



CITIC Securities International Sustainability Report 2022

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ABOUT THIS SUSTAINABILITY REPORT

CITIC Securities International (the “**Company**” or “**CSI**”), and its subsidiaries (collectively, the “**CSI Group**”, “**we**” or “**our**”) is pleased to publish its Sustainability Report (the “**Report**”) for the year ended 31 December 2022. This Report outlines the CSI Group’s commitment, approach and achievements in four key areas: the environment, the employees, the value chain and the community.

This Report has been reviewed and approved by the CSI Group’s board (the “**CSI Board**”) of directors (the “**Directors**”), including the material topics and the ESG performances.

Reporting Approach

Reporting Period

This Report provides an overview of the CSI Group’s Environmental, Social and Governance (“**ESG**”) performance during the reporting period of 1 January 2022 to 31 December 2022.

Reporting Scope

The scope of this Report includes all areas of the CSI Group’s business operations that have ESG significance to the CSI and its stakeholders, which covers the CSI Group’s operation in Hong Kong, Mainland China, Australia, India, Indonesia, Japan, Malaysia, Netherlands, Philippines, Singapore, South Korea, Thailand, United Kingdom, and the United States.

Reporting Standards

This Report has been prepared in accordance with the Global Reporting Initiative (“**GRI**”) Standards, and with reference to the standards for Investment Banking and Brokerage set by the Sustainability Accounting Standards Boards (“**SASB**”) and the recommendations from the Task Force on Climate-Related Financial Disclosures (“**TCFD**”).

ABOUT THIS SUSTAINABILITY REPORT

Reporting Principles

This Report have adopted the fundamental reporting principles of the GRI Standards, including:

Accuracy

Qualitative information in the Report has been reported in consistent with the available evidence. Information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

Balance

The CSI Group's performance during the reporting period has been presented in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers' decisions or judgements. Performance data is reported in a way that allows information users to see negative and positive year-on-year trends in impacts.

Clarity

Information presented in the Report is accessible and understandable, and reported in a concise way without omitting necessary details. A content index has been prepared for easy navigation of information.

Comparability

Consistent statistical methodologies and presentation of data have been used to allow meaningful comparisons of related data over time.

Completeness

Activities, events and impacts for the reporting period have been presented without omitting information that is necessary for understanding the CSI Group's impacts.

Timeliness

Consistency has been maintained for the lengths of reported information. Time period covered by the Report has been indicated clearly.

Sustainability Context

Information about the CSI Group's impacts has been reported in relation to sustainable development goals and conditions.

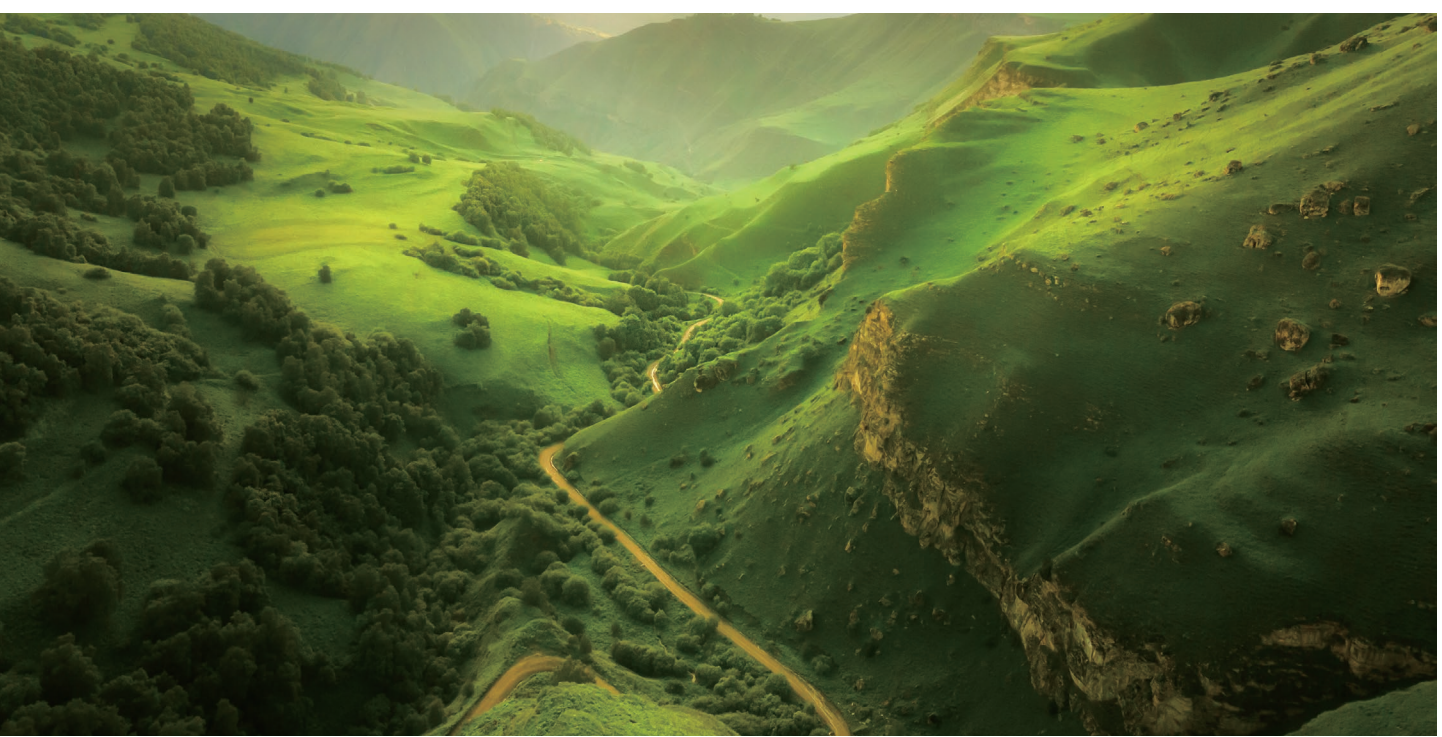
Verifiability

Decision-making processes underlying the Report has been documented to allow examination of the key decisions and processes. Internal controls have been set up and documentation has been organised to facilitate verification processes.

Information and Feedback

The CSI Group welcomes feedback on its Report and other sustainability-related matters. Please give your suggestions or share your views with us at: communications@CLSA.com.

CHAIRMAN'S MESSAGE TO STAKEHOLDERS



Dear Stakeholders,

As the world returns to normalcy from the pandemic, both markets and enterprises have been reshaped, leading to a re-evaluation of business sustainability approaches. More investors, especially institutional investors, have recognized the importance of responsible investment and have integrated environmental, social and governance factors with their investment process. Policymakers have become significantly cautious and have launched a wide variety of ESG regulations across various nations. With the growing emphasis on climate change and the transition to a low-carbon economy, forward thinking enterprises have already initiated the measures of identifying climate change related risks and opportunities to tackle the problem in advance and to benefit their business in long run.

As an international leading financial institution, CSI actively undertakes its corporate and social responsibilities in the aspects of sustainable finance, environmental-friendly operations, employees' development, and social harmony by integrating ESG philosophy into our daily business and operation processes.

CHAIRMAN'S MESSAGE TO STAKEHOLDERS

Aiming to be an active practitioner of responsible investment and green finance, CSI continuously promotes the responsible investment strategies and deeply involves in the development of innovative ESG products. In 2022, our investment banking team underwrote 49 overseas green and ESG bonds, with over USD 18.15 billion raised in total. Additionally, the team assisted 5 new energy companies in issuing GDRs, raised a total of USD 3.35 billion. CSI has also achieved great results in the innovation of ESG-themed products. Our investment banking team led the successful issuance of the first US\$400 million biodiversity-themed green bond in Europe, which was also the world's first USD-denominated biodiversity-themed green bond.

Underwrote 49 overseas
green and ESG bonds,
with over

USD 18.15 billion
raised in total

In addition, for CSI's alternative investment management business, we have remained committed to implementing ESG risks and opportunities evaluation in our investment decision making process. Our well-designed ESG-themed funds, such as CSI's *Clean Resources Focused Fund*, have showcased our capability of achieving the best interests of investors, society and the environment, at the same time taking ESG issues into full consideration. CSI's flagship *China-market USD Private Equity Fund* invested in a leading provider of cutting-edge storage solutions and battery management systems, which has been awarded the 'Venture 50 in Carbon Neutrality' by PE Daily and Zero2IPO in 2022. Our outstanding performance in sustainable investment has once again been recognized by the capital market.

Sustain Asia, CSI's renowned research brand, remains dedicated to providing sustainability insights for institutional clients, for them to incorporate ESG factors into their investment decisions. In 2022, our research department published an in-depth report on gig-worker welfare in Asia, analysing and comparing the welfare provided to temporary workers by relevant companies in the region. The report was highly acknowledged by stewardship-focused investors who used it to engage with their interested companies, by which way the research has brought tangible impact to the society. In January 2022, CSI launched a live online research platform to provide daily ESG news and sustainability research in Asia region, making us the first investment bank to have our own dedicated ESG research platform.

CHAIRMAN'S MESSAGE TO STAKEHOLDERS

759 employees from
our global offices
volunteered over

1,000 hours

CSI strives to be an excellent corporate citizen, and actively carries out all kinds of social welfare activities to make meaningful impact on the communities we serve. In 2022, 759 employees from our global offices volunteered over 1,000 hours through CSI's *Community Outreach*, a social welfare improving program focusing on education improvement, diversity and inclusion, poverty alleviation and environmental sustainability. Through our over 30 *Community Outreach* activities across global offices in 2022, CSI's employees contribute their own time and skills to worthwhile local causes, including caring elderly from low-income families via food donation and caring hotline, inspiring local students on their career planning, recycling daily waste materials, and protecting the environment by tree planting and clean-up shorelines etc.

To better implement CITIC Securities' global philanthropy strategy, the prior *CLSA Chairman's Trust* changed its name to *CITIC CLSA Trust* in February 2022. The Trust made a charitable donation of over HK\$500,000 to Po Leung Kuk ("PLK"), one of the largest charitable organizations in Hong Kong, to joint launch the new "CITIC CLSA Trust × PLK Hotmeal Program for the Elderly", which is set to benefit over 40,000 people in total in 2023.

Stepping into 2023, CSI will continue to not only integrate our ESG philosophy into our various levels of business operation, but also leverage the role of financial intermediary to support our clients and society in transitioning to a low carbon economy. While undoubtedly facing challenges in the ever-changing business landscape, CSI will stick to our path of creating lasting value and a better future of our society.

Yours sincerely,

Chunbo LI
Chairman of CITIC Securities International



SECTION 1

ABOUT CSI

- Business Overview
- Awards and Recognition
- 2022 Sustainability Highlights

ABOUT CSI

Business Overview

Established in Hong Kong in 1986, CLSA Limited (“**CLSA**”) is Asia’s leading investment and capital markets group. CSI acquired CLSA in 2013 and, in 2017, CLSA integrated its business with CSI under the CLSA brand. Following recent adjustments to our corporate structure, the CSI brand now more accurately represents the business scope in this report as the holding company of CLSA B.V..

CSI connects global institutional investors, corporations, governments and high-net worth individuals to insights, liquidity, and capital directly and indirectly through CLSA to drive their investment strategies. CSI has built an extensive network over three decades, including under the CLSA brand name, with deep local knowledge and connections across 13 countries and 15 markets in Asia. Globally, CSI serves clients from Asia, Australia, Europe and the United States.

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

CSI’s key areas of business are:

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

Awards and Recognition

At CSI, we strive for excellence in everything we do. Our overarching objective is to provide industry-leading insight, differentiated execution and access to capital that empowers and enables our clients’ investment decisions. We’re incredibly proud of our team’s hard work and dedication, which have consistently earned recognition from prestigious industry awards and honors.

Our relentless focus on incorporating ESG considerations into our business practices has garnered acclaim, as proven by the accolades we received in 2022. The table below provides a snapshot of the ESG-related awards we were honored with during the Reporting Period. For a comprehensive list, please visit our website.

Issued by	Awards
The Asset 2022 Triple A Country Awards for Sustainable Finance	<p>BEST SUSTAINABILITY/GREEN BOND</p> <p>CITIC CLSA as the bookrunners and lead managers of:</p> <ul style="list-style-type: none"> Bank of China – US\$400 million fixed rate sustainability bond/US\$300 million two-year fixed rate green bond/US\$300 million three-year fixed rate green bond <p>Best Deals in SEA</p> <p>CITIC CLSA as the international bookrunners of:</p> <ul style="list-style-type: none"> Best IPO: Citicore Energy REIT Corporation – 6.40 billion pesos IPO <p>CITIC CLSA as the lead arrangers of:</p> <ul style="list-style-type: none"> Most Innovative Deal: ACEN Corporation – 17.4 billion pesos energy transition mechanism for South Luzon Thermal Energy Corporation
The Asset Triple A Sustainable Capital Markets Awards 2022	<p>CITIC CLSA as the bookrunner of:</p> <ul style="list-style-type: none"> Best Green Bond – Renewable Energy: China Merchants Bank (Sydney) US\$400 million renewable energy-themed green notes <p>CITIC CLSA as the bookrunner and lead manager of:</p> <ul style="list-style-type: none"> Best Green Bond – Carbon Neutrality: Industrial and Commercial Bank of China US\$2.68 billion equivalent multi-branch, multi-currency carbon neutrality-themed green bond Best Green Bond – Transmission: State Grid International Development Company US\$350 million senior unsecured green bond
Asiamoney Brokers Poll 2022	<ul style="list-style-type: none"> No.1 Best brokerages for ESG research – Indonesia No.3 Best brokerages for ESG research – Malaysia

ABOUT CSI

2022 Sustainability Highlights

Economic Performance



Revenue
US\$1,414.35
million

Net Profit
US\$125.23
million

US\$924.53 (2021) **vs** **US\$1,414.35** million (2022)

↑ 53%

ESG Solutions and Services



Committed in sustainable investment



Underwrote **49** overseas green and ESG bonds,
with over **USD 18.15** billion raised in total



Assisted **5** new energy companies in issuing GDRs,
raised a total of **USD 3.35 billion**



Differentiated ESG research products increased
from **150** in 2021 to **290** in 2022



Launched ESG website to become the first investment
bank with own dedicated ESG research platform

Environment

Certified to

ISO 14001 Environmental
Management System



People



Total number
of employees

2,130
persons

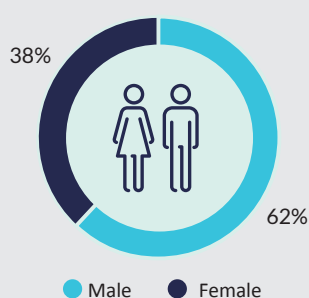
Total training
hours

32,043
hours

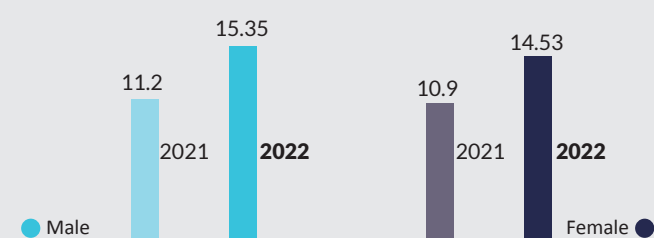
Average training
hours per employee

15.04
hours

Gender distribution



Average training hours by gender



Community



Total volunteer
hours

more
than **1,000**
hours

Total number of
employees volunteered

more
than **750**
employees

Total Community
Outreach activities
participated

31

Donated
HK\$500,000
to local charitable
organization

SECTION 2

OUR SUSTAINABILITY APPROACH

- Sustainability Commitment
- Materiality Assessment
- Stakeholder Engagement



Sustainability Commitment

Our primary objective is to operate a successful and sustainable business that generates long-term value for all shareholders while growing responsibly. As our business expands into global markets under CITIC Securities, we remain committed to integrating sustainability into our investment processes and operations and communicating transparently on our performance across various ESG-related topics. For further information on our board governance, please refer to the “*Corporate Governance*” section of this report.

