CLSA Group Compliance conducts regular Compliance Monitoring Programs.

#### 4.5 *Internal Audit*

Group Internal Audit (Group IA) is an independent function within the Group that appraises the system of internal control (including risk management, governance systems and processes) and reviews the Group's level of adherence to those controls. To evaluate the risk exposures, the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems, Group IA conducts risk focused internal audits on all offices and business units on a regular basis according to its annual risk assessment. If CLSA owns 50% or more of a joint venture, as is the case for PT CLSA Sekuritas Indonesia and CLSA Exchange Capital, Inc., the business is audited as part of the regular CLSA process as well.

#### 4.6 *Ethical Management*

Ethical management underpins our approach to corporate governance, compliance and the day-to-day management of our business.

CLSA holds its staff and operations to the highest principles to ensure the sustainability of our business, the impact we have in the market, our responsibility to our stakeholders and the maintenance of brand and reputation.

##### *Code of Conduct*

Our Code of Conduct empowers CLSA employees to deliver superior value and service to clients and to support employees and the communities in which we live and operate. The Code of Conduct covers our business dealings with clients, including human and labour rights policies and procedures, appropriate use of assets, intellectual property, confidentiality of information, conflicts of interest, electronic communications, media policy and social media guidelines. It outlines how our employees approach ethical decision making and what the business expects in terms of honesty, integrity, professionalism, diversity, non-discrimination and equal opportunities. It provides guidelines for health and safety, freedom of association, community involvement and outlines roles and responsibilities of managers and employees.

Violations of the Code of Conduct are dealt with by CLSA's Disciplinary Committee and are treated with the utmost seriousness and confidentiality. CLSA takes compliance and conduct risk breaches seriously. Since April 2020, Compliance has been keeping track of employees engaged in misconduct and has been assigning "Conduct Risk Breaches" for those issues that fall in scope of the Conduct Risk Policy. In 2020, the Conduct Risk Policy was revised to include measures of conduct risk breaches, which also have implication to the staff and departmental performance assessment. Conduct Risk breaches will be taken into account as part of the year-end appraisal and impact each employees' KPI assessment.

##### *Whistleblowing*

CLSA encourages a culture of confidence among staff to report suspected wrongdoing as soon as possible in the knowledge that their concerns will be taken seriously, investigated appropriately and that confidentiality will be respected. CLSA's Whistleblowing Policy enables employees to confidentially disclose information in good faith, without fear of adverse consequence, when they have reason to suspect illegal or unethical behaviour within the Group or about their clients. To ensure this, CLSA has a dedicated telephone hotline and email for whistleblowing, which protects staff from retaliation when making a report in good faith.

Local laws and regulations may also impose certain mandatory whistleblowing obligations on staff, such as matters relating to money laundering or terrorist financing. Where legal or regulatory requirements impose higher standards than the requirements of our Whistleblowing Policy, the legal and regulatory requirements prevail. In 2020, there were no cases raised that required action.

### *Internal Controls*

CLSA has embedded company-wide internal controls across the organisation to ensure a culture of transparency and ethical business practices. These include but are not limited to: incident escalation, anti-money laundering and know-your-customer (KYC) policies; gift and benefit declarations, anti-bribery and corruption declarations; as well as data-protection, IT security and systems that protect clients, staff and the business. Staff must also declare outside interests and any directorships they hold on listed or non-listed companies, including not-for-profit organisations.

CLSA's Compliance and Internal Audit plays a vital role in ensuring regular checks on business practices and procedures are conducted. CLSA has also put in place a number of internal controls designed to manage conflicts of interest that may arise as a result of CLSA engaging in corporate finance, sales and trading and research activities. These controls include the use of information barriers and other information controls designed to ensure that confidential information is only shared on a "need to know" basis and in compliance with CLSA's Chinese Wall policies and procedures. These measures are designed to ensure that interactions that may occur among CLSA's research, corporate finance and sales and trading personnel, our financial product issuers and research analysts do not compromise the integrity and independence of CLSA's research.

In 2020, CLSA did not have any cases of non-compliance with laws and/or regulations in the social and economic area, and no political donations, financial or in-kind, were made in this period.

### *Anti-Bribery and Corruption*

CLSA has established an Anti-Bribery and Corruption Policy as well as Gift and Entertainment Policy which outline the company's approach to address bribery and corruption. The Anti-Bribery and Corruption Committee is responsible for overseeing matters in relation to bribery and corruption. CLSA conducts review on Gifts and Entertainment every 6 month, and on a bi-annual basis, performs review on anti-bribery and corruption risk. The main risks are assessed as being client entertainment and use of third-party introducers for certain business. CLSA's Anti-Bribery and Corruption Policies are communicated to all members of governance bodies and employees and business partners. In 2020, there were no incidents of corruption involving employees or business partners and no legal cases regarding corruption, anti-competitive behaviour, anti-trust or monopoly practices were brought against CLSA or its employees.

### *Conflicts of Interest*

Conflicts of interest are managed through the firm within each department. Compliance has put in place Chinese Wall policy to manage conflict of interest between public and private side business of the firms. Control Room also maintained the Conflict of Interest policy which purpose is to ensure that actual or perceived conflicts of interest that may arise between any of the following are managed in line with regulatory requirements and principles: i) CLSA and its associates; ii) CLSA's employees; iii) clients; and iv) affected counterparties. These policies are compliance guidelines for business to follow and to ensure that CLSA is safeguarded from any potential regulatory fine or censure and any potential reputational damage stemming from conflicts of interest between two parties.

### *Sales and Marketing Practices*

In most jurisdictions in which CLSA operates, CLSA's broking licence does not permit marketing of our products or services to retail clients. We are extremely mindful of these restrictions and adhere to all regulations regarding sales practices, disclosure of information, and promotion on social media. In 2020, there were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications.

### *Tax Strategy*

CLSA is committed to a tax strategy that aligns with our business and corporate responsibility goals and legal requirements in the jurisdictions where we operate. The Group Chief Financial Officer has overall responsibility for execution of tax strategy<sup>5</sup> and governance, with day-to-day responsibility sitting with the Group Head of Tax.

### **4.7 Corporate Governance Training**

CLSA instils integrity, ethical business practices and a compliance mind-set across the organisation so that employees are fully aware of their legal and corporate responsibilities. Training is conducted regularly across the organisation. This includes but is not limited to company-wide corporate training as well as mandatory training on:

#### *Risk Management*

- Operational Risk Management training is provided annually to COO's across the CLSA Group.

#### *Compliance Training*

- Financial Crime training - all staff are required to take a mandatory Global Financial Crime online course on an annual basis, which contains references to anti-bribery and corruption. This training also includes issues and risks associated with human trafficking and forced and child labour to ensure CLSA is neither host to nor a conduit for illicit proceeds from modern slavery, and that staff are able to monitor transactions for suspicious activity.  
Anti-Bribery and Corruption training - all CLSA staff are required to complete a specific Anti-bribery and Corruption training which is administered biannually. Each year, a reminder is also sent out to all staff reminding them of the Anti-Bribery and Corruption and Gift and Entertainment Policy. All CLSA staff are required to complete Conflict of Interest online course on a bi-annual basis. The training serves as refresher to all CLSA employees regarding the firm's policy on managing conflicts and covers the Chinese Wall policy, other general conflict of interest topics with examples relevant to different business lines, including Investment Banking, Sales and Trading, and Research. The Chinese Wall policy is also a topic included in the induction training for all new hires.

### **4.8 Supplier Management**

It is CLSA's policy that goods and services are procured in a fair, open, timely and economically effective manner and that all procurement activity complies with applicable human and labour rights and environmental, health and safety legislation and corporate policies. One of the key vendor selection criteria is the environmental protection policies of the suppliers. CLSA does not only have a high ESG standard with our business, but also our business partners.

CLSA is committed to expanding our existing procurement approach to adopt a more sustainable procurement policy going forward.

### **4.9 Information Security**

CLSA's Information Protection Policy states the requirements for safeguarding company sensitive information in various areas of operation including access control, storage, transmission and disposal, as well as protection against cyber threats. This policy applies to all CLSA information assets and resources, and all information users, owners and custodians within the CLSA Group as well as suppliers/contractors who have valid needs for accessing CLSA information assets and resources. Violation of this policy could result in loss or limitations on the use of information resources, as well as disciplinary and/or legal action, including termination of employment or referral for criminal prosecution. In 2019, there weren't any breaches of CLSA's Information Protection Policy. Also, no violations of customer privacy or losses of customer data were reported.

<sup>5</sup> [https://www.clsa.com/wp-content/uploads/2018/12/CLSA-TAX-STRATEGY\\_DEC2018.pdf](https://www.clsa.com/wp-content/uploads/2018/12/CLSA-TAX-STRATEGY_DEC2018.pdf)

All CLSA staff have the responsibility to protect company information resources from unauthorised disclosure and alteration and to ensure its integrity, confidentiality and availability throughout its intended life cycle. Roles and responsibilities of CLSA staff with regards to information security are outlined below.