Our Board of Directors, are ultimately responsible for managing our ESG risks and opportunities within our overall sustainability framework. The implementation of this framework is delegated to CSI’s senior management, who work to ensure that sustainability is integrated into all aspects of our business strategy and decision-making.

Materiality Assessment

The materiality assessment process is crucial to the decision-making process of the CSI Group and its sustainability reporting. It helps identify and prioritise the issues that matter most to its stakeholders. The CSI Group has revised its materiality assessment process this year based on the updated GRI Standards, incorporating considerations on the CSI Group’s context, actual and potential impacts and the significance of the identified impacts.

Materiality Assessment Process

1

Understanding the CSI Group's context

The Group's context was understood based on internal assessment, the Materiality Finder of Sustainability Accounting Standards Board Standards, and advice from external professionals

2

Identifying actual and potential impacts

Topics with high relevance to the Group's actual and potential impacts were identified and considered

3

Assessing the significance of the impacts

The Group's impacts have been assessed. Topics relevant to significant impacts of the Group have been determined as material topics

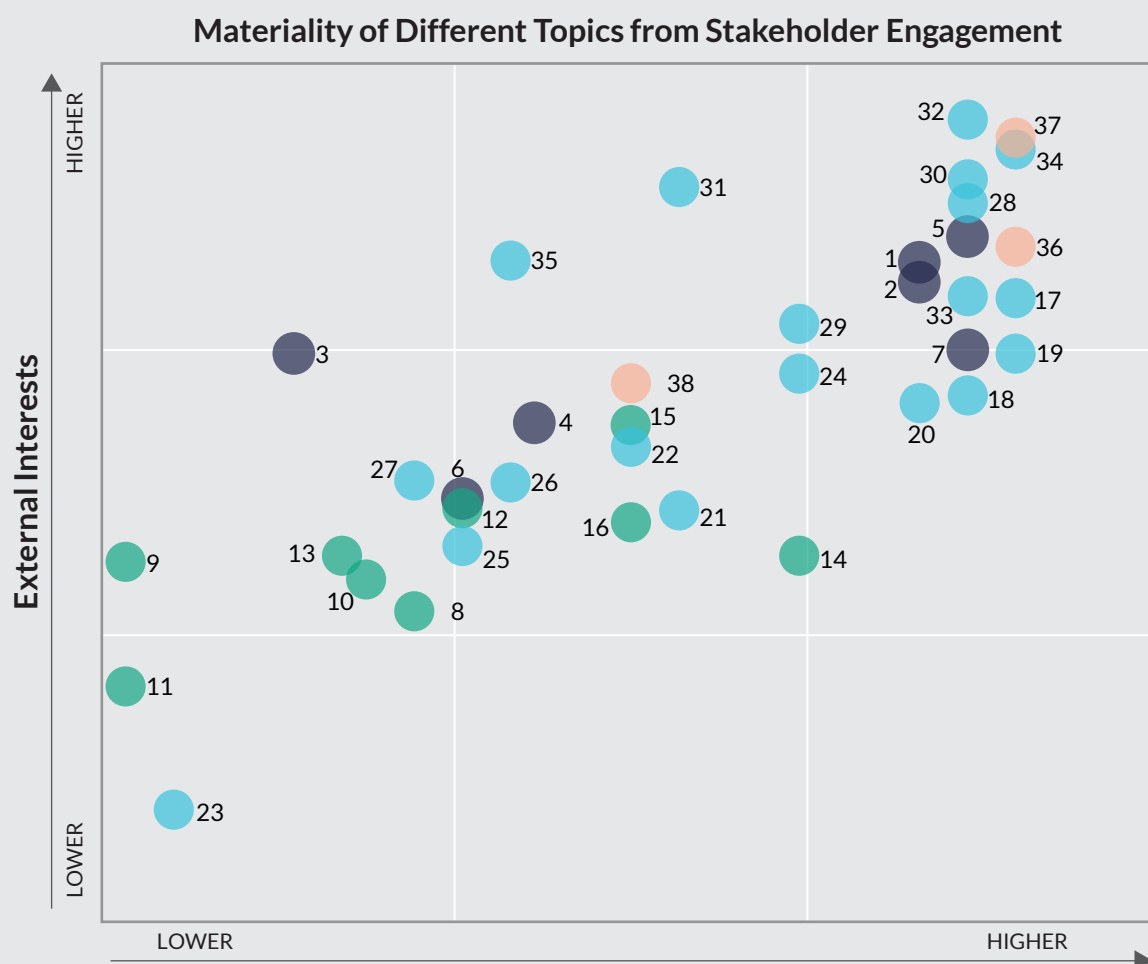
4

Validating the material topics

The Board and senior management have reviewed the materiality matrix and impact assessment results, and validated the scope, topic boundaries and completeness of the material topics

To prepare this Report, we commissioned an external consultant to determine our material topics. Both internal and external stakeholders, including the CSI Group's Board of Directors, senior management, frontline and general staff, suppliers and contractors, clients, business partners and public were engaged to provide insights on ESG material topics and challenges of the CSI Group's operation. In the materiality assessment, stakeholders were invited to rate a list of 38 topics in terms of their relevance and importance to the CSI Group's business development and sustainability, as well as to the wider community. The 38 topics in the list are shown below.

Materiality Matrix



Internal Assessment on Importance to Business

A Economic and Corporate Governance

- 1 Economic Performance
- 2 Market Presence
- 3 Indirect Economic Impacts
- 4 Procurement Practices
- 5 Anti-corruption
- 6 Anti-competitive Behavior
- 7 Tax

B Environmental

- 8 Material Consumption
- 9 Energy Management
- 10 Water and Effluents Management
- 11 Biodiversity
- 12 Emissions
- 13 Waste Management

- 14 Environmental Compliance and Policies
- 15 Supplier Environmental Assessment
- 16 Climate Change Responses

C Social

- 17 Employment
- 18 Labor/Management Relations
- 19 Occupational Health and Safety
- 20 Training and Education
- 21 Diversity and Equal Opportunity
- 22 Non-discrimination
- 23 Freedom of Association and Collective Bargaining
- 24 Labor Standards
- 25 Human Rights Assessment
- 26 Community Engagement

- 27 Supplier Social Assessment
- 28 Customer Health and Safety
- 29 Marketing and Labelling
- 30 Customer Satisfaction and Responsibility
- 31 Customer Privacy and Interest Protection
- 32 Information Security
- 33 Intellectual Property Rights
- 34 Product Quality
- 35 Socioeconomic Compliance

D Others

- 36 Risk Management
- 37 Professional Integrity
- 38 Incorporation of ESG factors in Investment Banking and Brokerage Activities

OUR SUSTAINABILITY APPROACH

The matrix shows that a total of 11 topics were considered important to the CSI Group's stakeholders and the CSI Group's business development. 11 topics include economic performance, market presence, anti-corruption, employment, customer health and safety, customer satisfaction and responsibility, information security, intellectual property rights, product quality, risk management, and professional integrity.

Assessment of Impacts

Apart from engaging the CSI Group's stakeholders, the CSI Board and the management of the CSI Group (the "**Management**") have assessed the actual and potential impacts that the CSI Group's operation could bring based on the external professional's advice and the Materiality Finder of SASB Standards. The significance of the impacts was also assessed.

Taking into consideration the Board's comments, a total of 10 additional topics were identified to be material based on the relevance to the CSI Group's impacts. The topics are energy management, emissions, waste management, environmental compliance and policies, climate change responses, training and education, diversity and equal opportunity, community engagement, and incorporation of ESG factors in investment banking and brokerage activities.

Stakeholder Engagement

We strive to engage with all stakeholders in a responsible and sustained manner. Our main stakeholder groups, how we regularly engage with them and key areas of focus are outlined below. The scope and content of our sustainability reporting is informed by the issues that are material to our stakeholders, as raised during the course of our ongoing communication.

Stakeholders	Engagement Methods
Clients	<ul style="list-style-type: none"> • Face-to-face meetings • Online servicing • Interim and annual reports • Surveys • Seminars and conferences
Employees	<ul style="list-style-type: none"> • Team meetings • Appraisals • Intranet • Trainings and workshops • emails
Regulators	<ul style="list-style-type: none"> • Regular open dialogue • senior management meetings
Suppliers	<ul style="list-style-type: none"> • Assessments • Contract negotiations • Review meetings
Community and non-profit organizations ("NGOs")	<ul style="list-style-type: none"> • Directly through activities to provide voluntary support and funding • Daily interactions
Media	<ul style="list-style-type: none"> • Daily interactions • Media releases • Media events such as roundtables and briefings

OUR SUSTAINABILITY APPROACH

We interact with our stakeholders through different channels. Daily engagement with clients is conducted by front-line employees through phone calls, emails, messaging platforms, in-person meetings, and 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. Employee engagement includes annual staff performance management reviews.

We also engage with media on a daily basis both proactively and reactively, receive and respond to a number of media inquiries regarding our business and market research, and cultivate an open dialogue with market regulators to ensure that they are kept updated as to the changing nature of our operations.

SECTION 3

CORPORATE GOVERNANCE

- Sustainability Governance
- Risk Management
- Business Ethics
- Anti-bribery and Corruption

Sustainability Governance

The CSI Board is responsible for overseeing the management of ESG risks and strategies across the organization. The CSI Board sets strategic ESG goals to ensure that all employees work towards a common objective and allocates resources to improve the CSI Group's overall ESG performance. The integration of ESG risk and opportunity management into CSI's operations is a key priority for the company. Senior management is responsible for implementing and reviewing the ESG strategies established by the CSI Board and for improving CSI's ESG performance. They closely monitor our ESG performance and take corrective action when necessary, ensuring that we are meeting our ESG goals and continuously improving our performance. In addition, senior management is responsible for ensuring that ESG considerations are embedded into our decision-making processes, identifying emerging ESG risks and opportunities, and keeping our stakeholders informed of our progress towards our ESG goals.

Details of the management of climate risks are described in the "*Environment*" section of this Report.

Board Structure

The CSI Board has overall responsibility for overseeing the CSI Group's activities. The CSI Board sets our overall strategic direction and provides leadership to the CSI Group to deliver value for clients and other stakeholders. CSI Board also supervises and manages the activities of the CSI Group, in conjunction with the senior management and other relevant corporate bodies who are in charge of the setting and implementation of the strategies approved by the Board and the day-to-day running of the business. The chairman of the CSI Board oversees operations of the whole CSI Group. He is also an executive director of the CSI Group. The CSI Group has a robust system in place for nomination and selection of board members. The criteria and process for appointing directors and managing directors of the CSI Group are outlined in Articles of Association of CITIC Securities International Company Limited.

CORPORATE GOVERNANCE

The table below presents the composition of the CSI Board.

Director	Gender	Roles	Other significant positions held
Chunbo LI	M	Chairman of the CSI Board and Executive Director	Member of Coordination Committee, Audit Committee, Group Disciplinary Committee
Benliang SHI	M	Executive Director	Chief Financial Officer of CITIC Securities
Jianqiang XU	M	Executive Director	CEO of Wealth Management; Head of Equity Derivatives& Prime Brokerage; Head of Asset Management; member of Risk Management Committee, Anti-Bribery and Corruption Committee, Best Execution Committee
Yang YU	M	Executive Director	Head of Investment Banking Department; Member of Anti-Bribery and Corruption Committee, Capital Commitment Committee, Business Commitment Committee, Quality Control Committee
Edward PARK	M	Executive Director	Chief Executive Officer of Institutional Equities; Member of coordination Committee, Risk Management Committee, Anti-Bribery and Corruption Committee, Institutional Equities Executive Committee

The CSI Board meets on a quarterly basis and minutes of the meetings are taken and circulated by the Secretary. The primary responsibility of the CSI Board is to promote the long-term sustainable growth and success of the CSI Group. In doing so, the CSI Board is committed to optimize the interests of the CSI Group while upholding the highest standards of integrity, ethics and social responsibility. To effectively manage the CSI Group, the CSI Board may delegate authority to the various committees and senior management of other relevant entities. Furthermore, the CSI Board regularly evaluates the overall leadership structure of CSI, particularly at the senior management level, to ensure alignment with our business practices, personnel, and policies. Additionally, the CSI Board conducts a regular self-assessment of its performance, the outcome of which will be discussed in Board meetings, generating annual self-appraisals by Board members. The latest assessment was done in 2021 via the CLSA B.V. Board, with the findings and conclusions duly taken into consideration in fine-tuning and upgrading the corporate governance framework and practices of the CSI Group.

To avoid conflict of interest, the CSI Board discuss and resolve all significant matters in compliance with common law principles to maintain transparency and prevent any potential conflicts from compromising the interests of the CSI Group. Article 16 of CSI has outlined the guidelines addressing conflicts of interest.

CSI's regulated business lines are operated through various licensed entities within the CSI Group, with each local Board appointed and/or controlled by the CSI Board. These local Boards are responsible for overseeing the businesses and operations of their respective licensed entity and ensuring compliance with applicable legal and regulatory requirements. They are also subject to examination and inspection by the SFC or other local regulatory authorities. The CSI Board, in conjunction with senior management of CLSA and other relevant entities, supervises and manages the activities of the CSI Group, setting and implementing approved strategies and overseeing day-to-day operations. Additionally, certain businesses may establish committees, such as the Business Commitment Committee, Capital Commitment Committee, and Quality Control Committee, to manage Investment Banking operations conducted across various jurisdictions.

Remuneration

CSI's remuneration policies for Directors and senior executives adopts a total compensation philosophy which recognizes individual and team contributions and quality performance. The remuneration package includes base salary, housing rental reimbursement if applicable, discretionary bonuses, and other allowances and benefits. Discretionary bonuses are given based on a performance-driven basis, linking their remuneration to the organization's overall success and impact management efforts.

Due Diligence

The CSI Board and senior management are committed to avoiding or minimizing adverse effects on the economy, environment, and people, including potential impacts on human rights, to the greatest extent possible. We adhere strictly to the Code of Conduct, which guides our business practices in compliance with all relevant laws, regulations, and ethical standards.

When potential negative impacts are identified, the Group will develop corresponding prevention or mitigation measures. In cases where the Group's operations have resulted in actual negative consequences, the Group will spare no effort to remediate the impacts. The Report provides detailed information on the Group's impacts on the economy, people, and the environment, as well as the corresponding measures for their prevention or mitigation, which are outlined in the sections titled *"Value Chain"*, *"Our People"* and *"Our Environmental Performance"*.

Risk Management

Effectively managing the risks inherent in our business is crucial to CSI's overall success. We prioritize comprehensive risk management processes as part of our commitment to sound governance and board oversight. Following our mother organization, CITIC Securities, we have implemented robust mechanisms and internal controls to monitor, evaluate, and manage various risks associated with its financial, operational, compliance, legal, and ESG activities. Through business guidance, operational support, and decision-making management, the CSI Group implements vertical risk management across its subsidiaries.

At CSI, an overarching risk management system is in place, featuring collective decision by the Risk Management Committee under the Board, the professional committees under the Operation Management, and close cooperation among internal control departments and business departments/business lines, and managing the risks through review, decision, execution and supervision.

CORPORATE GOVERNANCE

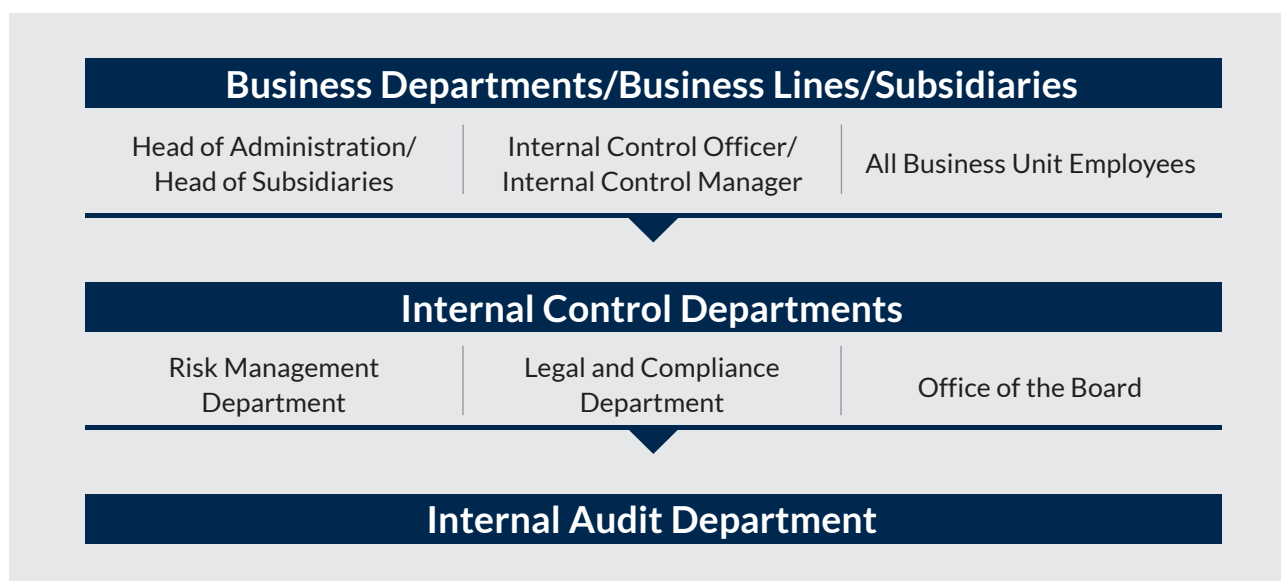
Our “three lines of defense” model ensures that staff and management have absolute clarity on their roles regarding the identification, management and monitoring of risks. Responsibilities of staff vary depending on their line of defense, as outlined below.

First Line: Front Office supervised by heads of business, business line COOs and responsible officers. As the ultimate owners of risk within the organization, 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.

Three lines of defense model



In 2022, the company focused on developing and revising multiple risk management systems, enhancing the level of standardized management. The integration of risk appetite indicators in business operations played a significant role, with the overall risk appetite indicators aligning with the company’s satisfactory levels, without exceeding tolerance and major risk limits. Concentration risk management and risk early warning mechanisms received particular attention, leading to the establishment of systems and events tracking related to country risk management. As a result, the company’s capabilities to prevent and respond to risks have been consistently strengthened.

Our Risk Management Framework

CSI’s Risk Management department is an integral component of our corporate governance framework tasked with identifying, supervising, managing, and regulating several types of risks, including Market Risk, Credit Risk, Operational Risk, Enterprise Risk, and Technology Risk, as specified below. The head of each

risk management team are accountable for monitoring the risk and reporting to the Chief Risk Officer. Additionally, regional Risk Officers cover different time zones and address various risks in CSI's global offices, following our risk management framework.

Type of risks	Management
Operational Risk	Assesses the impact to CSI'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 Legal and Regulatory Risk, Business Process Risk, Financial Crime Risk, People Risk, Change Risk, and Governance Risk.
Credit Risk	Assesses the impact on CSI's bottom line due to a failure of a client or counterparty to pay what is owed to CSI. Credit Risk team is responsible for performing credit analysis over counterparties, assigning internal ratings, setting credit terms, establishing credit limits, monitoring credit exposure and performing periodic limit reviews.
Market Risk	Assesses the impact on CSI'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 exposure.
Enterprise Risk	Assesses the impact on CSI'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.
Technology Risk	Assesses the impact on CSI'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, following up on mitigation measures for data leakage or system failure, monitoring control reports and issue escalation.

Managing Systemic Risk

Understanding how managing systemic risk is crucial to our business, we take a proactive approach to manage and mitigate systemic risk by implementing various strategies and practices. One of the key approaches is diversification. We diversify our strategy by operating in a wide range of business models and business lines with integrated management and coordinated synergy. Additionally, we diversify our investments across different asset classes, industries, and geographical locations to reduce the impact of a downturn in any one area. We also have proper concentration limits in place to mitigate counterparty credit risk and legal entity diversification with proper segregation between different regulated entities to avoid contagion risk.

CORPORATE GOVERNANCE

In addition to diversification, we have sound practices in risk management and conduct regular prudent risk assessments. This helps us to identify, monitor, and manage various types of risks, including credit risk, market risk, operational risk, and liquidity risk. We also conduct stress tests to evaluate our group's capital and liquidity to withstand extreme market conditions, which helps us to identify potential weaknesses and take corrective actions. Furthermore, we have developed business continuity plans and liquidity contingency plans that outline the steps to be taken in the event of a major market disruption or other crisis situation. Overall, these approaches help us to manage and mitigate systemic risk and maintain the stability and resilience of our business.

Risk in Incentive Compensation Plans

As a financial service provider, we recognize the employee compensation plans may incentivize employees to focus on short-term entity performance, causing behaviors or activities that may lead to unintended consequences. It may harm our business and shareholders and damage our reputation. To address this risk, we have implemented clawback provisions for discretionary bonus payments as a mitigation measure. Additionally, we have established consequence management procedures that adjust the performance ratings of employees who engage in disciplinary actions or misconduct that result in non-compliance with company rules and regulations during the performance appraisal process. As a result of the adjusted performance ratings, we may discount or downward adjust the bonus allocation to such employees as a sanction. These measures help ensure that our incentive compensation plans are used to motivate positive performance, while also promoting ethical behavior and mitigating potential risks.

Business Ethics

At CSI, we uphold the highest standards for our employees and operations to ensure the sustainability of our business, our impact in the market, our responsibility to stakeholders, and our strong brand and reputation. This ethical management approach is fundamental to our philosophy across all aspects of our business, such as day-to-day management, compliance, and corporate governance.

Code of Conduct

The CSI Code of Conduct encompasses all aspects our business interactions with clients, including intellectual property, appropriate use of assets, electronic communications, human and labour rights policies and procedures, confidentiality of information, conflicts of interest, media policy and social media guidelines. Consistent and uniform application of this document empowers our employees to deliver exemplary service and value to our clients and to support their colleagues and the communities in which we operate.

The Code of Conduct outlines how our employees should approach ethical decision making and what the business expects in terms of honesty, integrity, professionalism, diversity, non-discrimination and equal opportunities. It covers all 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 also provides guidelines for health and safety, freedom of association, community involvement and outlines roles and responsibilities of managers and employees.

Violations of the CSI Code of Conduct are dealt with by CSI's Disciplinary Committee and treated with the utmost seriousness and confidentiality. CSI takes compliance and conduct risk breaches seriously. CSI's Legal and Compliance department has tracked employees engaged in misconduct and assigned "Conduct Risk Breaches" for those issues that fall within the scope of the Conduct Risk Policy. And the Conduct Risk Policy includes measures of conduct risk breaches, which also have implications 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

CSI fosters a culture of confidence in which employees feel empowered to immediately report any suspected wrongdoing with the knowledge that their concerns will be kept confidential, taken seriously and investigated swiftly and appropriately. To ensure this, we have a dedicated email address and telephone hotline for whistleblowing when unethical or illegal behavior within the CSI Group or about their clients is suspected. This system protects staff from retaliation when making a report in good faith.

Local laws and regulations in the jurisdictions in which we operate may also impose specific mandatory whistleblowing obligations on staff in relation to matters such as terrorist financing or money laundering. Where legal or regulatory requirements impose higher standards than the requirements of our Whistleblowing Policy, the legal and regulatory requirements prevail. As of 2022, there were 0 reported whistleblowing cases that required any action to be taken.

We have established grievance procedures as outlined in our Employee Handbook to address employee grievances, including those related to discrimination and harassment. We take all complaints seriously and respond immediately to investigate and resolve issues in accordance with our Grievance procedures. Employees may report complaints to their supervisor, Department Head, or the Human Resources Department in writing. HR team investigates complaints promptly, which may involve interviewing involved parties such as the supervisor, Department Head, and/or Human Resources Department. Upon completion of the investigation within a reasonable timeframe, we discuss the outcomes internally and may take appropriate action, such as disciplinary measures. We strive to conduct objective investigations based on the information provided and take necessary measures accordingly. In 2022, 0 grievance cases were reported to the CSI Group.

Internal Controls

CSI has embedded organization-wide internal controls to maintain a culture of ethical business practice and transparency. 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. Our Compliance and Internal Audit plays a vital role in ensuring regular checks on business practices and procedures are conducted. All employees must also declare outside interests and any directorships they hold on listed or non-listed companies, including not-for-profit organizations.

CORPORATE GOVERNANCE

CSI's Compliance and Internal Audit play a vital role in ensuring regular checks on business practices and procedures are conducted, including through internal controls designed to manage conflicts of interest that may arise as a result of CSI engaging in corporate finance, sales and trading and research activities. Controls include 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 our Chinese Wall policies and procedures. These measures are designed to ensure that interactions that may occur among CSI's research, corporate finance and sales and trading personnel, our financial product issuers and research analysts do not compromise the integrity and independence of CSI's research.

In 2022, the CSI Group did not have any cases of non-compliance with laws and/or regulations in the social, economic or environmental areas and no political donations, financial or in-kind, were made during this period.

Anti-bribery and Corruption

The CSI Group is committed to managing all businesses without undue influence and upholds the values of integrity and honesty. All employees, business partners and members of governance bodies are required to follow the internal Anti-Bribery and Corruption Policy and Gift and Entertainment Policy which outlined our approach to identifying and dealing with any suspected cases of bribery and corruption.

The Anti-Bribery and Corruption Committee is accountable for supervising issues concerning bribery and corruption. We conduct a bi-annual assessment of bribery and corruption risk. In 2022, the CSI Group conducted anti-bribery and corruption risk assessment among all operating country offices and business groups. No significant corruption risks were identified during the risk assessment.

We make it compulsory for all of our employees to undergo training on preventing bribery and corruption. Last year, in 2022, a total of 2,450 staff members received this training. Furthermore, we provided an extra hour of anti-bribery and corruption training from ICAC to 250 selected staff members working in various business areas including front, middle, and back offices. Additionally, we have incorporated anti-bribery and anti-money laundering clauses in our contracts, risk disclosures, and agreements with all external parties such as suppliers, agents, intermediaries, and customers to comply with all relevant laws.

In 2022, no confirmed incident of corruption nor any public legal cases regarding corruption brought against the CSI Group or our employees were reported. There were no instances where employees were terminated or disciplined for involvement in corrupt activities, and no contracts with business partners were terminated or not renewed due to violations related to corruption.



SECTION 4

EXCELLENCE IN INVESTMENT SERVICES

- Sustainable Finance
- ESG Insights
- ESG Investment
- Integrating Climate Risk in Investments

Sustainable Finance

The CSI Group has been a leader in the field of green and sustainability bonds. In 2022, we underwrote 49 overseas green and ESG bonds in debt financing. 38 of the bonds are denominated in USD, with a total value of USD 15.9 billion; 8 are in RMB, totaling RMB12 billion; 2 are in HKD, with a total value of HKD 4 billion; and 1 is in Euros, with a value of 500 million euros.

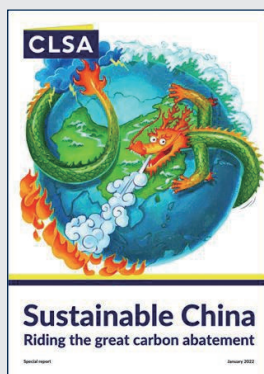
In addition, our investment banking has successfully assisted 5 new energy companies in listing on the London Stock Exchange and Swiss Stock Exchange through interconnection, issuing GDRs with raising a total of approximately USD 3.35 billion. We also participated in the JL Mag Rare-Earth Co Ltd USD 544 million HK IPO and Citicore Energy REIT Corporation 6.40 billion pesos IPO. As a responsible corporate, we fully support the development of sustainable finance and investment, utilizing our expertise to provide the best products and services to our clients.

ESG Insights

CSI's research team has established a strong reputation for offering global investors with unique insights into the companies, issues and themes driving global growth. Recognizing the growing importance of ESG in the market, we are one of the first investment bank research houses to incorporate ESG output as part of research analysts' performance evaluation, with two dedicated salespersons. Over the past two years, we have observed a notable increase in the production of unique ESG research reports and presentations, with the count rising from 150 in 2021 to 290 in 2022.