Roles	Responsibilities
IT Security	<ul style="list-style-type: none"> <li>• Developing and maintaining security policies, standards and procedures for protecting company-sensitive information.</li> <li>• Performing risk assessment on threats associated with sensitive data and recommending security controls.</li> </ul>
Information User	<ul style="list-style-type: none"> <li>• Not accessing data that they are not authorised to or for which they do not have a legitimate business need-to-know.</li> <li>• Protecting company-sensitive information by not disclosing to unauthorised parties.</li> <li>• Immediately reporting any data breach or violation of this policy to Information Owner and IT Security.</li> </ul>
Manager/ Supervisor	<ul style="list-style-type: none"> <li>• Ensuring that their staff understand and comply with this policy.</li> </ul>
Information Owner	<ul style="list-style-type: none"> <li>• Ensuring the confidentiality, integrity and availability of the data they own.</li> <li>• Ensuring appropriate controls are implemented consistent with the data classification and in compliance with this policy.</li> <li>• Ensuring their data is retained and disposed according to legal and compliance requirements.</li> <li>• Immediately reporting any data breach or violation of this policy to IT Security.</li> </ul>
Information Custodian	<ul style="list-style-type: none"> <li>• Assisting information owners with implementing prescribed security controls in compliance with this policy.</li> <li>• Immediately reporting any data breach or violation of this policy to Information Owner and IT Security.</li> </ul>
Legal and Compliance	<ul style="list-style-type: none"> <li>• Providing guidance on group record retention requirements.</li> <li>• Perform data leakage protection monitoring.</li> </ul>

## **SECTION 5: INVESTING RESPONSIBLY: OUR APPROACH TO INTEGRATING ESG INTO THE INVESTMENT PROCESS**

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- 5.1 Introduction
- 5.2 Asset Management
- 5.3 CLSA's Other Businesses
- 5.4 Equity Research



### 5.1 Introduction

CLSA is an active proponent of responsible investing. Through our award-winning research, events, investments and corporate initiatives, CLSA provides responsible investors with visibility on ESG issues that may impact their investment mandates.

CLSA supports and integrates ESG benchmarks across our business.

### 5.2 Asset Management

One of CLSA's alternative asset management (AM) businesses, CLSA Capital Partners (Capital Partners), is committed to thorough consideration of ESG issues in its portfolio company investments. Capital Partners is a signatory to the six principles for responsible investment of the United Nations Principles of Responsible Investing (UN PRI)<sup>6</sup>. These principles were developed by an international group of institutional investors reflecting the increasing relevance of ESG issues to investment practices. The process was convened by the United Nations Secretary-General. As a UN PRI signatory, CLSA CP completes an annual Transparency Report; please feel free to assess the latest published report via this link.<sup>5</sup>

We also seek to follow guidelines developed by the US Private Equity Growth Capital Council (PEGCC)<sup>7</sup> and have compiled our own internal set of Responsible Investing Guidelines based on UN PRI and PEGCC.

Capital Partners' own Responsible Investing Guidelines were first compiled in 2012. Capital Partners continually monitors and evaluates developments in the ESG space, including regularly reviewing the guidelines set by the UN PRI and PEGCC. As a result, we periodically update our guidelines as appropriate. In addition, Capital Partners began ESG reporting under the UN PRI framework in 2019.

The investment teams conduct thorough due diligence into all ESG aspects of a potential portfolio company's operations and performance. ESG management and performance is taken into consideration when Capital Partners review potential investments to assess their viability and can be a reason for not investing in a particular company. There are two key stages whereby ESG risks and/or opportunities are reported to, considered and documented by the funds and their respective Investment Committees (IC).

The first stage is pre-investment. Each fund's investment process includes detailed submissions to the IC, which include material ESG findings arising from due diligence for review and details regarding decision making on how to proceed.

The second stage is post-investment. Each fund engages in detailed monitoring of its portfolio holdings and this includes following up on issues identified during the pre-investment phase and those that may arise after the investment has been made. Quarterly reporting to the ICs includes commentary on material issues relating to each portfolio holding, such as ESG risk management and performance, and opportunities for value creation.

Any issues that arise during these stages could result in a range of actions, including declining an investment opportunity or making an investment conditional upon remediation of the issue either prior to or post investment depending on the seriousness and materiality of the issue.

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<sup>6</sup> <https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment>

<sup>7</sup> The PEGCC guidelines grew out of a dialogue between PEGCC members and a group of the world's major institutional investors, which took place under the umbrella of the UNPRI.



### *Oversight*

In support of Principles 2 and 3 of the UN PRI, we seek to “be active owners and incorporate ESG issues into our ownership policies and practices” and “seek appropriate disclosure on ESG issues by the entities in which we invest”.

### *CLSA Team Level*

Responsibility for ESG oversight with respect to fund investments belongs to both the specific investment’s deal team, as well as the Capital Partners’ risk management team.

ESG compliance is included within Capital Partners’ comprehensive fund-specific Operation Manuals. CLSA AM takes steps to ensure that staff are aware of the ESG policy and its contents, and of the requirements that must be adhered to during their investment processes and portfolio company monitoring.

The risk management team monitors employees on the investment team to ensure CLSA AM’s Responsible Investing Guidelines are applied and that the investment processes that apply to each fund impose oversight on how transactions are managed both pre and post investment. Compliance with Capital Partners’ policies, including the Responsible Investing Guidelines, is also part of the annual review process which impacts remuneration of team members.

### *Portfolio Company Level*

CLSA also takes steps to assess that adequate ESG-related competence exists at the portfolio company level. As part of the due diligence process, Capital Partners seek to invest in portfolio companies with competent management, who are informed and understand that we aim to follow the UNPRI and PEGCC guidelines.

Our investment teams support portfolio company management to ensure portfolio companies have sufficient resources to manage any ESG factors that are identified. CLSA AM will hire external ESG consultants if there is a clear need for additional expertise or support. Furthermore, ESG factors are raised with portfolio company Boards as and when considered necessary.

Where considered necessary, issues identified in due diligence can be integrated into deal documentation in the form of, for example, conditions precedent, conditions subsequent or ongoing undertakings. In addition, the close involvement and monitoring of portfolio investments by CLSA AM deal team members enables full engagement on all issues relevant to the investment. We have general representation and warranties embedded in our investment agreements to ensure investee companies are in compliance with applicable laws.

Examples of how CLSA Capital Partners has contributed to portfolio companies’ management of ESG factors are highlighted below.

### ***CLSA’s Real Estate Focused Funds:***

CLSA’s Real Estate focused funds constantly seek to improve the energy performance of the buildings that we acquire through asset enhancement works that are undertaken as part of our investment strategy. For example, an asset contained in a fund in Singapore was awarded the Greenmark Gold certification and secured a governance grant.

The funds have partnered with reputable companies that have established environmental sustainability and corporate social responsibility initiatives for our other developments in Australia<sup>8</sup>

<sup>8</sup> Grocon: <http://www.grocon.com/awards/>

and have gained invaluable knowledge and experience with service providers such as JLL<sup>9</sup>, CBRE<sup>10</sup> and SGA<sup>11</sup>, among others.

***CLSA's Realty Core Plus Fund:***

The fund leverages sustainability, which includes methods and practices that maximize energy efficiency and minimizes environmental impact, as a tool to drive value for investors. The fund carries out this through integration of environmental, social, and corporate governance (ESG) considerations into investment management processes and ownership practices in the belief that these factors can have an impact on financial performance.

In Australia the assets in the portfolio are rated according to NABERS targets, a sustainability rating system measuring environmental performance relating to commercial buildings. In 2020 the fund's first green loan was completed, the terms of the loan require the fund to meet certain NABERS targets in respect of asset management.

CLSA's realty core plus fund participated in the 2020 GRESB Assessment, which benchmarked the fund against its peers in relation to a range of metrics including governance and environmental performance.

***CLSA's Pan-Asian Private Equity Funds:***

The funds' investment in a leading cancer solution provider in Asia is an example of CLSA Capital Partners' key focus upon ESG factors during the post-investment period. Leveraging the cutting edge next generation sequencing ("NGS") platform, bioinformatics analytics capability and Asian Genome database, the Company specializes in offering personalized treatment advice to cancer patients. Since receiving investment from CLSA, the Company has collaborated closely with multiple government and charity organizations to subsidise cancer genomic testing for cancer patients who have affordability concerns to enable access to optimal treatment methods.

***CLSA's Shipping Sector Focused Fund:***

CLSA's Shipping Sector focused fund takes into account ESG issues in its daily operation process. All portfolio company vessels are compliant with international regulations on environmental and waste management (e.g. International Oil Pollution Prevention Certificate, International Energy Efficiency Certificate) with various operation manuals and/or procedures on-board to meet international requirements to protect the environment.

The fund implements regular conference calls and quarterly management meetings where operational issues, including the portfolio company's ESG policies, are discussed as required. As and when necessary, the fund may be involved in the drafting or approval of policies that impact upon ESG factors and compliance. As an example, in 2020, the fund was actively engaged with the portfolio company's management team, as a result, Very Low Sulphur Fuel Oil is now used in all vessels, instead of installing scrubbers to filter out High Sulphur Fuel Oil.

***CLSA's Clean Resources Focused Fund:***

We recognise the positive impact that careful ESG consideration can have when acting in the best interests of investors and more broadly on society and the environment. In particular, the fund has consistently demonstrated our commitment to responsible investing and creating sustainable value.

<sup>9</sup> <http://www.jll.com.au/australia/en-au/services/corporates-occupiers/energy-and-sustainability>

<sup>10</sup> <http://www.cbre.com.hk/EN/services/sustainability/Pages/home.aspx>

<sup>11</sup> <http://sgaproperty.com/environmental-services/>

The fund adheres to stringent ESG requirements mandated by the Asian Development Bank and the International Finance Corporation.

In 2009, CLSA Capital Partners launched the fund to partners with innovative companies in the clean technology sector via the provision of capital for growth and expansion. The fund's focus is on sustainable agriculture, water, recycling, energy efficiency and cleaner energy as outlined below:

- Sustainable agriculture is highly correlated to water as over 80% of water in Asia is used in the agriculture sector. Areas of interest include environmentally-responsible fertilisers, weed/pest control and water conservation technologies.
- Water is divided into supply, treatment and wastewater. Investable areas include desalination, irrigation solutions and wastewater treatment.
- Recycling is a high-growth area that the fund expects to become a major investment area for us as it matures, with increasing emphasis on the sustainable management of waste streams, such as electronic waste, plastic and rubber.
- Energy efficiency includes solutions that reduce energy consumption for buildings and applications that require significant amounts of energy for temperature control (e.g. data centres).
- Cleaner energy encompasses natural gas, solar and wind energy, biofuel substitutes, hydro, geothermal and clean coal technology.

The Clean Resources focused fund also integrates climate change risk into its investment process. The fund duly monitors and addresses the risk of investing in fossil fuel dependent businesses, or industries that are exposed to climate change policies or regulatory development. As per the examples outlined below, the fund's investment strategy takes into account the physical and financial impact of climate-related events.

- Investment in a plantation company, of which the investment proceeds are to be utilised for mitigating climate change and improving crop yield, e.g. installation of drip irrigation in the plantation that will help to alleviate drought impact
- Investment in seawater desalination utilising a proprietary energy recovery device to reduce consumption of power
- The fund has evaluated investments in water plants within low-water catchment areas affected by climate change
- Acquisition of real estate assets that meet local environmental certification standards
- Review of investment opportunities relating to power plants in China required to be fitted with desulphurization and denitrification systems to reduce greenhouse gas emissions

### **5.3 CLSA's Other Businesses**

Outside of Asset Management, ESG issues are considered as part of the investment strategy for other CLSA business lines as follows:

#### *Fixed Income Currencies and Commodities (FICC):*

For the FICC business if any ESG related issues arise during the due diligence process, these issues are escalated to the appropriate business sub-committees of the CCC (Capital Commitment Committee) forum for consideration and approval. The CCC is comprised of Treasurer, CFO, CRO, Group Head of FICC, Chief Legal and Compliance Officer and other relevant senior management.

#### *Corporate Finance and Capital Markets (CFCM):*

The CFCM business requires deal counsels on all transactions to address whether the client is in compliance with relevant issues, such as labour requirements, as part of the overall legal opinion.

For example, when working on an IPO transaction with major operations in South Africa, we would ask the deal counsels to review and comment on whether there had been strikes or labour disputes in the past and to assess whether there would be similar risks to the company's future operations. In addition, we could conduct independent due diligence meetings with relevant parties.

#### **5.4 Equity Research**

CLSA was one of the first financial firms in Asia to write about pollution, carbon trading and 'the greening of Asia'. Our sustainable research team regularly covers a range of issues from supply chain labour to clean water, clean technology and corporate governance. CLSA has actively reduced its hardcopy report output over the past decade.

The core of our ESG research is the CLSA Corporate Governance Score. Since 2001, CLSA has scored listed Asian companies on corporate governance issues. Factors influencing the score are reviewed annually in partnership with the Asian Corporate Governance Association (ACGA). In May 2021, CLSA published the tenth joint *CG Watch* report in partnership with the ACGA. This biennial report has become a benchmark in assessing the state of corporate governance across Asia and the adherence to good practices by Asian listed companies.

There are also sections of CLSA research dedicated to ESG development.

##### *Sustain Asia*

We owe future generations a secure place in which to live and prosper, from the environment that surrounds them to the society that cares for them and the rules and actions that protect their investments. In January 2021 we launched Sustain Asia. The logo represents an eternity loop and the numeral 8, which is associated with wealth in Chinese culture. This draws a parallel between the dual and complementary goals of our ESG research - to help investors generate financial returns but also return something to society and the environment. The loop envelops Asia, representing our roots and core market expertise.

##### *Clean & Green*

CLSA Clean & Green™ research features our efforts towards a healthier environment. For many years now, we have been promoting awareness of climate change among the public and with investors and regulators; as well as initiating creative and concrete measures to reduce our own carbon footprint. From focusing on environmental issues at our annual Forums with keynote speakers, to publishing cutting-edge research on alternative energies and water strategies, to installing energy efficient systems in our offices, CLSA hopes such initiatives help bring the environment to the forefront.

##### *Disruption*

Disruptive technology, ever-cheaper renewables, heightened environmental awareness and softening demand in established industries are driving change across sectors at warp speed. Disruption serves both as a chronicle of the past and a model for the future. Within two years the automobile virtually wiped out the horse drawn cart. In the utilities space, battery storage stands to upset incumbents. New start-ups and businesses are refusing to play by the established rules of engagement, offering cheaper, more immediate alternatives. Our Disruption webpage features a wide range of material to help clients navigate the market's future trajectory.

A selection of reports published by CLSA in 2019-20 that addressed ESG issues include:

- *Asian energy (Battery rush 4: New storage technologies clean up for a brighter future)*
- *China Hydropower (Damned good: Rise of China's cheapest form of clean energy)*
- *China Jolt! (Asia Pacific power and renewables)*
- *Corporate Governance Watch which rates a wide variety of listed companies in the region on a range of ESG markers*

- *Disrupters in the ecosystem (Past and future of shareholder activism in Japan)*
- *Global Solar energy (Sunkissed: Direct beneficiaries are the hottest picks)*
- *Thirsty and underwater (Rising risks in the Greater Bay Area)*

## SECTION 6: OUR PEOPLE

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- 6.1 Overview
- 6.2 Recruitment, Retention and Promotion
- 6.3 Health, Safety and Wellbeing
- 6.4 Evaluation and Compensation
- 6.5 Employee Engagement
- 6.6 Learning and Development

### 6.1 Overview

CLSA's most valuable asset is its employees. The sustainability of our workforce is critical to ensuring ongoing value creation for our clients and other key stakeholders.

Our workforce is diverse. CLSA employs 1,826 people across a global network of 18 offices, representing 34 different nationalities. A detailed profile of our workforce is presented in the tables below.

	Permanent Employees	Contract Employees
	Percentage	Percentage
Australia	3%	0.1%
Mainland China	0.4%	0.1%
Hong Kong	44%	3.5%
India	19%	0.1%
Indonesia	2%	0.3%
Japan	5%	0.3%
Malaysia	1%	-
Netherlands	0.3%	0.1%
Philippines	2%	-
Singapore	8%	0.7%
South Korea	3%	-
Thailand	2%	0.1%
United Kingdom	3%	0.1%
USA	3%	-
<b>Total</b>	<b>94.8%</b>	<b>5.2%</b>

**Table 5: CLSA Employees by Geographic Location and Contract Type**

	Permanent Employees	Contract Employees
	Percentage	Percentage
Female	33%	3%
Male	61%	2%
<b>Total</b>	<b>94.8%</b>	<b>5.2%</b>

	Full-time Employees	Part-time Employees
	Percentage	Percentage
Female	35%	0.7%
Male	64%	0.1%
<b>Total</b>	<b>99.2%</b>	<b>0.8%</b>

**Tables 6 and 7: CLSA Employees by Gender and Contract Type**

### 6.2 Recruitment, Retention and Promotion

At all times and without exception, our primary objective is to hire the best candidate for the job. CLSA's Human Resources Department works closely with business and hiring managers to ensure recruitment processes are managed effectively and equitably.

CLSA commits to uncovering excellent future leaders and providing a platform for young talent to grow. CLSA's Internship Programme has formed the first step in our talent identification to build a junior talent pipeline. The programme allows final and penultimate year university students who are keen to develop a career in the financial services industry the opportunity to gain valuable exposure in various business areas of CLSA.