Our team provides a comprehensive range of sustainability research products that cover a wide spectrum of ESG factors. We have been at the forefront of researching material sustainability factors, including governance, environmental impact, and social issues, particularly in the Asian market. We remain committed to providing ESG research that addresses the diverse ESG investment requirements of our institutional clients. Our research products encompass various areas and cater to different needs. We offer thematic research, which delves into specific sustainability themes and trends. Our bottom-up stock-specific analysis provides in-depth insights into individual companies and their ESG practices. Furthermore, our analysts collaborate with experts in the environmental and energy sectors. Together, they organize webinars and produced reports covering a wide range of climate-related subjects, such as energy transition and carbon trading.

Our clients can access to our research products through our dedicated research portal. More than 100 research analysts have contributed to the portal, covering 18 key industry sectors across 14 markets and providing deep sector and company insights.



Comprehensive ESG research: driving sustainable change in China and Asia

Our ESG research has been widely acknowledged and respected within the industry. In 2022, we released the report “Sustainable China: Riding the great carbon abatement,” which provides a comprehensive analysis of China’s progress toward its net-zero target of 2060, taking into account diverse stakeholder perspectives. The report concludes by highlighting 20 long-term beneficiaries in Asia, emphasizing the potential positive impact.

In addition to being the most widely read research report among all of CLSA’s research in 2022, the report has also received commendations from clients who appreciate its timeliness and the comprehensive analysis it offers of China’s Net Zero pathway.

In 2022, we also published an in-depth report addressing gig-worker welfare in Asia. This report analyzes and compares the welfare provided to temporary workers by relevant companies in the region. The report has gained recognition among stewardship-focused investors to engage with companies, thereby accelerating positive changes in society.

This research has also helped Fidelity International to select Gig Worker Welfare as one of their core theme of Sustainable Investing in China.

ESG Scoring Data

Since 2001, CSI has developed its own proprietary ESG scoring framework for listed companies. Our analysts are required to provide their own judgment and commentary on approximately 35 ESG questions for each company they cover. Factors influencing the ESG score are reviewed in collaboration with ACGA. Our biennial CG Watch report, which assesses the state of corporate governance in Asia and the adherence to good practices by Asian listed companies, has become a benchmark in the industry.

Within our proprietary ESG scoring, we also incorporate sector-specific environmental questions. We actively seek analyst input to evaluate companies’ efforts in managing environmental risks and opportunities. Additionally, this process helps us identify key issues that warrant further engagement.

Live Online Research Platform

CSI is proud to be the first investment bank with a live online research platform dedicated to Asia ESG. This platform serves as a comprehensive resource for ESG news and research, providing a one-stop destination for investors seeking up-to-date information. It features an ESG score database categorized by sectors and markets, enabling investors to assign different weightings to ESG factors. Additionally, the platform offers daily news updates from Asia, as well as weekly analysts’ comments on management changes and ESG fund flow trends.

ESG Investment

CLSA Capital Partners

At CSI, we recognize the importance of responsible investment. Our alternative investment management businesses, CLSA Capital Partners (“**CLSA CP**”), is dedicated to thoroughly considering ESG issues in its portfolio company investments. CLSA CP voluntarily signed up for the United Nations’ Principles of Responsible Investing (“**UN PRI**”), which demonstrates its commitment to including ESG factors in investment decision making and ownership. As a signatory, CLSA CP completes an annual Transparency Report, which is available [here](#).

CLSA CP also follows guidelines developed by the US Private Equity Growth Capital Council (“**PEGCC**”) and developed our own internal set of Responsible Investing Guidelines based on UN PRI and PEGCC. These guidelines were first compiled in 2012 and are regularly reviewed and updated as appropriate to ensure they reflect the latest developments in the ESG space. CLSA CP also endorses the Private Equity Principles of the Institutional Limited Partners Association (“**ILPA**”), which aims to improve the private equity industry by strengthening the alignment of interests between general partners and limited partners, fund governance, and transparency and reporting.

In addition, CLSA CP discloses climate-related risk management measures in compliance with the regulatory framework of the Securities and Futures Commission of Hong Kong (“**SFC**”). We believe that responsible investment is not only ethical but also a smart business strategy that can generate positive returns and contribute to a more sustainable and equitable world.

*“CLSA CP leads the way in integrating ESG into investment management. ESG is a must when making investment decisions. For instance, we invested in Shenke Bio (“**SK**”), a biotechnology company which provides analytical products and solutions (Host Cell DNA and Host Cell Protein impurity detection) to the biopharmaceutical industry for use in process development and quality control in China. Playing a key role in promoting the improvement of China’s official QC standards on impurity detection, SK serves a widespread clientele of around 500 biopharmaceuticals and CRO/CDMOs, and makes positive contribution to China’s biopharma industry. In 1H2023, SK has filed for China A-share STAR Board IPO application, and is currently undergoing the first round of enquiries from the stock exchange. This proves that the integration of ESG goes hand-in-hand with gaining market recognition and boosting investment performance.”*

Mr. Tom Zhang, Associate, CLSA Capital Partners

Our Responsible Investment Process

We believe excellent ESG performance is the key to a successful investment. As such, we closely monitor ESG-related issues through a two-tier responsible investment process to ensure ESG risks and opportunities are reported to, considered and documented by CLSA CP funds and their respective Investment Committee (“IC”).

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

Case study

CSI's Value-add focused Real Estate Funds

CSI's value-add focused Real Estate Funds deliver strong returns to investors through active asset management by creating value in a socially and environmentally responsible manner.

Before acquisition, all real estate assets go through meticulous environment site assessments, as well as tenant surveys. The comprehensive environment site assessment 2-stage technical due diligence process involves a preliminary inspection to identify any potential issues, followed up by a detailed inspection includes the identification of any present or historic pollution that may require remediation. Any issues identified are carefully mitigated by measures including site and soil clean-up of pollutants such as hydrocarbons or PCBs; equipment containing harmful ozone-depleting chlorofluorocarbons or synthetic GHGs such as R22 refrigerants are replaced by alternatives with relatively lower Global Warming Potential ("**GWP**"); or potential health hazards like asbestos embedded in elevator brake pads or building insulation are carefully removed and replaced to improve the overall health and safety of the built environment. Our tenant surveys are carried out to understand the needs of occupants and assess impacts on the surrounding environment, including pedestrian traffic around assets.

The energy efficiency of acquired assets is independently rated using external third-party assessment bodies in each asset's jurisdictions, such as Australia's NABERS or Singapore's GreenMark, with the aim of attaining peak performance whilst minimising CAPEX intensive works and waste.



In addition to integrating ESG considerations into our investment process, we aim to create positive ESG value through responsible investing. We strongly believe in the potential benefits that thorough ESG consideration can bring to investors, society, and the environment. Our commitment to responsible investment is reflected in our various funds that leverage the ESG performance of our portfolio companies.

Case study

CLSA China Growth Fund

Our flagship China-market USD Private Equity Fund focuses on industries with the potential of rapid growth in China, including new energy, healthcare, technology, and TMT (technology, media, and telecom), with a core objective of advancing environmental protection and medical care in public health systems.

In 2022, we made a significant investment in Ace Battery (“Ace”), a leading provider of top-tier energy storage solutions and battery management systems to global new energy companies, including prominent players like Schneider, Siemens, Enphase, and Vertiv. As the sole lead investor, we participated in the latest round of equity financing for Ace. Their products find wide application in diverse areas, such as UPS, residential and commercial/industrial energy storage systems, as well as power batteries for specialized vehicles and construction trucks.

Ace Battery has made a positive market impact and garnered wide recognition within the industry. They were selected as the ‘Venture 50 in Carbon Neutrality’ by PE Daily and Zero2IPO, esteemed alternative investment market intelligence companies in China. Additionally, Ace was included in the ‘2023 China Future Unicorn Top100’ list by the China Investment Promotion Agency and Welian.com. Ace secured its place among the top 10 awardees in the Renewable Energy category.

Through our meaningful investment in Ace Battery, we have demonstrated our commitment to creating positive social and environmental impact while seeking attractive financial returns.

Integrating Climate Risk in Investments

Incorporating ESG principles into our products and services is a key focus for the CSI Group. Our asset management business, CLSA Asset Management Limited ("**CLSAAM**"), actively considers climate risk in its investment strategy and decision-making process. The Investment Committee of CLSAAM is responsible for managing investments and ensuring the firm-wide implementation of climate risk management. CLSAAM has established a series of practice manuals that have been approved by the investment committee. These manuals serve as a framework for identifying, pricing, and managing climate-related risks and other ESG-related risks. Furthermore, the Investment Committee provides regular reports to the Directors on the progress of climate-related risk management, including quarterly updates on the investments and annual reports on internal developments and progress towards climate goals.

CLSAAM follows a four-step approach to integrate climate considerations into its investment and risk management processes, as outlined in the SFC Climate Risk Disclosure. This disclosure applies to all actively managed CIS funds and provides detailed information about climate-related processes and procedures.



SECTION 5

VALUE CHAIN

- Customer Satisfaction and Responsibility
- Customer Privacy
- Information Security
- Intellectual Property Rights
- Supply Chain Management

VALUE CHAIN

Customer Satisfaction and Responsibility

Our clients entrust us with their investments, and we take this responsibility seriously. We are dedicated to providing exceptional service, maintaining transparency in our operations, and upholding the highest ethical standards in all our dealings. We believe that by doing so, we are not only fulfilling our fiduciary duty to our clients, but also promoting the well-being of our customers in terms of their health and safety. We actively monitor risks in our business and investments, thereby providing trustable and reliable services and products to our customers. For details, please refer to section “*Risk Management And Integrating Climate Risk in Investment*” of this Report.

In addition to risk management, we believe that making ethical and responsible investment can have also a positive impact our customers’ overall well-being. We strive to safeguard our customers’ financial interests, prevent fraudulent activities, and promote their financial well-being by continuously enhancing customer protection. Furthermore, we have in place a robust system to protect customer personal data and information. These factors indirectly contribute to our customers’ overall health and safety. Further information regarding customer data privacy can be found in section “*Customer Privacy and Information Security*” of this Report.

Customer Privacy

Safeguarding the privacy of our customers’ personal information and other data is of utmost importance as it upholds our reputation for strong governance and reinforces trust in our enduring business relationships. To ensure this, we have implemented a Personal Data Protection Policy that outlines the fundamental principles governing the collection, handling, storage, disclosure, and processing of personal data. In addition, we strictly comply with applicable local laws, rules, and regulations in each jurisdiction where we operate, such as the Personal Data (Privacy) Ordinance (Chapter 486) in Hong Kong (“**PDPO**”), the Personal Information Protection Law (“**PIPL**”) in the PRC, the General Data Protection Regulation (“**GDPR**”) in Europe, and other relevant personal data protection laws. This policy extends to all individuals affiliated with CLSA, including all employees, consultants, and authorized third parties who have access to any personal data held by or on behalf of CLSA, regardless of their employment status or contract duration. Our customers can access our Privacy Policy Statement at both [CITICS](#) and [CLSA](#) website.

The Legal and Compliance Department (“**LCD**”) assumes several key responsibilities in personal data protection within CLSA. The LCD is responsible for reviewing all personal data protection policies, reviewing contracts with data processors, and coordinating departments that collect/process personal data to handle individual requests (Subject Access Requests). On the other hand, the Information Technology Department is responsible for defining security policies, recommending and evaluating security designs, implementing IT measures to safeguard personal data, and assessing third-party services that CLSA may consider using for data storage or processing upon request.

The CSI Group recognizes the potential consequences associated with data breaches. Our Personal Data Protection Policy includes a comprehensive outline of guidelines and response plans to effectively manage such incidents. The policy details the necessary steps to address and handle data breaches in a systematic and responsible manner. In 2022, there was no loss of customer data and privacy identified or non-compliance with laws and regulations that have a significant impact on the Group in relation to customer data protection and privacy recorded during the Reporting Period. No substantiated complaints concerning breaches of customer privacy was received during the Reporting Period.

Information Security

CSI has established an Information Protection Policy which outlined our standards to protect sensitive data during business operations from cyber threats, unauthorized access, improper storage, transmission, and disposal. This policy applies to all CSI information assets, resources, and users, including contractors and suppliers who require access to CSI information resources for legitimate reasons. Any violation of this policy will result in serious consequences, including limiting the use of information resources, disciplinary action, termination of employment, or legal action. In 2022, there were no reported breaches of CSI's Information Protection Policy.

All employees are responsible for ensuring the confidentiality and integrity of CSI information resources, and they must not disclose or modify any data without proper authorization. The roles and responsibilities of CSI employees in maintaining information security are further outlined below.

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

VALUE CHAIN

Intellectual Property Rights

The CSI Group prioritizes effective management of intellectual property (“IP”) rights. We have in place the Copyright Management Policy which outlines the management and protection of IP rights. This policy applies to all employees and directors. Non-compliance or infringement may result in criminal and civil liabilities for individuals and the CSI Group as a whole. In addition to this policy, our employees are required to refer to the CSI Employee Handbook, Confidentiality Policy, and other internal communications and guidelines.

We strictly adhere to the local laws, rules, and regulations applicable to its operations in each jurisdiction. The LCD is responsible for the overall management of copyright at CSI Group, which includes the development, revision, and enhancement of a comprehensive copyright management system at CSI Group. The day-to-day management of works and copyright lies with the department that creates the respective work (Originating Department). LCD also coordinates and provides guidance to relevant departments on copyright management and protection, resolves copyright disputes, and performs other related tasks. Other relevant departments, such as Corporate Communications, are expected to assist and collaborate with LCD and the Originating Department in copyright management.

Supply Chain Management

CSI is committed to managing its supply chain sustainably and has implemented several measures to reduce its environmental impact. As part of the CLSA Environmental Management System, the company has established an Environmental Policy that mandates compliance with the relevant laws and regulations in the jurisdictions in which the company operates. In addition, the company is working towards integrating sustainable procurement practices into its operations.

Some of the key initiatives undertaken by CSI to manage its supply chain sustainably include:

Green purchasing practices: The company has implemented environmental protection guidelines for ISO documents, which mandate the purchase and use of recycled/recyclable paper products as the first preference, wherever applicable and practical.

Supplier engagement: As part of ISO14001 requirement, CSI is working towards asking all its suppliers to complete an annual questionnaire to assess their environmental activities. The company advises its suppliers of its Environmental Management System in place along with its Environmental Policy and ascertains 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.

Prioritizing green product procurement: 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.

CSI is committed to continue strengthening our sustainable procurement policy and working with our suppliers to reduce the environmental impact.