CLSA aims to build a diverse and inclusive workplace. We believe in equal opportunity and do not discriminate on gender, race, ethnicity, physical ability, age or other factors. In this regard, we comply with all equal opportunity and anti-discrimination legal responsibilities. We are committed to engaging in employment practices that meet the highest legal and ethical standards. As such, our responsibility in overseeing the minimum age and working conditions of our employees is of paramount importance. All of our employees are above legal age limits and all work is performed voluntarily. Employees and managers are reminded that they are bound by the standards and policies outlined in the CLSA Code of Conduct and Employee Handbook.

CLSA always seeks to promote staff internally before filling roles externally. The Job Opportunities @ CLSA page is accessible to staff via the CLSA intranet and lists internal job openings. It aims to capture interested, internal talents as part of CLSA's candidate sourcing strategy and promote internal mobility. CLSA promotes high-potential staff to provide career advancement opportunities, recognize and award individual outstanding performance, and drive a culture of high performance across the organization.

Keeping and retaining our talents is essential to the ongoing success of our business, and for us to be successful in doing this, it is imperative that we have managers who are skilled in the art of management and consequently able to empower, manage and motivate their teams.

### **6.3 Health, Safety and Wellbeing**

Health, safety and the wellbeing of our people are of paramount importance. We are committed to creating a safe and healthy environment and employees, customers, contractors and visitors have a right to be protected in our workplace. To this end, we comply with occupational health and safety regulatory requirements and follow best-practice workplace health and safety policies and procedures.

CLSA cares about the health, safety and wellbeing of all employees. All permanent staff are automatically enrolled in healthcare and pension plans that align with the market offering in different CLSA office locations. We ensure that the terms and benefits provided, including parental leave, comply with the statutory requirements in different office locations. On the other hand, CLSA provides 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 is able to effectively respond to accidents and emergency situations.

As part of CLSA's commitment to occupational health and safety, CLSA has a medical and security services agreement with International SOS, the world's leading medical and travel security risk services company. This agreement reinforces the health and safety of our mobile workers by giving them access to country-specific risk ratings, expert medical and travel security advice or referral, and 24/7 assistance prior to travel, during travel, and in the event of an incident.

CLSA encourages staff to lead healthy lives by providing informative health, lifestyle and anti-stress seminars, discounted gym memberships and informal group exercise programmes.

All CLSA offices are non-smoking environments. Regular fan coil unit/carpet cleaning and pest control are conducted in all offices to maintain good indoor air quality for a healthy work environment.



#### **6.4 Evaluation and Compensation**

CLSA salaries are on par with industry standards. We have a comprehensive Performance Management System that is utilised company-wide to evaluate and assess both technical and behavioural capabilities of all staff, at minimum on an annual basis. Staff are evaluated and graded with a rating that allows managers to identify those who are performing above and beyond expectations and those who are performing below. Staff are measured against their key performance indicators, which feed up into supporting the overall goals of our organisation.

CLSA adopts a total compensation approach. We review the compensation of employees on an annual basis with reference to the individual performance and benchmarking to the external market to ensure competitiveness of our compensation and foster a pay-for-performance culture.

#### **6.5 Employee Engagement**

CLSA strives to ensure open lines of communication across its network. We make a particular effort to communicate where possible through:

- CONNECT: an internal, online portal offering a staff directory, up-to-date news, a Human Resources portal, training programmes, job vacancies, community outreach information, access to CLSA research and much more
- Chairman Town Hall meetings
- Business updates circulated via email and posted on CONNECT

CLSA staff in some offices have also formed informal networks such as the Volunteer Leadership Team in Singapore for supporting the local community.

#### **6.6 Learning and Development**

Learning and Development (L&D) is an important function of the wider Human Resources team and a focus of CLSA as we work towards developing an active learning culture. We firmly believe that our success lies in our people and for our business to thrive, our people need to be ready to deliver their best. CLSA provides a range of internal and external training and development opportunities for employees at all levels across the organisation, regardless of their gender, age, contract type or employee category.

At CLSA, our L&D catalogue focuses on three key areas of management, personal and technical effectiveness. Our various learning opportunities are designed to empower our people to drive their own development, strengthen their competencies and prepare them to take on key roles within the organisation.

The key strategic priorities for L&D at CLSA are to:

- ensure that we are effectively managing our talents across the business;
- prepare our workforce for future challenges;
- enhance workforce effectiveness; and
- motivate and retain key talents.

Highlights of our L&D initiatives are provided below.

##### *HBDI Psychometric Assessment*

The Herrmann Brain Dominance Instrument (HBDI) Profile is scored from a 120-question survey that measures individual thinking preferences in four unique and distinct modes of thinking. Inspired initially by Nobel Prize winning research, the HBDI has been completed by over 2.5 million individuals and is utilised in many of the world's leading corporations. The HBDI tool has been used by CLSA for over 20 years and over that time it has helped managers and employees alike to develop an enhanced self-awareness when it comes to communication, problem solving, team management and decision making.

### *e-Learning*

CLSA has developed a robust online training portal for all CLSA staff to augment their skills and knowledge across a variety of topics. Called Intuition@CLSA, this is provided through *Intuition*, a financial markets online training provider. This excellent development tool can be accessed via the Human Resources homepage on the staff intranet. The content provided is detailed and varied which aligns with our three pillars of effective learning: technical expertise, management effectiveness and personal development.

### *Mandatory Online Training*

In addition to the above and to ensure we comply with all local regulations, we host the following mandatory training online through our e-learning portal. These mandatory training programmes are all developed in-house by the business and cover the followings:

- CLSA Code of Conduct
- Global Financial Crime
- Operational Risk
- Anti-Bribery and Corruption
- Conflicts of Interest
- IT Security
- Sexual Harassment – Recognise, Respond, Respect
- CLSA SFC Best Execution

### *Diversity and Inclusion Training*

Delivered face-to-face to all employees of CLSA, our in-house developed Diversity & Inclusion Training is part of our mandatory suite of courses for all new joiners. As inclusion is one of the five guiding principles in our Code of Conduct, this session aims to highlight the business benefits of diversity and inclusion and the importance of managing diversity effectively and applying best practices in this regard.

### *Development Programmes*

CLSA designs and delivers tailor-made, capability-building programmes with the purpose of developing internal leadership pipelines within departments. Through tailored sessions that cover both technical and soft-skills training, we are able to increase the retention of talent, provide career enrichment and development for high-potential talent and facilitate networking and exposure within the wider CLSA business.

## SECTION 7: OUR ENVIRONMENTAL PERFORMANCE

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- 7.1 Environmental Management Approach
- 7.2 Environmental Metrics

### 7.1 **Environmental Management Approach**

CLSA is committed to reducing our consumption of natural resources and impact on the environment. Since 2007, we have implemented our ISO 14001-certified environmental management system (EMS) across 80% of our offices. This requires CLSA Hong Kong to be audited annually, with regional offices taking turns to be audited every three years. Our global certification has been successfully renewed in 2020 and no major nonconformities have been found in the audits.

Our approach to managing our key environmental issues, which is guided by a precautionary approach to avoid or minimise environmental impact, is outlined below.

*Sustainable Design, Energy Efficiency and Health & Safety Measures:* Our global offices are working to implement and track the adoption of sustainable design features, including both the incorporation of energy-efficient lighting and equipment, and the procurement of renovation materials and fittings with sustainable attributes in building and office design. In addition to complying with all local health, safety and wellness requirements, offices are implementing measures such as ergonomic desk and seating features to ensure employee wellness.

*Indoor Air Quality (IAQ):* All CLSA offices are strictly non-smoking environments and maintain suitable room temperatures. In Hong Kong, the air conditioning units and carpets are cleaned regularly, and air purifying is arranged after renovation as required.

*Water:* While CLSA's offices are located in buildings with water-efficient equipment and fixtures, water consumption data is not available as this is provided as part of the services included in office rental. In Hong Kong, non-stop running/flushing water has improved with the washroom upgrade.

*Waste:* Our commitment to reduce, reuse and recycle is well established and we have been segregating glass, paper, metal cans and plastic since 2007. These are collected from our offices by authorised suppliers who separate the materials for recycling. In Hong Kong, our building manager, Swire Properties, is also ISO 14001-certified. Swire Properties support our recycling efforts and arranges environmental activities for tenants periodically, such as mooncake box recycling after the Mid-Autumn Festival. We have begun to collect solid and hazardous waste data across our operations and aim to be able to report on this systematically for offices that are able to receive this data from their property managers. We have successfully rolled out the collection of coffee grounds for further processing into soil conditioner / fertiliser in 2019 with Swire Properties and currently we are reviewing the feasibility of participating in their food waste recycling programme.

In Hong Kong, we also participate in the annual Electronic Waste Recycling Campaign, organised by Swire Properties, which enables our office and individuals to donate electronics to NGOs for reuse or to have their component parts reused or recycled in an environmentally responsible way. To further encourage staff environmental awareness and commitment, CLSA has been actively participating in various "green" events. Also, in order to show support for global action to tackle climate change, CLSA also participated in the Earth Hour Campaign, Country Park "Nature in Touch" Hiking & Planting Day, Wood Recycling, Lai See Packets Reuse and Recycling Programme and Used Clothes / Accessories Recycling Campaign.