SECTION 6

OUR PEOPLE

- Caring for Our Employees
- Diversity, Inclusion, and non-discrimination
- Employee Development and Training
- Health, Safety, and Wellbeing



OUR PEOPLE

Caring for Our Employees

At CSI, employees are our most valuable assets. We recognize the importance of providing them with a supportive and inclusive work environment where they can grow and develop their careers.

We are committed to providing comprehensive employee benefits to all our employees, including both permanent and temporary staff. These benefits include but are not limited to leave benefits, healthcare, life and personal accidental death and disablement plans, parental leave, and retirement benefits. While the specifics of these benefits may vary across locations, detailed information can be found in the local Employee Handbooks. We believe that providing our employees with robust benefits is an important aspect of creating a supportive and inclusive work environment, which enables them to thrive both personally and professionally.

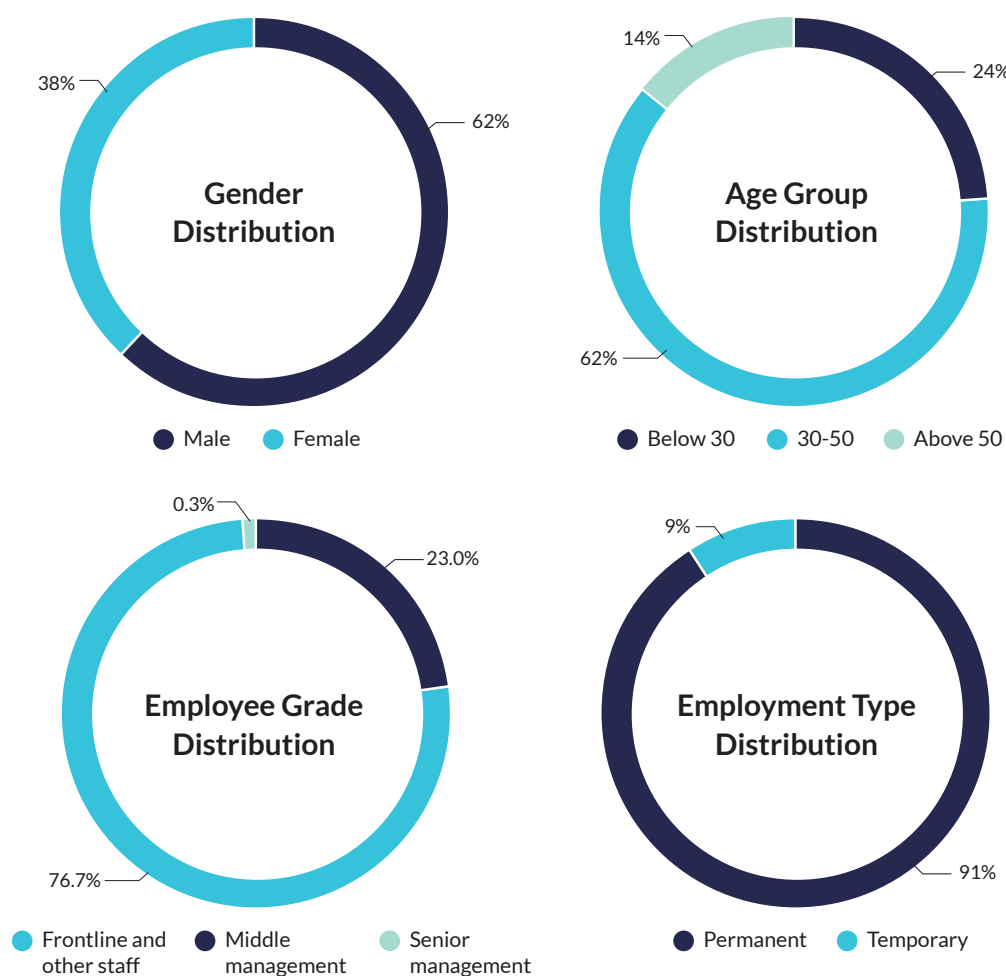
We believe that offering competitive compensation and benefits is essential in establishing a sustainable workforce that deliver continuous value creation for our clients. Our salaries are benchmarked against industry standards, and we evaluate our employees' performance against key performance indicators to support our overall organizational goals. Our Performance Management System is used company-wide to assess both technical and behavioral capabilities of all employees on at least an annual basis. This system allows us to determine those who are excelling and those whose performance has fallen below expectations.

In addition, our internal Remuneration Policy adopts a total compensation reward approach, which includes discretionary bonuses based on individual performance ratings in the performance appraisal process. Employees are evaluated against the key performance indicators set for their role and the core competencies that align with our company values and principles.

Our responsibility to oversee the working conditions and minimum age of our employees is of paramount importance. We ensure that all our employees are above legal age limits, and all work is performed voluntarily. Our managers and employees are bound by the standards and policies outlined in the CSI Code of Conduct and Employee Handbook.

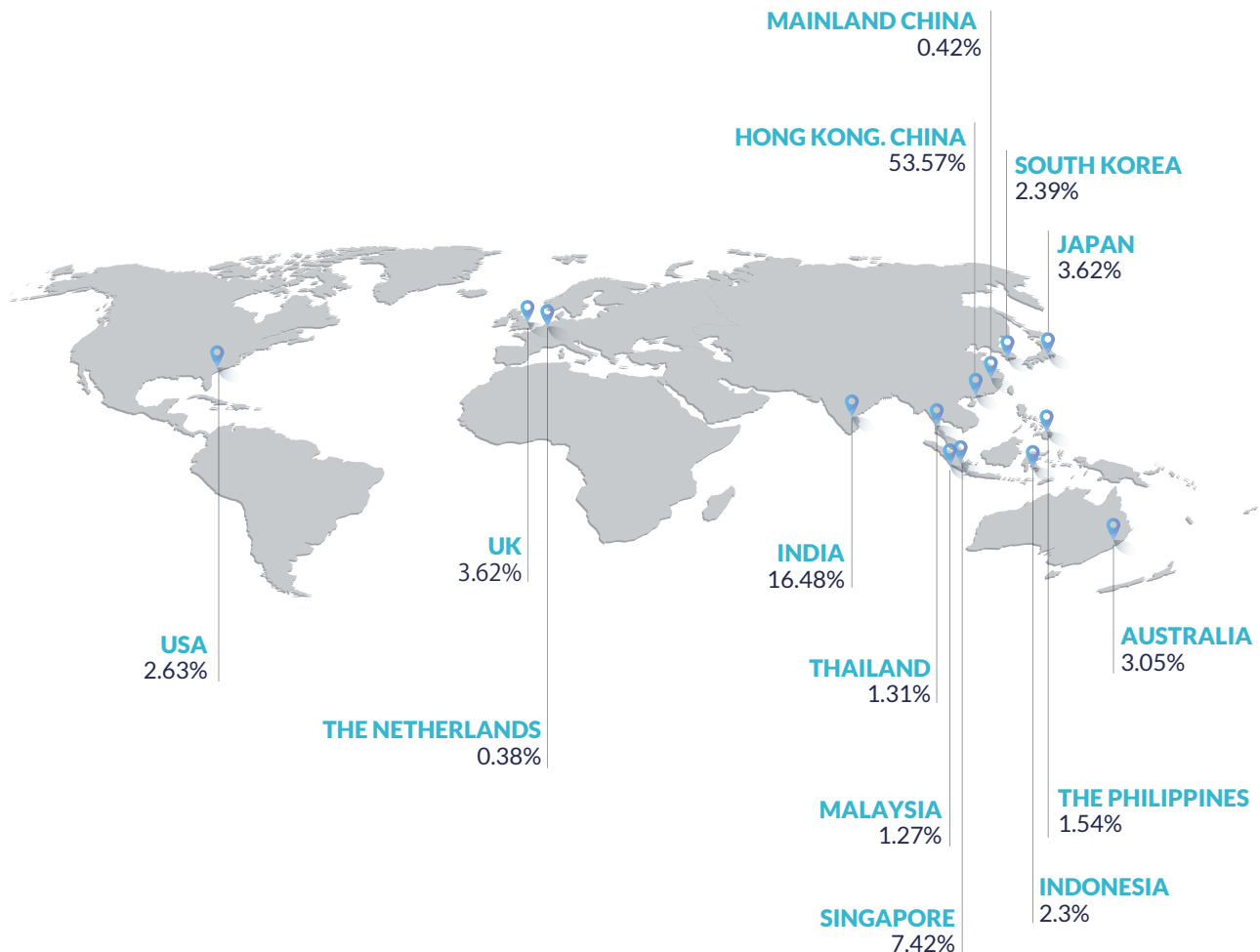
OUR PEOPLE

As of 31 December 2022, we had a total number of 2,130 employees (2021: 1,970 employees). Most of our workforce were full-time employees. However, we also had part-time employees in Australia and Japan, with one each, and our Hong Kong office employed 13 part-time employees. The total workforce by gender, age group, employee grade, and employment type are shown below.



OUR PEOPLE

The geographic locations of our workforce



Human Rights

As a financial services provider, we are committed to upholding the highest ethical and professional standards, which includes a zero-tolerance policy towards modern slavery and human trafficking. We support the protection and advancement of human rights in our business and supply chains and have implemented various policies and practices to ensure that modern slavery does not take place in our operations. The CSI Group respects the rights set out in the UN International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization (“ILO”) Declaration on Fundamental Principles and Rights at Work.

Along our employment and our value chain, the CSI Group respects:

- Rights not to be subjected to slavery, servitude or forced labour;
- Rights to freedom of thought, conscience and religion;
- Rights to enjoy diverse and inclusive working environment;
- Rights to safe and healthy workplace, and;
- Rights to Health.

OUR PEOPLE

Our human resources policies and practices are in compliance with local laws and uphold human rights. Further details regarding our measures to prevent modern slavery can be found in our Modern Slavery Act Statement, which is available at <https://www.clsa.com/about/governance>.

Recruitment, Retention and Promotion

CSI's policies and practices regarding compensation, dismissal, recruitment, and promotion are clearly outlined in the Employment handbook, while every employee receive their employment contract that stipulates the terms of employment, wages, benefits, and termination clauses. All our employees are required to complete a human resources policy declaration annually to confirm their understanding of the provisions in the Code of Conduct and Employee Handbook. Additionally, employees undergo refresher training of mandatory courses to refresh their understanding of policies and standards.

At CSI, our commitment to hiring the best candidate for the job, without exception, is a core principle that we uphold. Our Human Resources Department efficiently and fairly manages recruitment processes, working closely with business and hiring managers to identify and secure exceptional talent. With a presence in 14 locations, we maintain our corporate competitiveness in attracting and retaining talent while also committing to creating a positive market presence. More than 90% of our employees are hired from the local community.

Retaining and developing our talent is essential to the ongoing success of our business. At CSI, we prioritize nurturing and promoting staff internally before considering external candidates. All job openings are listed on our Job Opportunities@CLSA intranet page, which is available to all employees, as part of our candidate sourcing strategy. We recognize and reward individual outstanding performance by promoting high-potential staff, providing career advancement opportunities, and promoting a culture of high performance throughout the organization.

Our Performance Management Exercise allows employees to provide performance feedback and any development plans for performance review and career development.

CLSA Internship Program

We take pride in providing an environment where young talent can thrive, and we focus on cultivating outstanding future leaders. Our Internship Program is the first step in our talent identification process, allowing final- and penultimate-year university students to gain valuable experience within CSI and build a career in the financial services industry.



OUR PEOPLE

Diversity, Inclusion, and Non-discrimination

CSI is committed to building a diverse and inclusive workplace by providing equal employment opportunities at every level of our business. We strictly comply with all equal opportunity and anti-discrimination legal responsibilities in all jurisdictions where we operate, ensuring that our employment practices meet legal requirements and the highest ethical standards.

Throughout the recruitment process, we demonstrate our commitment to equal opportunities for all applicants for employment. We have Equal Opportunity and Anti-Discrimination Policy in place to ensure no discrimination on the basis of gender, gender identity, age, marital status, family responsibilities or pregnancy, religion, political convictions, non-relevant criminal record, sexuality, sexual orientation, carer's responsibilities, national or ethnic origin, trade-union status, disability or physical appearance. Our Employee Handbook has included our Equal Opportunity Policy to ensure that all of our employees enjoy an equal, inclusive working environment. Additionally, our Code of Conduct includes an Equal Opportunity Statement, outlining our commitment to ensuring that our employees and job applicants are not subjected to any unlawful discrimination, harassment, or victimization based on any grounds.

During the Reporting Period, no incidents regarding discrimination were recorded.

Employee Development and Training

We firmly believe that providing consistent learning opportunities for our employees is a critical factor in achieving success in our business. As such, the Learning and Development ("**L&D**") function is an essential function of our Human Resources team and a focus of CSI as we work towards an active learning culture within our organization.

We recognize that our people are the key to our success, and we are dedicated to providing a wide range of internal and external training and development opportunities to employees at all levels, without regard to gender, age, employment contract type, or job category. Our Learning & Development Team in Human Resources Department work with the business units/functions to analyze the skill gaps and training needs for formulation of tailor-made training programs for the business.

Our L&D catalogue focuses on three key areas: personal effectiveness, technical effectiveness and management skills. We encourage and empower our people to shape and drive their own career progression and develop their core skill competencies so that they are equipped to take on key roles within the organization.

Our key program offerings are as follows:

1. Firmwide training program – the series of 1-hour webinars covering topics on both technical skills and interpersonal skills aims to provide opportunities for employees to grow professionally and personally

OUR PEOPLE

2. Management Essentials – a program specifically designed to equip people managers with the principles and essential skills in managing staff performance from motivating, delegating and managing with commitment to performance goals
3. Junior training program – a program designed for junior employees to build their personal effectiveness and grow their technical skills
4. Departmental training program – provide guidance on designing tailored programs based on department's needs, from functional technical skills to team bonding


By delivering various upskilling programs, we aim to grow talent within the firm, increase talent retention, provide career enrichment and development opportunities for high-potential employees, and facilitate networking and exposure across the wider CSI business.

Intuition@CLSA


We have collaborated with a financial markets online training provider to develop Intuition@CLSA, an online training portal aimed at enhancing the knowledge and skills of all our employees. The portal provides trainings on a comprehensive range of topics which covers technical expertise, management effectiveness, and personal development, as aligned with CSI's three pillars of effective learning. Intuition@CLSA is a valuable tool offering detailed and diversified content to support the continuous learning and development of our employees. The portal is accessible via the Human Resources homepage on the staff intranet.

Mandatory Online Training

To ensure that we comply with laws and regulations in all of our locations, we provide training through our e-learning portal. These mandatory, bespoke programs are developed in house and cover the following:


 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 to all employees of CSI, our in-house Diversity & Inclusion Training program 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, the training is designed to emphasize the advantages of diversity and inclusion in business, effective management of diversity, and the application of best practices in this area.