*Plastic reduction:* More than half of our offices globally have installed water filters to eliminate the use of plastic water bottle dispensers. This is both healthier and reduces the potential wastage of large plastic water bottles and the associated delivery costs. We also provide chopsticks and cutlery in most offices to avoid the use of disposable wooden and plastic cutlery.

*Supplier auditing:* We are working towards asking all CLSA suppliers to complete an annual questionnaire to assess their environmental activities. We ascertain if they have an established Environmental Management System (EMS), if they are ISO certified, if they recycle their waste

products and if they document evidence of their environmental controls. As noted earlier, CLSA is committed to strengthening our sustainable procurement policy going forward.

## 7.2 Environmental Metrics

Our global offices continue to actively implement measures to conserve electricity, water, paper and other resources. A substantial decrease in global consumption in 2020 had been noted and this was mainly due to the implementation of a WFH (Work From Home) business model to cope with COVID-19 pandemic and lockdown in various countries. Consumption data for paper and electricity are below.

Paper (A4-equivalent paper)	607 reams (2020) per month (~7,289 annually), equivalent to 4 reams per person per year
Electricity (kWh)	602,969 units (2020) per month (6,035,619 units annually)

**Table 8: Consumption Performance for Paper and Electricity in 2020**

CLSA Location	2020 <sup>12</sup>	
	Paper consumption (reams <sup>13</sup> )	Electricity consumption (kWh)
Amsterdam	5	15,000
Bangkok	150	219,081
Beijing	30	90,000
Hong Kong	3,944	1,518,090
Jakarta	62	50,413
Tokyo	475	386,447
Kuala Lumpur	99	297,815
London	130	252,242
Manila	124	121,319
Mauritius*	NIL	NIL
Melbourne#	NIL	NIL
Mumbai	100	569,160
Pune	40	662,372
Seoul	400	294,607
Shanghai	30	89,013
Shenzhen*	NIL	NIL
Singapore	500	684,182
Sydney	720	227,366
Taipei	350	306,422
New York	130	252,000
<b>Total:</b>	<b>7,289</b>	<b>6,035,629</b>

\*office closure

# staff were mainly WFH

**Table 9: Consumption Metrics for Paper and Electricity in 2020 for Key Offices**

**Energy:** We continue to expand the use of LED lighting and motion sensors across our global offices to minimise energy consumption.

<sup>12</sup> Paper and electricity consumption for the Amsterdam, Shanghai and New York offices are estimated.

<sup>13</sup> A4 equivalent reams with 500 sheets/ream.

*Fuel:* In 2020, company vehicles operated by our offices globally consumed 12,427 litres of petrol.

*Greenhouse Gas Emissions:* We are committed to reducing our greenhouse gas emissions through energy and fuel efficiency initiatives. One way we seek to reduce emissions from air travel is by using video conferencing for meetings. In 2020, we measured greenhouse gas emissions generated across our global operations arising from fuel and electricity consumption.

GHG Scope	2020
	GHG emission in tonnes of CO <sub>2</sub> equivalent <sup>14</sup>
Scope 1 – fuel consumption	29.33
Scope 2 – electricity	2,233.18
<b>Total:</b>	<b>2,262.51</b>

**Table 10: Scope 1 and Scope 2 Greenhouse Gas Emissions in 2020**

<sup>14</sup> Calculations prepared in accordance with the “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Industrial Purposes) in Hong Kong” 2020 Edition.

## SECTION 8: OUR COMMUNITY

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- 8.1 Investment and Engagement
- 8.2 Community Outreach and Volunteering

### 8.1 Investment and Engagement

Each and every day CLSA commits people, capital and ideas to serve our clients, stakeholders and communities across the globe.

#### *CLSA Chairman's Trust*

The CLSA Chairman's Trust provides financial and human capital to support disadvantaged individuals, groups and communities across Asia, Australia, Europe and the Americas.

With a core mandate of poverty alleviation, the Trust disburses grants to support measurable and sustainable projects within small to medium-sized non-governmental organisations (NGOs) in a range of sectors that include education, health and welfare, commercial and environmental enterprises.

Since 2007, the Chairman's Trust has touched the lives of over half a million individuals. We have provided our ideas, people and funding of US\$30 million, to support the incredible work of more than 130 grassroots NGOs across Asia, Australia, Africa, the United Kingdom and the United States. In 2019-2020, our total Chairman's Trust grant commitment is US\$0.5 million.

The Trust is self-funded through the CLSA Chairman's Trust Dealing Day. CLSA broking clients are encouraged to trade with CLSA on the Dealing Day as all net commissions from this day's trading are contributed to the Trust. CLSA supports the operating costs of the Trust to ensure that 100% of all funds raised go to funding recipients.

Grants are disbursed to a range of innovative non-profit organisations affecting social change. We partner with organisations that demonstrate a clear social impact and are able to provide us with metrics to monitor the efficacy of our partnerships. A stringent monitoring and evaluation process ensures the success of this programme. The impact of Chairman's Trust projects from 2007 to date can be seen below.

#### *Funded Chairman's Trust Projects Overview*

<b>30</b> <b>Schools built</b> From Thailand to India, we have rebuilt schools following natural disasters, added additional classrooms to teach more children and laid the foundations for new campuses.	<b>7,000</b> <b>School scholarships</b> We help educate children at risk of being trafficked in Cambodia, underprivileged girls in southern Vietnam, and indigenous students in Australia.	<b>1,372</b> <b>University scholarships</b> Providing higher learning opportunities to orphans in Japan, medical students in Thailand and many others in Indonesia, Vietnam, China and beyond.
<b>4,000</b> <b>Free medical procedures</b> Funding of lifesaving surgery for orphaned babies in China, rehabilitative procedures for the rural poor in Cambodia, and medical outreach in Laos.	<b>55</b> <b>Doctors trained</b> We believe in capacity building and long-term sustainability. We provide grants to train doctors and surgeons in Cambodia and Laos so they can use their new skills to improve conditions locally.	<b>38,871</b> <b>Students given internet connectivity</b> In the Philippines, we have partnered with the Ayala Foundation since 2008, providing information and communication technology systems to schools throughout the country.

**Table 11: Chairman's Trust Impact 2007 – 2020**



A unique aspect of the Chairman's Trust is the Staff Sponsorship Programme. All funded projects require a CLSA employee to champion the partnership. The staff sponsor is responsible for pre-funding due diligence, funding applications, regular reporting and annual project visits. Staff sponsorship is critical to the success of the Trust, ensuring accountability, active social engagement and awareness. Chairman's Trust staff sponsors visit all of their projects on an annual basis to conduct due diligence. Often, they also provide skills-based guidance and training to these partner organisations.

Charities and beneficiaries funded by the CLSA Chairman's Trust in 2019-2020 are as follows:

Chairman's Trust Charity	Location	Charity Description & Chairman's Trust Project	Beneficiaries
Bright Dawn Foundation	Thailand	Bright Dawn Foundation provides healthcare and educational support to approximately 600 children at five primary schools in the hinterland of Hua Hin, Thailand.  The Chairman's Trust funds the salaries of two experienced English language teachers.	Primary school students in Hua Hin
Children's Medical Foundation	China	Children's Medical Foundation establishes lifesaving neonatal care units, trains medical professionals, donates crucial equipment, provides financial assistance to families in need and ensures babies in remote areas of China have healthy, happier lives Project.  The Chairman's Trust supports neonatal resuscitation training and the Save-A-Baby Program in Liupanshui, Guizhou Province.	Newborns in China's remote areas
Hagar International (Hong Kong)	Cambodia	Hagar is dedicated to the recovery of survivors of extreme human rights abuse – particularly human trafficking, gender based violence and sexual exploitation.  The Chairman's Trust continues to support the Community Learning Centre, an accelerated learning program for 120 children who have missed multiple years of education due to poverty or abuse, enabling them access to education and eventually reintegrate into the public school system.	120 children in Cambodia
Summerbridge HongKong Limited	Hong Kong	Summerbridge improves the educational trajectories of underprivileged students by providing them with tuition-free quality English education and life skills development over two intensive summer sessions, weekend and alumni programs.  The Chairman's Trust cover costs related to transportation, teaching materials, resources and activities for the summer program.	High school students in Hong Kong

Chairman's Trust Charity	Location	Charity Description & Chairman's Trust Project	Beneficiaries
Titian Foundation  <i>Also refer to the testimonial in section 3 above.</i>	Indonesia	Titian aims to improve the education, knowledge and skills of underprivileged Indonesians and thereby empower, build confidence and ensure the growth of the people and their heritage.  The Chairman's Trust continues to support the high school scholarship programme in a new location – South Tangerang, Greater Jakarta. The Trust also funds the administrative office and community learning centre in this location.	High school students in Indonesia
PathFinders	Hong Kong	PathFinders (PF) aims to ensure that every migrant child born in Hong Kong has a fair start in life by empowering their mothers to make informed life decisions and find a dignified path towards a safe and legal future.  The Chairman's Trust continues to support the PF shelter in Kennedy Town (catchment area for Queen Mary Hospital), and the Mothers Protection Programme, providing overall support to mothers and children who are in immediate danger.	Indonesian and Filipino migrant domestic workers in Hong Kong

**Table 12: 2019-2020 Chairman's Trust Charities and Beneficiaries**

## **8.2 Community Outreach and Volunteering**

Intrinsic in the culture of CLSA is the philosophy of helping those in need. Community outreach programmes are coordinated locally across our network of offices engaging staff in meaningful causes close to home.

CLSA employees across our network volunteered over 1,540 hours in 2019 and 2020 within their local communities. While most volunteer activities occur on the weekend, employees are encouraged to take volunteer leave to get out of the office and into the community. An entitlement of two days' paid leave per year can be used to visit and conduct due diligence on Chairman's Trust projects, assist at charity events or participate in community outreach.

Projects supported by our Hong Kong office in 2019 and 2020 are as follows:

Activity	Location in Hong Kong	Description	Number of volunteers	Date
Cardboard grannies visit	Wanchai, Hong Kong	It's not uncommon in Hong Kong to see senior citizens, mostly elderly women, navigating pushcarts through the streets in search of discarded cardboard boxes to sell to local recyclers in return for small sums of money. CLSA visited the cardboard grannies and street cleaners in Wanchai by chatting and providing some hand sanitizers, daily necessities, meal vouchers and supermarket coupons to show our care to them.	13	5 Jan 2019
CNY luncheon	Causeway Bay, Hong Kong	Sponsored by Wanchai District Council, CLSA partnered with HK Christian Mutual Improvement Society Chuang Chung Wen Centre to host a Chinese New Year Luncheon for the elderly to welcome the Chinese New Year. The luncheon gathered nearly 200 elderly people, some nearly 90 years old. The team played interactive team-building games like 'word search puzzle' and gave away CNY fortune bag to the elderly. CLSA shared the festive joy with the elderly to spread love and care through the gathering.	12	14 Feb 2019
Charity Walk, Take a Step, Save a Life!	Tai Tam Country Park, Hong Kong	Suicide Prevention Services (SPS) serves people who are suicidal, despairing or distressed by means of befriending and other services supporting them to regain control of their emotions and the will to live on. It raises general awareness towards suicide and identifying ways in which suicide can be effectively addressed.  CLSA participated in the Suicide Prevention Services (SPS) Charity Walk to raise funds to expand SPS's suicide preventions services as suicide which continues to be one of the leading causes of death in Hong Kong. CLSA is dedicated to support this event and SPS in creating a caring society and instilling more energy and strength to deliver a positive message of cherishing life.	40	2 Mar 2019
Country Park "Nature in Touch" Hiking and Planting Day	Lantau South Country Park, Hong Kong	CLSA actively helps to promote 'Country Parks Plantation Enrichment Programme' hosted by the Agriculture, Fisheries and Conservation Department to boost biodiversity and ecological value of Hong Kong's countryside, as well as, to mitigate climate change. CLSA participated in Country Park "Nature in Touch" Hiking and Planting Day'. The volunteers carried seedlings and planting tools from Seedling Distribution Point uphill as well as digging pits to plant trees at a designated site. A total of 1,000 trees were planted with concerted effort made by CLSA staff and other volunteer teams.	49	31 Mar 2019

Activity	Location in Hong Kong	Description	Number of volunteers	Date
"Move, Learn and Discover!" 2019 Olympic Day Run	Sports Federation & Olympic Committee of Hong Kong, China (SF&OC)	CLSA participated in Olympic Day Run which spread understanding about the joy of sports and the basic spirit of the Olympics by giving the public and to run with Olympic athletes.	12	23 Jun 2019
Insect Repellent Workshop	Eastern Community Green Station	CLSA organised a natural insect repellent workshop where staff learnt how to integrate environmental protection into daily life. Staff made insect repellent that was effective, pleasantly aromatic and non-toxic for the needy in community.	32	9 Aug 2019
Sunshine Fortune Bags for Mid-Autumn Festival	Sunshine Action, Hong Kong	Sunshine Action Limited operates as a non-profit organization which provides foods to the less privileged and homeless people. Sunshine Action also serves communities globally. CLSA staff packed 2,500 food bags with the other volunteers at the food bag packing day and distributed to the poor & elderly through 40 local centres benefiting over 2,500 people during Mid-Autumn Festival.	30	31 Aug 2019 & 4 Sep 2019
Hot Meal service with Peiho Counterparts	Shamshuipo, Hong Kong	Pei Ho Counterparts is a social enterprise founded by Ming Gor in Sham Shui Po. He comes up with different ways to help those in need in Sham Shui Po, first by offering meal vouchers for his restaurant and handing out free lunchboxes. CLSA staff work with Pei Ho Counterparts by rolling up their sleeves and delivering 120 hot meals to the elderly who live alone and homeless street-sleepers in Shamshuipo.	25	14 Sep 2019
Coastal Cleaning	Ting Kok (Tai Po Environmental Association)	CLSA worked closely with members of the public to keep the shoreline clean and make Hong Kong a cleaner place to live. 20 CLSA volunteers went to Ting Kok beach to help clean up. Volunteers were tasked with gathering all the debris, including; foam beads, plastic bottles, disposable plastic utensils, broken glass, branches, furniture and returning cleaner sand back to the beach. A total of 130kg of litter were collected.	20	13 Oct 2019

Activity	Location in Hong Kong	Description	Number of volunteers	Date
Help in Community Kitchen at People's Food Bank	Kwun Tong, Hong Kong	CLSA partners with St. James' Settlement in the community kitchen which is located in Eastern Kowloon. St James' Settlement rescues the edible surplus food from different sectors of the food industry and prepares nutritious hot meals for beneficiaries such as low income earners, unemployed persons, families who encounter sudden change and street sleepers. A total of 180 hot meals were packed and delivered to the elderly living alone in Kwun Tong.	8	19 Oct 2019
OneSky Charity Hike	Hong Kong	OneSky provides care and early education to help at-risk children and since 2011. It has raised more than HK\$7 million for children in their Beihai, Sanya, Hefei and Wuhan programmes, and trained hundreds of caregivers how to provide essential, nurturing care for children all across China. CLSA HK staff participated in OneSky Charity Hike at the beautiful MacLehose Trail in Hong Kong which helped to raise funds to support orphaned, abandoned, and left-behind children in China, Vietnam and Hong Kong.	15	10 Nov 2019
Helping Hand "HealthBank" Cookie Campaign	CLSA Office, Hong Kong	CLSA supported the "Helping Hand HealthBank Cookie Campaign 2020 by buying the Chinese walnut cookies. Donations are used to support individuals with Down syndrome, students with intellectual disabilities, deprived families, underprivileged children, victims of domestic violence, solitary elderly, the handicapped, chronic disease sufferers and street sleepers.	12	18 Mar 2020
Dragon Boat Festival - Rice Dumpling & Festive Home Visit	Hong Kong Playground Association Jockey Club	CLSA was upholding its tradition of giving rice dumplings to those in need to share the love and warmth of a caring community during Dragon Boat Festival. CLSA Hong Kong staff, family and friends hand made the rice dumplings and packed gift bags filled with fruit and small presents. Through this activity, CLSA helped to promote the culinary heritage of wrapping rice dumplings and spread happiness and goodwill to seniors and low income families in our community.	40	20 June 2020
Mooncake workshop	Twin Bakery	This Mid-Autumn Festival, CLSA created our own mooncakes for those in need. A custard mooncake workshop was organised where we learned how to knead and mould the mooncakes. The mooncakes were then packed together with fortune food bags as gifts and delivered to the Helping Hand Siu Sai Wan Jockey Club Housing for the Elderly.	15	26 Sep 2020

Activity	Location in Hong Kong	Description	Number of volunteers	Date
Virtual visit – games and chatting with the senior citizens	Siu Sai Wan, Hong Kong	<p>CLSA Hong Kong hosted an online caring visit to senior citizen to continue its 'Sharing the Festive Joy' program despite the social distancing restrictions introduced because of the Covid-19 pandemic. The online event – the first of our kind – was held in partnership with Helping Hand for more than 30 senior citizen from Siu Sai Wan Jockey Club Housing to celebrate the Mid-Autumn Festival.</p> <p>CLSA staff used video conferencing technology, Zoom to connect with senior citizen guests, who have been left with fewer social activities because of the pandemic. The volunteers chatted and played games with senior citizens guests. They also enjoyed a singing performance by the volunteers and were given fortune bags and festive snacks provided by CLSA.</p>	10	28 Sep 2020