OUR PEOPLE

The diversity and inclusion training covers a wide range of topics to promote a more inclusive and equitable workplace, including but not limited to:

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

The training aims to enhance participants' skills and knowledge in these areas, fostering a diverse and inclusive work environment where all employees can thrive and contribute their best.

"We are fully aware of the company's diversity and inclusion manual, and we receive regular training on it. In our hiring process, we prioritize quality and actively aim to improve the gender ratio in the company, provided there are suitable candidates available."

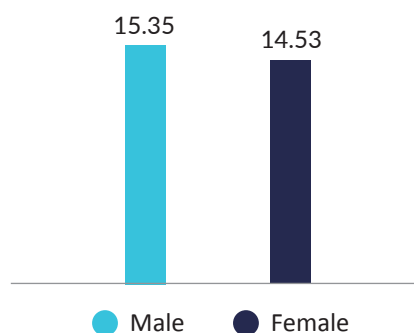
"With the prevailing social issue in Japan, where working mothers require support from childcare facilities, our investment in these facilities becomes imperative. By investing in childcare facilities, we create valuable opportunities for working mothers to pursue their careers while ensuring the well-being and care of their children."

Mr. Shota Kuwaki, Executive Director, CLSA Capital Partners

Development programs

In 2022, 100% of our employees received training. A total of 32,043 training hours were provided, averaging at 15.04 training hours per employee. The following graphs demonstrate a detailed breakdown of the training hours across different categories.

**Average training hours
by gender**



**Average training hours
by employee grade**



OUR PEOPLE

In addition to our internal learning and development program, the Group actively supports employees in pursuing personal growth opportunities, such as training, to enhance efficiency and profitability. The Group will assess requests for Learning & Development Reimbursement from permanent employees who meet the specified criteria. Furthermore, we prioritize the future and well-being of our employees as they approach their retirement age or the equivalent statutory retirement age, if applicable. To ensure a smooth transition, the Human Resources Department will proactively reach out to employees within 6 to 12 months before they reach retirement age to initiate discussions about the next steps. Similarly, employees who are approaching retirement age and wish to retire are encouraged to contact the Human Resources Department to discuss their plans. We care about our employees' retirement journey and are here to provide guidance and support throughout the process.

Health, Safety, and Wellbeing

We are dedicated to providing a secure and healthy workplace, prioritizing the safety, health, and wellbeing of all individuals, including employees, customers, contractors, and visitors. To safeguard our employees' health and safety, we adhere to Occupational Health and Safety (“OHS”) Regulations and employ best-practice policies and procedures throughout our business. Additionally, CSI takes proactive measures to promote an environmentally friendly and employee-supportive workspace by responding efficiently to accidents and emergencies and implementing practices that benefit the environment while minimizing risks to health and safety. Our offices are smoke-free, undergo regular cleaning, pest control, and fan coil unit and carpet cleaning to ensure excellent indoor air quality.

Apart from general OHS practices, we provide healthcare and pension plans in line with local market standards for our permanent staff, including parental leave, while complying with statutory requirements at different office locations.

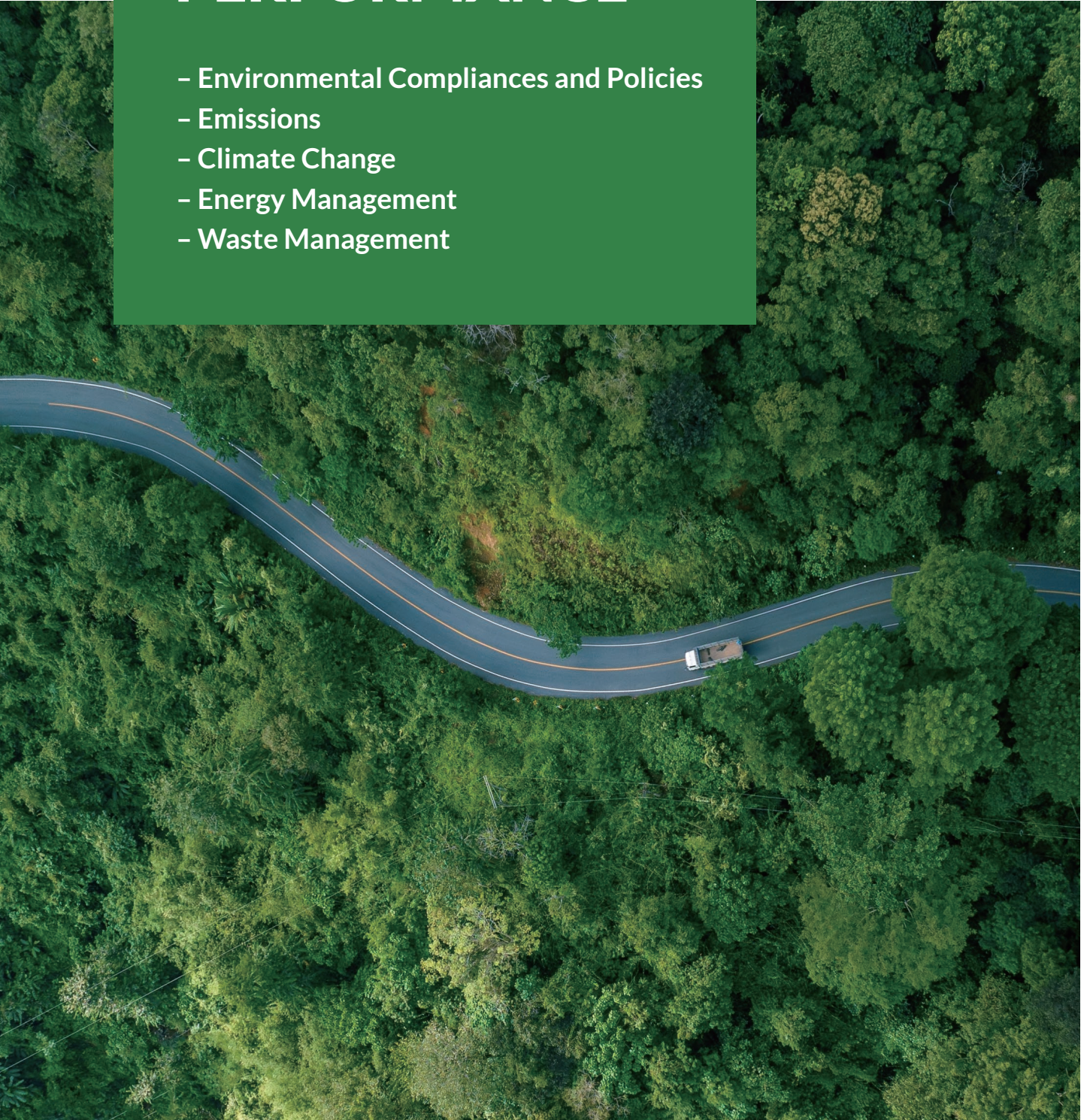
Covid-19 Arrangement

At CSI, the health and safety of our employees is of utmost importance. To ensure the wellness of our workforce and maintain efficient operations, we have implemented a range of measures, including those specifically aimed at preventing the spread of COVID-19. Our Crisis Management Team issued timely anti-pandemic notices and made special work-from-home arrangements during the pandemic to reduce the risk of cross-infection. We also encouraged tele-meetings and video conferences as an alternative to face-to-face meetings to maintain social distancing. In addition, all employees in our Hong Kong office were encouraged to take vaccination injections and granted one day of vaccination leave per injection. We provided masks, test kits, and hand sanitizers to our staff to maintain a clean and hygienic working environment. These measures demonstrate our commitment to ensuring the health and safety of our employees and their families, as well as our dedication to providing a safe working environment for all.

SECTION 7

OUR ENVIRONMENTAL PERFORMANCE

- Environmental Compliances and Policies
- Emissions
- Climate Change
- Energy Management
- Waste Management



Environmental Compliances and Policies

CSI is dedicated to reducing our environmental impact and minimizing our use of natural resources. Since 2007, we have implemented our ISO 14001-certified environmental management system (“**EMS**”) across 80% of our offices. This requires us to undergo annual audits in Hong Kong, with regional offices audited every three years.

Aligned with our “Clean and Green” philosophy, we established our own environmental policies to guide our business towards a greener operation. Our commitments include but not limited to:



Ensuring compliance with all relevant environmental legislation and regulations, as well as other applicable requirements. We stay updated to all environmental laws and continually seek to improve our environmental performance wherever possible.



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



Maintaining an environmentally friendly and safe workplace, implementing measures to minimize environmental, health, and safety risks, and responding effectively to accidents and emergencies.



Utilizing monitoring programs and analyses to assess our environmental performance, communicate our top management’s environmental commitment and achievements through annual reports distributed to stakeholders.



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

We are one of the first financial firms in Asia to write about pollution, carbon trading and “the greening of Asia”. Our Head of Sustainable Research provides investors with a mandate for social and environmental investment, as well as insight into the companies, issues and trends leading this growth area in Asia and beyond.



OUR ENVIRONMENTAL PERFORMANCE

Emissions

We are committed to reducing our GHG emissions through energy and fuel efficiency initiatives. When business travel is not impacted by COVID-19, we reduce emissions from air travel through video conferencing. We also regularly review and control business travel arrangements to minimise wastage of fuel consumption and use appropriate carriers that are able to provide more efficient journey routes.

Greenhouse Gas Emissions

During the reporting period, the CSI Group's business activities contributed to the GHG emission of 4,107.48 tonnes of carbon dioxide equivalent ("tCO₂eq."), mainly carbon dioxide, methane, nitrous oxide and hydrofluorocarbons. The overall intensity of the GHG emissions for the CSI Group was 0.13 tCO₂eq./m² with reference to the total floor area of the CSI Group's business operations. Starting from this year, we are enhancing our carbon disclosure by reporting the scope 3 emissions using available emission factors and calculation methodology. For details of the GHG emissions in the previous reporting period, please refer to Appendix I – Key Performance Summary.

Scope of GHG Emissions	Emission (in tCO ₂ eq.)	Total Emission (in %)
Scope 1 Direct Emission		
Combustion of petrol for mobile sources	43.32	1%
Scope 2 Energy Indirect Emission		
Purchased electricity	3,521.83	86%
Scope 3 Other Indirect Emission		
Electricity used for freshwater processing	0.47	
Electricity used for sewage processing	0.23	13%
Business air travel	541.63	
Total	4,107.48	100%

Air emissions

The Company-owned, fossil-fueled vehicles were used for daily business operations, which contributed to the emissions of nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and respiratory suspended particles ("RSP").

Air emissions (non-GHG) from mobile combustion				
Fuel source	Usage	NO _x (in kg)	SO _x (in kg)	RSP (in kg)
Petrol	For vehicles	8.98	0.24	0.66
Total		8.98	0.24	0.66

Climate Change

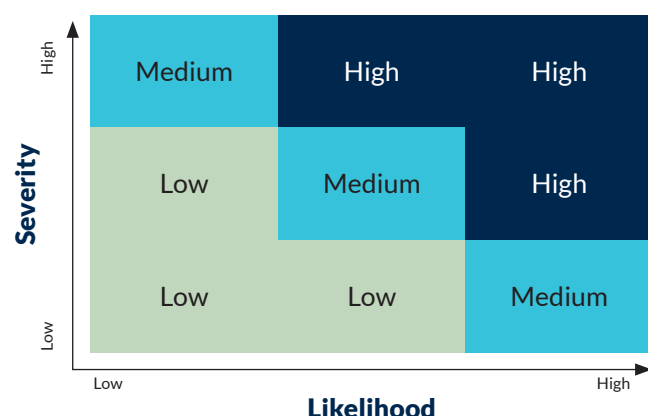
Climate change is the defining issue of the century. CSI acknowledges the significance of climate change and sustainability issues. As global warming intensifies, we are aware of our exposure to growing number of climate risks in our operation, which may include disruption of production, as well as damage to facilities caused by extreme weather such flooding and typhoons. They can potentially affect the financial stability and long-term development of business.

As such, the CSI Group has endeavoured to identify the risks and opportunities that climate change poses to our business operations and our investments, along with corresponding strategies to mitigate risks and to take advantage of arising opportunities. This year, the CSI Group has taken its first step to disclosing our climate-related risks and opportunities. We target to continuously improve the resilience of our Group to climate-related risks.

Tools and Metrics

With reference to the climate-related risks suggested by the TCFD Recommendations, we have identified physical and transition risks that are relevant to its business and risk management. We conducted a climate risk assessment with the engagement of third party professionals to identify, assess, and quantify the relevant climate-related risk to the CSI Group's management.

During the assessment process, we have rated the level of likelihoods and severity of the identified climate-related risks that are relevant to our operations, with a descriptive ranking system from low to high. The likelihood represents the probability of the risk occurring and the severity represents the damage or consequence the risk could create. The risk level of a certain risk is then determined from the risk matrix below.



The assessment results are summarized in the table below. The risk matrix has contributed to identifying and prioritizing the risks. The CSI Group is committed to managing all identified risks and has attached importance to the high-level risks.

OUR ENVIRONMENTAL PERFORMANCE

Climate-Related Risks

Climate Risk type	Time horizon	Overall risk level	Potential financial impact
Physical Risks			
Acute	Short term	High	Extreme weather events with increased severity during cyclones, hurricanes, storm surges and floods can cause supply chain interruption by bringing damage to local infrastructure, potential damage to office, and human resources disruption.
Chronic	Long term	High	Longer-term shifts in climate patterns can increase capital costs, operating costs, costs of human resources and increased insurance premiums and potential for reduced availability of insurance on assets in locations with high exposure to natural disasters.
Transition Risks			
Policy and Legal	Long term	High	Upon implementation of tightened environmental laws, the CSI Group will expect increased operation cost such as the compliance with relevant laws and regulations.
Technology	Long term	Low	During the transitional period, the CSI Group expects increased R&D and/or procurement expenditures to introduce new and alternative technologies in minimising environmental externalities of its products, and additional cost of adopting/deploying new practices and processes.
Market	Medium term	Low	In the face of the rapid growth of sustainability investing and the increasing significance of ESG factors for investors and the public, it is crucial for us to provide ESG research products and services. Failing to do so would put us at a disadvantage compared to other brokers in terms of our product offerings and brand positioning. Consequently, we would miss out on business opportunities arising from the surge in sustainable investing, resulting in a loss of market share. Hence, it is imperative that we adapt to this evolving landscape to maintain our competitiveness in the market.
Reputation	Long term	Low	Companies that are seen as contributing to climate change or not doing enough to address it may face reputational damage, which could harm their ability to attract and retain clients and investors. With growing awareness of climate change and its impacts, investors and consumers are increasingly looking for companies that demonstrate a commitment to sustainability and responsible environmental practices.