**Table 13: 2019 - 2020 Hong Kong Community Outreach Activities**

**Projects supported by other global offices in 2019 - 2020 include:**

Activity	Location	Description	Number of volunteers	Date
Lou Hei 2019	Singapore	<p>South Central Community Family Service Centre (SCCFSC) provides support to the low-income and vulnerable families in the community who seek financial, social or relationship help. Through activating the "Gotong Royong" or Kampung spirit of "neighbours help neighbours", SCCFSC provides an avenue for case management and counselling, information and referral services as well as community engagement programmes to meet needs and challenges of the community.</p> <p>CLSA Singapore office supports SCCFSC in the 'Lou Hei 2019' campaign. The volunteers distributed packed Lou Hei meals to individual flat units at the Lengkok Bahru community and shared Lunar New Year greetings with residents through a Lion Dance and Potluck.</p>	11	Feb 2019
Grocery and blanket Distribution at Chaitanya Women Foundation	India	Chaitanya is a community based micro-finance institution which facilitates women's economic empowerment in rural India. It promotes self-help group federations to provide the women much needed social security and a platform to address their financial and social needs. CLSA	25	24 May 2019

Activity	Location	Description	Number of volunteers	Date
		India distributed 2 tons of grocery supplies and 70 blankets/bedsheets to the needy women.		
Tree planting at Chaitanya	India	CLSA India help to conserve the environment by planting 30 saplings at Chaitanya.	16	13 Jul 2019
Mask necklace	Seoul, Korea	As Koreans stay indoors to help stem the spread of Covid-19, CLSA staff from Kore spring into action and DIY 100 masks which were donated to the under- privileged children.	10	Jan 2020
Foodbank Australia	Sydney, Australia	CLSA staff from Australia equities and Investment Banking team worked with Foodbank Australia on a bushfire relief project. In the summer of 2019/2020 Australia experienced an unprecedented bushfire season, devastating regional communities across the country. 46 million acres were burnt (roughly the same areas as the entire country of Syria), the loss of what is estimated to be more than 3,500 homes and thousands of other buildings including businesses and livestock housing, and over tragically 1 billion animals. The staff spent the day unpacking the generous donations received from the community, corporate Australia and overseas charities and sorting them into containers for distribution to regional Foodbank centres. Foodbank then distributed food and necessary items to impacted families who had lost their homes and livelihoods and sheltered in community centres, with relatives and in temporary shelters.	2	Jan 2020
Boston Scores	Boston, USA	CLSA staff volunteered to be part of an after-school programme in conjunction with Boston Public Schools to provide urban youth with team-based education that promotes health & wellbeing, academic engagement, and civic leadership. Staff helped students with reading and writing poetry, financial literacy through the One Hen social entrepreneurial programme, and a seasonal soccer programme in conjunction with the U.S. Soccer Foundation.	2	Jan-Dec 2020

Activity	Location	Description	Number of volunteers	Date
GOSO (Getting Out Staying Out)	New York, USA	GOSO partners with people impacted by arrest and incarceration on a journey of education, employment and emotional wellbeing and collaborates with NYC communities to support a culture of nonviolence. CLSA staff mentor just-released convicts in life skills to avoid recidivism.	1	Jan-Dec 2020
Futures and Options	New York, USA	<p>Futures and Options connects New York City's underserved youth to paid, mentored internships, job-readiness training, and personalized college guidance.</p> <p>CLSA supports career development and paid internship program which provides the NYC underserved youth with critical work-readiness training and the opportunity to gain first-hand work experience as interns with a dynamic range of business partners.</p>	1	Jan-Dec 2020

**Table 14: 2019 - 2020 Community Outreach Activities supported by other global offices**



### CLSA Community Outreach in Action



Cardboard grannies visit (5 Jan 2019)



CNY luncheon (14 Feb 2019)





**Charity Walk** (2 Mar 2019)



**Tree planting** (31 Mar 2019)



**Dragon Boat Festival volunteer activity, Hong Kong** (20 June 2020)





**Dragon Boat Festival volunteer activity, Hong Kong (20 June 2020)**



**Mid-Autumn Festival volunteer activity, Hong Kong (26 Sep 2020)**



Olympic Day Run (23 Jun 2019)



Hot Meal Service with Peiho Counterparts (14 Sep 2019)





**Sunshine Fortune Bags for Mid-Autumn Festival** (31 Aug 2019 & 4 Sep 2019)



**Coastal cleaning, Hong Kong** (13 Oct 2019)



**OneSky Charity Hike** (10 Nov 2019)



Staff engaged in bushfire relief activities in Australia (Jan 2020)





DIY mask movement, CLSA Korea office (Jan 2020)



Lou Hei 2019 - CLSA Singapore (Feb 2019)



Lou Hei 2019 - CLSA Singapore (Feb 2019)



## **Appendix A      CLSA's GRI Standards Content Index**

The **CLSA Group Sustainability Report 2020** and GRI Standards Content Index reference disclosures from the GRI Standards. This material references:

### **Economic Disclosures:**

- 205-1 and 205-2 (a-e - partial) from GRI 205: Anti-Corruption 2016;
- 206-1 from GRI 206: Anti-Competitive Behaviour 2016;
- 415-1 from GRI: 415: Public Policy 2016;
- 418-1 from GRI 418: Customer Privacy 2016;
- 419-1 from GRI 419: Socioeconomic Compliance 2016; and

Disclosures 103-1 (b, c – partial), 103-2 (b, c – partial) and 103-3 (c – partial) from GRI 103: Management Approach 2016.

### **Environment Disclosures:**

- 302-1 from GRI 302: Energy 2016;
- 303-1 (d – partial), 303-2(a – partial), 303-3, 303-4, 303-5 (a-d partial) from GRI 303: Water and Effluents 2018;
- 304-2 (a-b - partial) from GRI 304: Biodiversity 2016;
- 305-1 and 305-2 from GRI 305: Emissions 2016;
- 306-1, 306-2 (a-c partial), 306-3 (a-b - partial), 306-4 (a-b - partial), 306-5 (a-e - partial) from 306: Waste 2018;
- 307-1 from GRI 307: Environmental Compliance 2016;
- 308-1 from GRI 308: Supplier Environmental Compliance 2016; and

Disclosures 103-1 (b, c – partial), 103-2 (b, c – partial) and 103-3 (c – partial) from GRI 103: Management Approach 2016.

### **Social Disclosures:**

- 401-3 (a-e - partial) from GRI 401: Employment 2016;
- 403-1 (a-b - partial), 403-2 (a-d - partial), 403-3 (a-b - partial), 403-4 (a-b - partial), 403-5 (a - partial), 403-6 (a-b - partial), 403-7 (a - partial), 403-8 (a-c - partial) and 403-9 (a-g - partial) from GRI 403: Occupational Health & Safety 2018;
- 404-1 (a – training hours not available) and 404-3 (a – partial) from GRI 404: Training and Education 2016;
- 405-1 (a-b partial) from GRI 405: Diversity and Equal Opportunity 2016;
- 408-1 (a-c - partial) from GRI 408: Child Labour 2016;
- 409-1 (a-c - partial) from GRI 409: Forced or Compulsory Labour 2016;
- 412-1 (a - partial) and 412-2 (a-b – partial) from GRI 412: Human Rights Assessment 2016;
- 413-1 from GRI 413: Local Communities 2016;
- 414-1 from GRI 414: Supplier Social Assessment 2016; and

Disclosures 103-1 (b, c – partial), 103-2 (b, c – partial) and 103-3 (c – partial) from GRI 103: Management Approach 2016.

Item #	Description-Disclosure Items	Status of Conformance (Full / Partial / No with explanation)	Report Location / Explanation
<b>GRI 101: FOUNDATION 2016</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
<b>1</b>	<b>ORGANISATIONAL PROFILE</b>		
<b>102-1</b>	Name of the organisation	Full	About the Company p7
<b>102-2</b>	Activities, brands, products and services	Full	Business Overview p7
<b>102-3</b>	Location of headquarters	Full	Key Facts p10
<b>102-4</b>	Location of operations	Full	Global Reach p8
<b>102-5</b>	Ownership and legal form	Full	Ownership and Management Team p10
<b>102-6</b>	Markets served	Full	Network p9
<b>102-7</b>	Scale of the organisation	Full	About the Company p7
<b>102-8</b>	Information on employees and other workers	Full	Our People p39
<b>102-9</b>	Supply chain	Partial	Equity Research p36 Environmental Management Approach p44
<b>102-10</b>	Significant changes to the organisation and supply chain	Partial	Ownership and Management Team, p10
<b>102-11</b>	Precautionary Principle or approach	Full	Outlined in ISO 14001-certified EMS Environmental Management Approach p44
<b>102-12</b>	External initiatives	Full	Sustainability Framework p18 Our Stakeholders, Materiality and Engagement p18
<b>102-13</b>	Membership of associations	Yes	Our Stakeholders, Materiality and Engagement P21
<b>2</b>	<b>STRATEGY</b>		
<b>102-14</b>	Statement from senior decision maker of the organisation	Full	Chairman's Statement p4
<b>102-15</b>	Key impacts, risks and opportunities	Partial	Corporate Governance p22-30
<b>3</b>	<b>ETHICS AND INTEGRITY</b>		
<b>102-16</b>	Values, principles, standards, and norms of behaviour	Partial	Ethical Management p27
<b>102-17</b>	Mechanisms for advice and concerns about ethics	Partial	Whistleblowing p27 and Internal Controls p28
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
<b>4</b>	<b>GOVERNANCE</b>		
<b>102-18</b>	Governance structure	Full	Approach and Structure p23