OUR ENVIRONMENTAL PERFORMANCE

Our operation is primarily impacted by physical risks and the policy and legal risk during the transition to a low-carbon economy. Nonetheless, we have taken steps to gradually integrate ESG risks into our comprehensive risk management system. Following CITIC Securities' comprehensive risk management framework, we continuously enhance our control and management of ESG risks at both the company and business levels. This includes assessing, measuring, monitoring, responding to, and reporting on these risks. These measures aim to improve the effectiveness of our non-financial risk control and support the long-term sustainable development of the CSI Group. Despite the challenges posed by climate change, we maintain an optimistic outlook with our strategies and policies in place.

On the other hand, risks associated with technology, market, and reputation were considered as low risks potential they hold for the growth of the CSI Group's business. The shift in consumer preferences towards environmentally friendly products and investments has presented business opportunities and opened up new avenues for the development of the CSI Group. More specific information regarding climate-related opportunities can be found in the following section.

Climate-related Opportunities

Despite potential climate-related risks, we have identified opportunities in the transition to a low-carbon economy that can positively impact our long-term prosperity. We have developed green and sustainability bonds, which have diversified our product portfolio and increased revenue. These bonds are designed to finance environmentally friendly projects and initiatives and have grown in popularity among investors seeking to align their investments with their values. The CSI Group has played a key role in developing innovative financial products, establishing ourselves as a market leader in providing sustainable investments, and positioning ourselves for future opportunities.

By integrating ESG factors into our investment analysis and decision-making processes, we can identify and capitalize on opportunities that align with our clients' values and manage risks associated with companies that do not meet ESG standards. This approach has the potential to enhance our reputation, attract new clients, and mitigate environmental and social risks.

OUR ENVIRONMENTAL PERFORMANCE

Energy Management

We recognize that reducing our energy consumption is a critical part of our commitment to sustainability. One of the major issues we face in our office-based operations is electricity consumption. To address this challenge, our global offices are working to implement and track the adoption of sustainable design features in our buildings and offices.

One key strategy we're pursuing is the incorporation of energy-efficient lighting and equipment. By replacing outdated lighting and equipment with more efficient options, we hope to reduce our energy consumption and associated greenhouse gas emissions. Additionally, we're procuring renovation materials and fittings with sustainability attributes to support more sustainable building and office design.

We actively promote a green office culture within our operation. Building upon the practices of CITIC Securities, we have made ongoing enhancements to our office systems by digitizing the printing and transmission of all non-confidential documents, presentations, and other information. Furthermore, we have introduced a document printing system that incorporates the responsible collection and utilization of consumables like printing paper and ink cartridges. Additionally, we have placed signage in office areas to encourage our employees to use electricity efficiently.

Total Energy Consumption

The total energy consumption of the CSI Group was 5,905.26 MWh during the reporting period, representing an intensity of 0.27 MWh/m². The administration department keeps track of the CSI Group's energy consumption and will notify related divisions/departments if there is unusual increase in energy consumption. In 2022, the largest energy source used by the CSI Group is electricity (97%). We closely monitor our electricity consumption and implement various efficient energy use initiatives as described in the section above.

Waste Management

We have produced some hazardous materials such as batteries, toner cartridges, and electronics. In 2022, we produced 8,985 kg of hazardous waste. Most of them were collected and appropriately treated by certified waste handlers. While our India office in Mumbai properly recycled all the UPS Batteries.

Our non-hazardous waste comprises domestic wastes, metals, plastic, and paper wastes. In 2022, we generated 64,534 kg of non-hazardous waste, of which 32,520 kg were recycled. The disposal of hazardous and non-hazardous waste is in accordance with applicable laws.

In our efforts to minimize office waste, over half of our offices worldwide have implemented water filters to eliminate the need for plastic water bottle dispensers. This environmentally friendly solution not only reduces the use of large plastic water bottles but also cuts down on associated delivery costs. Additionally, in most of our offices, we offer reusable chopsticks and cutlery as an alternative to disposable wooden or plastic utensils, further reducing waste in our day-to-day operations. Also in Hong Kong, we participate in the annual Electronic Waste Recycling Campaign, 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.

In Hong Kong, our property management company, Swire Properties, is ISO 14001-certified and supports recycling efforts. Environmental activities are occasionally held for its tenants. Starting from this year, we are collecting data on solid and hazardous waste across its operations and are disclosing relevant data in this Report. We target to report on it systematically for offices that can receive this data from their property managers.

SECTION 8
**OUR
COMMUNITY**



CSI is committed to making a positive impact in the communities where we operate. We believe that by supporting community outreach programs, we can contribute to the betterment of society and create lasting change.

Our employees are at the heart of this effort. During the Reporting Period, we are proud to announce that our employees volunteered over 1,000 hours of their time to meaningful causes. Through our global network of offices, we support numerous community outreach programs that enable our employees to offer their time and skills to worthwhile local causes. Our mother company, CITIC Securities was listed on the “2022 Top Ten Excellent Cases of Chinese Brands Going Overseas” through the community engagement initiatives implemented by CSI.

To further encourage employee involvement, we offer two days of paid volunteer leave per year. This leave can be used to visit and assist CITIC CLSA Trust projects, volunteer at charity events, or participate in community outreach events. We believe that by providing our employees with opportunities to engage with their communities, we can foster a sense of purpose and help build stronger, more resilient societies.

CITIC CLSA Trust

The CITIC CLSA Trust was formerly named as the CLSA Chairman’s Trust. The Chairman’s Trust provides financial and human capital to support disadvantaged individuals, groups and communities across Asia, Australia, Europe and the Americas. As of 8 February 2022, the Trust changed its name to CITIC CLSA Trust, and its Trustee to CSI. CITIC CLSA Trust has restarted its operations in the third quarter of 2022, continuing its commitment to serving communities. CSI supports the operating costs of the Trust to ensure that 100% of all funds raised go to funding recipients.

With a core focus on poverty alleviation and education promotion, CITIC CLSA Trust aims to provide grants to NGOs in various sectors. CITIC CLSA Trust has commenced operations and received numerous applications from local and overseas charitable organizations in Hong Kong since its relaunch. The trust has fulfilled its corporate social responsibility by making its first charitable donation to the Hong Kong charitable organization, Po Leung Kuk in December 2022. The first donation to Po Leung Kuk will further enhance the branding and outreach of CITIC CLSA Trust. Po Leung Kuk is one of the largest and oldest charitable organizations in Hong Kong, serving over 800,000 people annually on average.



OUR COMMUNITY

While fulfilling our social responsibilities, our committed team of volunteers focuses on supporting community projects under the four categories of “Youth Education,” “Diversity and Inclusion,” “Poverty Alleviation,” and “Environmental and Sustainable Development.” We aim to provide support to those in need, establish a positive corporate image, and promote business growth, creating a win-win situation.

Total volunteer hours in 2022

more than

1,000 hours

Total number of employees volunteered in 2022

more than

750 employees

While most volunteer activities occur on the weekends, we encourage our employees to take advantage of their volunteer leave to get into the community. Through this approach, we hope to create a culture of giving back and inspire others to join us in making a meaningful impact.

A. Building a Stronger Community

At the heart of our mission is a commitment to building a stronger, more inclusive community. We believe in promoting social inclusion, improving community health, and providing care and support to those in need. Through these efforts, we aspire to create a more equitable and compassionate society, where everyone has the opportunity to thrive and reach their full potential.

Social Inclusion

To enhance social inclusion, we partnered with Dignity Kitchen of Project Dignity Hong Kong in August 2022 to prepare and distribute hot meals to underprivileged members of our local community. Project Dignity Hong Kong is a local enterprise that provides training and employment opportunities for individuals with disabilities. During the activity, our employees packed 120 meal boxes and distributed them to those in need. In December 2022, we had the privilege of participating in the Hong Kong Inclusive Kin-ball Cup 2022, a social inclusion event organized by a local charity named TREATS. The event featured nearly 80 students from special schools with disabilities and volunteers from six major corporate organizations who formed six sports teams. Our volunteers, alongside students from Hong Kong Red Cross Princess Alexandra School, attended several training sessions to prepare for the tournament. Our CSI team emerged victorious and won the Inclusive Diamond Cup. Through inclusive sports, children with disabilities can break down barriers, unlock their full potential, and develop their confidence. We are proud to support such initiatives that foster a more inclusive and supportive community, where everyone could participate and thrive.



CSI is committed to caring for the underprivileged in our community. To celebrate the 25th anniversary of the establishment of the Hong Kong Special Administrative Region (“**HKSAR**”), we launched the “Share the Love” program in June 2022. The program aimed to express community support and care for those in need, spreading the joy of the anniversary throughout the community. We collaborated with Foodlink Foundation and Helping Hand, two local charities dedicated to fighting hunger and serving the elderly in need, respectively. Our volunteers packed and distributed blessing bags with food, daily necessities and anti-epidemic items to the people in need. In addition to the “Share the Love” program, we also supported other community programs throughout 2022 that provided aid to underprivileged members of the community. These programs include:

- Helping Hand Cookie Campaign in April 2022
 - o Our employees supported the campaign organized by Helping Hand by buying the cookies to raise funds for the elderly and other underprivileged groups.
- Elderly Support Phone Services in April 2022
 - o CSI teamed up with Hong Kong Christian Service Un Chau Neighbourhood Elderly Centre to provide weekly phone calls for four consecutive weeks, offering care and support to the elderly.
- Society for the Prevention of Cruelty to Animals (“**SPCA**”) Flag Day in August 2022
 - o Our volunteers (including our employees and their families) participated in a fundraising day organized by SPCA to support the daily needs and medical treatments of animals waiting for adoption.
- International Volunteer Day: Deliver Necessities to the Homeless in December 2022
 - o Our volunteers visited the homeless individuals in Wanchai, Hong Kong and provided them with essential items such as food, winter clothes and scarves. Through these efforts, they provided the homeless individuals with warmth and comfort during the cold season.

At CSI, we believe that festivals are a time to spread joy and show care for the underprivileged in our community. In 2022, we participated in various community activities during festivals:

- Chinese New Year – Red Packet Origami Workshop in January 2022
 - o Our volunteers connected with children from low-income families online and taught them how to create flower and fish decorative handcrafts using red packet envelopes.
- Dragon Boat Festival – Rice Dumpling Workshop and Distribution in May 2022
 - o Our volunteers continued CSI’s tradition of giving rice dumplings to those in need to spread kindness and care to those in need during the festival season.

OUR COMMUNITY

- Mid-Autumn Festival – Traditional Lantern Making Workshop in August 2022
 - o CSI hosted an extraordinary traditional lantern workshop with Viva Blue House and local paper-crafting master to make traditional lanterns with the ethnic minority kids.
- Mid-Autumn Festival – Mooncake Workshop and Home Festive Service in September 2022
 - o CSI collaborated with the Society for Community Organization (“SoCO”) and Rotary Club of Hong Kong to share mooncakes with the underprivileged and those in need. Our volunteers made mooncakes and packed them together with fortune food bags as gifts. These gifts were delivered to residents living in wooden partitioned cubicles and sub-divided units in Shamshuipo, Hong Kong.

Through these efforts, we aim to show support and bring joy to those in need and create a more caring and inclusive community.

Health Promotion

CSI recognizes the importance of promoting health and wellness in our community. As part of our commitment to this goal, our employees were mobilized to support Pink Revolution, the Cancer Fund’s annual breast cancer awareness initiative. In July to November 2022, our employees supported the initiative through charitable donations, taking part in a series of yoga courses and a “Yoga for Pink” event designed to spread awareness and fund research towards a cure for breast cancer.

To support the Orbis World Sight Day 2022, our employees from Amsterdam, Hong Kong, Japan, Korea, London, Singapore and Thailand have joined hands to raise funds and promote public awareness for fighting preventable blindness. Our employees have also supported the Orbis Mid-Autumn Charity Sale by selling charity packages and making generous donations. The fund raised was used for supporting eye screening, treatment for eye diseases, public education, regional medical training, and other initiatives aimed at assisting visually impaired patients in impoverished areas.

Amidst the unprecedented COVID-19 crisis, we have proactively extended support to the community and uplifted the underprivileged by taking part in various programs aimed at mitigating the impact of the pandemic and providing assistance to those in need, through the following programs:

- Fighting the Virus with the Homeless in March 2022
 - o CSI collaborated with ImpactHK to share “Nutri-rich” mini Poon Choi with needy facing financial hardship.

- Emergency Care Pack Delivery in March 2022
 - o CSI donated relief support packs (including 450 antigen testing kits, 22,500 surgical masks, rice and canned food) to the elderly from Harmony Garden Lutheran Centre for the Elderly, Yau On Lutheran Centre for the Elderly and Sun Chui Lutheran Centre for the Elderly and low income families.
- Assembling Anti-Epidemic Supply Kits in March 2022
 - o Our volunteers joined more than 10,000 volunteers to pack anti-epidemic supply kits in response to the Hong Kong Community Anti-Coronavirus Link. These kits were distributed to all Hong Kong households to fight against the pandemic.
- Emergency Food Drive for Refugee Union in March 2022
 - o CSI supported Refugee Union to provide food, non-perishable staple food boxes and sanitary supplies for the immediate need of asylum seekers and refugees, who struggled to live in substandard living conditions and without the right to work.
- English Reading Enrichment Program in April 2022
 - o Our volunteers provided online storytelling service to Books and Beyond Reading Club to empower children by fostering reading capabilities and share positive values. This program also allowed schools to allocate resources for COVID-19 testing, vaccination and isolation purposes.



B. Youth Education and Support

As we strive to create a more sustainable future, we acknowledge our responsibility to promote youth education and offer guidance for career planning. By providing our next generation with a decent learning environment and adequate support, we aim to nurture future leaders with the knowledge and skills to address future challenges.

In July 2022, we participated in Habitat for Humanity's Hong Kong Project School Works program. Our volunteers joined hands with students from a local school in Tin Shui Wai to create vibrant murals on the campus walls, making the school a more cheerful and conducive place for learning. Our volunteers are proud to be part of the Project School Works program, which aims to uplift the learning environment of underprivileged students through art.

To promote literacy and boost children's passion for reading in a green way, CSI held its annual Share-a-toy and Book Donation Drive in August 2022. Our volunteers visited children from childcare services and after-school care services and distributed gifts at Sham Shui Po District Council Po Leung Kuk Shek Kip Mei Community Services Centre. The gifts included storybooks, building blocks, toy cars, toy trucks, toy trains, electronic games, learning toys, dolls and puzzles, etc.