Item #	Description-Disclosure Items	Status of Conformance (Full / Partial / No with explanation)	Report Location / Explanation
<b>5</b>	<b>STAKEHOLDER ENGAGEMENT</b>		
<b>102-40</b>	List of stakeholder groups	Full	Our Stakeholders, Materiality and Engagement p19
<b>102-41</b>	Collective bargaining agreements	Full	CLSA does not have any collective bargaining agreements in place.
<b>102-42</b>	Identifying and selecting stakeholders	Full	Our Stakeholders, Materiality and Engagement p18
<b>102-43</b>	Approach to stakeholder engagement	Full	Our Stakeholders, Materiality and Engagement p19
<b>102-44</b>	Key topics and concerns raised	Full	Our Stakeholders, Materiality and Engagement p19 and this Sustainability Report
<b>6</b>	<b>REPORTING PRACTICE</b>		
<b>102-45</b>	Entities included in the consolidated financial statements	No	CLSA is a private company and does not publicly disclose its financial statements.
<b>102-46</b>	Defining report content and topic Boundaries	Full	About the Report p3
<b>102-47</b>	List of material topics	Partial	Addressed throughout the Report
<b>102-48</b>	Restatements of information	Full	This Report is CLSA's first Sustainability Report
<b>102-49</b>	Changes in reporting	Full	This Report is CLSA's first Sustainability Report
<b>102-50</b>	Reporting period	Full	About the Report p3
<b>102-51</b>	Date of most recent report	Full	This Report is CLSA's first Sustainability Report
<b>102-52</b>	Reporting cycle	Full	This Report is CLSA's first Sustainability Report
<b>102-53</b>	Contact point for questions regarding the report	Full	About the Report p3
<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	Full	About this Report p3 Sustainability Framework p18
<b>102-55</b>	GRI content index	Full	This Content Index
<b>102-56</b>	External assurance	No	This report has not been externally assured
<b>GRI 200: GOVERNANCE</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
<b>103-1</b>	Explanation of the material topic and its boundary	Partial	Sustainability Framework p18 Corporate Governance p22-30
<b>103-2</b>	The management approach and its components	Partial	Sustainability Framework p18 Corporate Governance p22-30
<b>103-3</b>	Evaluation of the management approach	Partial	Sustainability Framework p18 Corporate Governance p22-30
<b>GRI 205: ANTI CORRUPTION 2016</b>			
<b>205-1</b>	Operations assessed for risks related to corruption	Full	Anti-bribery and Corruption p28

Item #	Description-Disclosure Items	Status of Conformance (Full / Partial / No with explanation)	Report Location / Explanation
205-2	Communication and training about anti-corruption policies and procedures	Partial	Anti-bribery and Corruption p28
205-3	Confirmed incidents of corruption and actions taken	Full	Anti-bribery and Corruption p28
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Full	Anti-bribery and Corruption / Conflicts of Interest p28
<b>GRI 415: PUBLIC POLICY 2016</b>			
415-1	Political Contributions	Full	Internal Controls p28
<b>GRI 418: CUSTOMER PRIVACY 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Full	Internal Controls p28
<b>GRI 419: SOCIOECONOMIC COMPLIANCE 2016</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	Full	Internal Controls p28
<b>GRI 300: ENVIRONMENT</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-1	Explanation of material topic and its boundary	Partial	Environmental Management Approach p44
103-2	The management approach and its components	Partial	Environmental Management Approach p44
103-3	Evaluation of the management approach	Partial	Environmental Management Approach p44
<b>GRI 302: ENERGY 2016</b>			
302-1	Energy consumption within the organisation	Full	Environmental metrics p44-46
<b>GRI 303: WATER AND EFFLUENTS 2018</b>			
303-1	Interactions with water as a shared resource	Partial	CLSA consumes water from municipal systems for use in its offices.  Clean Resources Asia Growth Fund p41 CLSA integrates water risk assessment into its investment process.
303-2	Management of water discharge-related impacts	Partial	Greywater from CLSA's offices is discharged to municipal systems.  Clean Resources Asia Growth Fund p41 CLSA integrates water risk assessment into its investment process.
303-3	Water withdrawal	Full	CLSA consumes water from municipal systems for use in its offices.
303-4	Water discharge	Full	Greywater from CLSA's offices is discharged to municipal systems.

Item #	Description-Disclosure Items	Status of Conformance (Full / Partial / No with explanation)	Report Location / Explanation
303-5	Water consumption	Partial	CLSA consumes water from municipal systems for use in its offices. Data unavailable.
<b>GRI 304: BIODIVERSITY 2016</b>			
304-2	Significant impacts of activities, products, and services on biodiversity	Partial	Investing Responsibly p31-38  CLSA integrates assessment of potential impacts on biodiversity into its investment process.
<b>GRI 305: EMISSIONS 2016</b>			
305-1	Direct (Scope 1) GHG emissions	Full	Environmental Metrics p46
305-2	Energy indirect (Scope 2) GHG emissions	Full	Environmental Metrics p46
<b>GRI 306: WASTE 2018</b>			
306-1	Waste generation and significant waste-related impacts	Partial	Environmental Management Approach p44
306-2	Management of significant waste-related impacts	Partial	Environmental Management Approach p44
306-3	Waste generated	Partial	Environmental Management Approach p44
306-4	Waste diverted from disposal	Partial	Environmental Management Approach p44
306-5	Waste directed to disposal	Partial	Environmental Management Approach p44
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>			
307-1	Non-compliance with environmental laws and regulations	Full	Environmental Management Approach p44
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>			
308-1	New suppliers that were screened using environmental criteria	Full	Supplier Management p29
<b>GRI 400: SOCIAL</b>			
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-1	Explanation of material topic and its boundary	Partial	Our People p39-42
103-2	The management approach and its components	Partial	Our People p39-42
103-3	Evaluation of the management approach	Partial	Our People p39-42
<b>GRI 401: EMPLOYMENT 2016</b>			
401-3	Parental leave	Partial	Health, Safety and Wellbeing p40
<b>GRI 403: OCCUPATIONAL HEALTH &amp; SAFETY 2018</b>			
403-1	Occupational health and safety management system	Partial	Health, Safety and Wellbeing p40

Item #	Description-Disclosure Items	Status of Conformance (Full / Partial / No with explanation)	Report Location / Explanation
403-2	Hazard identification, risk assessment, and incident investigation	Partial	Health, Safety and Wellbeing p40 Investing Responsibly p31-38  CLSA integrates assessment of potential hazards and risks into its investment process.
403-3	Occupational health services	Partial	Health, Safety and Wellbeing p40
403-4	Worker participation, consultation, and communication on occupational health and safety	Partial	Health, Safety and Wellbeing p40
403-5	Worker training on occupational health and safety	Partial	Health, Safety and Wellbeing p40
403-6	Promotion of worker health	Partial	Health, Safety and Wellbeing p40
403-8	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Partial	Health, Safety and Wellbeing p40
403-8	Workers covered by an occupational health and safety management system	Partial	Health, Safety and Wellbeing p40
403-9	Work-related injuries	Partial	There were no work related fatalities in 2020. Data on work-related injuries are not available.
<b>GRI 404: TRAINING &amp; EDUCATION 2016</b>			
404-1	Average hours of training per year per employee	No	Data are unavailable.
404-3	Percentage of employees receiving regular performance and career development reviews	Partial	Learning and Development p39
<b>GRI 405: DIVERSITY &amp; EQUAL OPPORTUNITY 2016</b>			
405-1	Diversity of governance bodies and employees	Partial	Our People: Overview p39
<b>GRI 408: CHILD LABOUR 2016</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour	Partial	Corporate Governance Training p29 Supplier Management p29 Investing Responsibly p31-38  CLSA integrates assessment of potential risks into its investment and supplier selection processes.

Item #	Description-Disclosure Items	Status of Conformance (Full / Partial / No with explanation)	Report Location / Explanation
<b>GRI 409: FORCED OR COMPULSORY LABOUR 2016</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Partial	Corporate Governance Training p29 Supplier Management p29 Investing Responsibly p31-38  CLSA integrates assessment of potential risks into its investment and supplier selection processes.
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>			
412-1	Operations that have been subject to human rights reviews or impact assessments	Partial	Corporate Governance Training p29 Supplier Management p29 Investing Responsibly p31-38 CITIC Securities One-Belt-One-Road (CSOBOR) Fund p37  CLSA integrates assessment of human rights risk into its investment and supplier selection processes.
412-2	Employee training on human rights policies or procedures	Partial	Corporate Governance Training p29
<b>GRI 413: LOCAL COMMUNITIES 2016</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	Full	Investing Responsibly p31-38 Our Community p48-63
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>			
414-1	New suppliers that were screened using social criteria	Full	Supplier Management p29 Investing Responsibly p31-38