In November 2022, CSI participated in Community Chest New Territories Walk for Millions 2022/23 to raise funds for family and child welfare services supported by the Community Chest. A total of 88 of our staff, along with their families and friends, attended the event held at the Cross Bay Link. We are grateful to have contributed to this important cause and supported the families and children in need.

We recognize our responsibility to guide and support the youth in their career planning and development. As part of our commitment, CSI supported the Hong Kong Arts and Culture Development Centre ("**HKACDC**") Program. Through our Career Planning and Mentoring Program, we provided 120 students with real-world business experience. In August 2022, we also welcomed 70 secondary school students to our Hong Kong office, where they received valuable career advice and industrial knowledge from our experienced staff. The students also had the opportunity to learn more about our company through a site visit, making this a valuable and enriching experience for all involved.



C. Environmental and Sustainable Development

CSI is committed to creating a more sustainable future for our planet. To reduce our collective environmental impact, CSI has been actively promoting sustainable lifestyle choices among our staff through awareness-raising initiatives. These programs included upcycling workshops, tree adoption and planting, food waste reduction and food assistance service, urban farming, and coastal cleanup.

Upcycling Workshops

From April to July 2022, a series of Eco Upcycling Workshops were organized at the Hong Kong office. These workshops were designed to promote repurposing of waste materials and hence reduce waste generation. The workshops featured a range of activities, including:

- DIY Workshop – Disinfectant Spray
- DIY Workshop – Aromatherapy for Stress Relief
- DIY Coffee Body Scrub Workshop
- Microgreens Planting Workshop
- Natural Mosquito Repellent Workshop



These workshops not only provided hands-on training on how to repurpose waste materials creatively but also highlighted the benefits of natural ingredients and responsible consumption.

Trees Adoption and Planting

To celebrate the Earth Day in April 2022, CSI global staff has planted trees and built the “CLSA Global Forest” through the tree adoption program from a platform run by a certified B-Corporation. It was the second year that our staff participated in this program and expanded the “CLSA Global Forest”. In 2022, a total of 2,077 trees were adopted in Ecuador, Philippines, Uganda, Indonesia, Thailand and Malaysia. Till now, 4,400 trees have been planted in the “CLSA Global Forest”. This initiative contributed to three of the SDGs: Climate Action, Life on Land and Reduced Inequality. By expanding the “CLSA Global Forest”, we are taking steps towards protecting our planet for future generations, while also improving the lives and livelihoods of the communities where the trees are planted.

Total Trees Adopted in 2022

2,077 trees

**Total Trees Planted in the
“CLSA Global Forest”**

4,400 trees

OUR COMMUNITY

Apart from the tree adoption program, CSI organized two tree planting sessions at the Ma On Shan mining area in September and October 2022. In the first session, volunteers carried seedlings and planting tools and completed an uphill hiking course to reach the designated site. Pits were dug, and the seedlings were planted in the ground. In the second session, volunteers participated in thinning and post-planting maintenance while hiking. The tree planting activity was followed by a guided heritage tour, during which our volunteers learned about Ma On Shan mining conservation and worked together to safeguard the natural environment. Through this immersive experience, volunteers gained a deeper appreciation for the importance of preserving the natural environment and the role they can play in contributing to this essential cause.

Food Waste Reduction and Food Assistance Service

CSI is committed in addressing both hunger and surplus food waste problems in Hong Kong. Our goal is to raise public awareness of the world's food problems and strengthen solidarity in the global struggle against hunger, malnutrition and poverty. Through our efforts to prevent food waste and redistribute surplus food to those in need, we hope to create a more sustainable and equitable food system. In May to November 2022, our volunteers supported the surplus bread collection program of Breadline, a local food-rescue platform that helps to fight food wastage in Hong Kong. With a mission to give old bread new life, Hong Kong volunteers collected over 1,069 packages of surplus bread from bakeries such as Arome Bakery, Maxim's Group, Maison Kayser and Yamazaki Bakery. The bread was then redistributed to beneficiaries, including low-income families, refugees, the elderly and ImpactHK's homeless shelter in Tai Kok Tsui. In July 2022, our volunteers provided assistance to the central kitchen of Food Angel and prepared food ingredients that would be used to prepare hot meals for the underprivileged communities. Food Angel is a charity program that rescues edible surplus food from different sectors of the food industry and converts it into fresh meals for those in need. In September to October 2022, our volunteers worked alongside our community partner, Feeding Hong Kong, to support their food assistance program. The program included both monetary and in-kind donations, and our volunteers also took part in packing food parcels. These parcels contained essential staples such as grain products, rice packets, noodles, biscuits, canned food, and more. By participating in this initiative, we were able to make a meaningful contribution towards addressing food insecurity in Hong Kong.

Urban Farming

CSI is dedicated to promoting sustainable practices by supporting local food production and reducing the carbon footprint associated with food transportation. Through our participation in urban farming activities, we also aim to provide our volunteers with an opportunity to reconnect with nature and learn about food production. By promoting sustainable practices and supporting local communities, we hope to contribute towards a more equitable and sustainable future for all.

In June 2022, CSI arranged a visit to Senior Buddy Charity Farm, a social enterprise that repurposes under-utilized spaces in the city into urban organic farms. This organic farm cultivates a variety of nutritious produce, which is then distributed to elderly people in Hong Kong. By participating in this farming experience, our volunteers gained a deeper understanding of how a sustainable lifestyle can be achieved while also learning more about our food footprint. This initiative allowed us to support a local charity program while also promoting sustainable practices and increasing awareness about food security in Hong Kong.

CSI Hong Kong initiated a community urban farming project that took place from July to November 2022. During this project, volunteers participated in transplanting, farming, and harvesting to create a small yet thriving market garden within the Quarry Bay Park Community Garden. The vegetables that were harvested were then donated to Food Angel to support underprivileged individuals in the community. This initiative not only provided our employees with an opportunity to reconnect with nature and learn about the impact of food production, but it also demonstrated how our actions can contribute towards supporting the wider community and creating a more sustainable future.



Coastal Cleanup

In June 2022, CSI participated in a coastal clean-up campaign to support the World Ocean Day. The campaign aimed to improve the shoreline and make Hong Kong a cleaner place to live. The clean-up took place in Sam Mun Tsai, Tai Po, where volunteers were tasked with collecting debris such as foam beads, plastic bottles, disposable plastic utensils, and broken glass. The volunteers also worked to return cleaner sand back to the beach. Through our participation in this campaign, we were able to contribute towards a cleaner and healthier environment while promoting awareness about the importance of ocean conservation.



ASSURANCE STATEMENT



SGS Hong Kong Ltd's Report on Sustainability Activities in CITIC Securities International's Sustainability Report 2022

Nature of the Assurance

SGS Hong Kong Limited (hereinafter referred to as SGS) was commissioned by CITIC Securities International Company Limited (hereinafter referred to as CSI) to conduct an independent assurance of its Sustainability Report 2022 (hereinafter referred to as the Report).

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all CSI's stakeholders.

Responsibilities

The information in the Report and its presentation are the responsibilities of the directors, governing body and the management of CSI. SGS has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all CSI's stakeholders.

Assurance Standards, Type and Level of Assurance

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organisational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000ASv3 Type 2 (AA1000AP Evaluation plus evaluation of Specified Performance Information)	Moderate

Scope of Assurance and Reporting Criteria

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information included the text and 2022 data in accompanying tables contained in the Report. Data and information of subsidiaries were included in this assurance process during the period from 1st January 2022 to 31st December 2022.

Reporting Criteria Options

GRI (In Accordance with)

Assurance Methodology

The assurance comprised a combination of pre-assurance research, on-site interviews in CSI's Hong Kong office, documentation and record review and validation with external bodies.

Limitations and Mitigation

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

Some statements and data within the scope were not assured due to lack of accessible records during the timescale allowed for assurance, and these are clearly marked throughout the Report.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from CSI, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with IRCA EMS Principal Auditor, auditor of ISO 37001, ISO 26000 & ISO 45001 and nominated trainer of GRI Standards.

Assurance Opinion

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

We believe that Moderate level of assurance for this report is appropriate for CSI this year.

ASSURANCE STATEMENT

Quality and Reliability of Specified Performance Information

CSI has developed measuring tools to record all the required data. The quality of the information disclosed in the Report was found to be satisfactory. The data were accurate and reliable.

Adherence to AA1000 Accountability Principles (2018)

INCLUSIVITY: Stakeholder engagement has been completed and the engagement frequency is determined clearly.

MATERIALITY: Referring to the structured stakeholder engagement & materiality assessment, 21 material topics were prioritized and confirmed.

RESPONSIVENESS: CSI took actions to address these material topics in a timely manner.

IMPACT: The impacts of CSI caused, contributed to and mitigated were clearly explained.

Signed:

For and on behalf of SGS Hong Kong Limited



AA1000
Licensed Report
000-8/V3-YGKQ2

Miranda Kwan
Director
Knowledge Solutions
18 September 2023
WW.SGS.COM

Appendix I – Key Performance Summary

Economic Performance

	Unit	2022	2021
Direct Economic value generated	US\$ Million	1,414.35	924.53

Environmental Performance

	Unit	2022	2021
Air Pollutant Emissions			
Nitrogen Oxides ("NO _x ")	kg	8.98	N/A
Sulphur Oxides ("SO _x ")	kg	0.24	N/A
Respiratory Suspended Particles ("RSP")	kg	0.66	N/A
GHG Emissions			
Direct GHG emissions (Scope 1)	t CO ₂ eq.	43.32	45.81
Indirect GHG emissions (Scope 2)	t CO ₂ eq.	3,521.82	3,222.29
Other indirect GHG emissions (Scope 3)	t CO ₂ eq.	542.33	N/A
Total GHG Emissions	t CO ₂ eq.	4,107.48	3,268.10
GHG emission intensity	t CO ₂ eq./m ²	0.13	N/A
Waste			
Total hazardous waste generated	kg	8.98	N/A
– intensity	kg/m ²	0.28	N/A
Total non-hazardous waste generated	kg	64,534	N/A
– intensity	kg/m ²	1.99	N/A
Paper Consumption			
Paper consumption	kg	4,262.00	12,592.27
– intensity	kg/employee	2.00	6.39
Energy Consumption			
Electricity	kWh	5,747,177.14	4,852,532
Total energy consumption	kWh	5,905,263.49	N/A
Electricity intensity	kWh/m ²	177.65	146.03
Energy intensity	kWh/m ²	182.54	N/A
Water Consumption			
Total water consumption	m ³	1,094.10	N/A
– water intensity	m ³ /m ²	0.034	N/A

APPENDICES

Notes:

1. Air emissions data of 2021 were unavailable.
2. Emission factors for calculating air emissions data from vehicles were made reference to the Appendix 2: Reporting Guidance on Environmental KPIs of How to Prepare an ESG Report, published by the Hong Kong Stock Exchange ("**HKEX**").
3. Company-owned vehicles were used in Hong Kong, Indonesia, Japan, South Korea, and Thailand office. Fuel consumption data were collected to calculate the SOx emissions. Data on kilometers travelled by the vehicles were collected to calculate the emissions of NOx and RSP.
4. The actual distance travelled by Company-owned vehicles in South Korea office could not be retrieved as no data has been kept in the past and the vehicles have been returned to the car rental company upon contract expiry. It is estimated by referring the fuel consumption data and compared it to the fuel consumption per 100km distance travelled, using the Energy Utilisation Index – Transport Sector provided by the Hong Kong Electrical and Mechanical Services Department.
5. Emission factors for calculating combustion of petrol were referred to Appendix 2: Reporting Guidance on Environmental KPIs of How to Prepare an ESG Report, published by the HKEx.
6. Emission factor used for purchased electricity in Australia, Mainland China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Thailand, United Kingdom, and USA were referred to the Australian National Greenhouse Accounts Factors 2023, the Ministry of Ecology and Environment of People's Republic of China, HK Electric Investments Sustainability Report 2022, Climate Transparency Report 2022 – Indonesia, CO₂ Baseline Database for the Indian Power Sector, TEPCO ESG Data 2021, TENAGA NASIONAL BERHAD Sustainability Statement 2022, Energy Profile – Philippines, Singapore Energy Statistics 2022, Climate Transparency Report 2022 – South Korea, EGAT Sustainability Report 2022, Greenhouse gas reporting: conversion factors 2022, and Projected Emission factors for New York State Grid Electricity, respectively.
7. Electricity consumption data of the Netherlands office was not available separately, as it is included in the property management fee. The electricity consumption of the Netherlands office in 2021 were only estimated based on the usage of switches for the computers and phones, and wifi equipment.
8. After careful consideration, the electricity usage data for the Netherlands office will no longer be estimated from 2022 onwards in order to provide accurate information of the CSI Group's electricity consumption and GHG emissions.
9. Emissions from business air travel were calculated using the online tool provided by the International Civil Aviation Organization ("**ICAO**"). Other categories of scope 3 GHG emissions were calculated based on available emission factors referred by Appendix 2: Reporting Guidance on Environmental KPIs of How to Prepare an ESG Report.
10. Hazardous waste data of mainland China and USA office were unavailable in 2022.
11. Non-hazardous waste data of Australia, mainland China, Japan, South Korea, Singapore, and USA were unavailable in 2022.
12. The unit for presenting paper consumption in 2021 has been converted from reams to kg to ensure consistency of data.
13. The unit for presenting paper consumption intensity has been converted from reams/employee to kg/employee.
14. Water data from Sydney, Shanghai, Kuala Lumpur, Amsterdam, Singapore, Seoul, London, and New York office are unavailable in 2022.

Social Performance

Total Workforce	2022		2021	
Group total	2,130		1,970	
By employment type	Male	Female	Male	Female
Permanent	1,225	712	1,162	670
Temporary	102	91	79	59
Full-time	1,323	792	1,239	721
Part-time	4	11	2	8
By gender				
Male	1,327		1,241	
Female	803		729	
By age group				
Below 30	519		414	
30 – 50	1,324		1,261	
Over 50	287		296	
By employee grade				
Senior management	8		N/A	
Middle management	489		N/A	
Frontline staff and others	1,633		N/A	

APPENDICES

Geographical region	2022		2021	
	Permanent	Contract	Permanent	Contract
Australia	63	2	62	3
Mainland China	7	2	5	1
Hong Kong	989	152	917	103
India	350	1	330	3
Indonesia	42	7	41	3
Japan	73	4	67	3
Malaysia	26	1	26	1
Netherlands	7	1	6	2
Philippines	32	1	31	1
Singapore	148	10	148	10
South Korea	49	2	49	3
Thailand	25	3	30	2
United Kingdom	71	6	61	1
USA	55	1	61	0

APPENDICES

Employee Turnover		2022	2021	
Total turnover		386	435	
Overall turnover rate		18%	22%	
By geographical region	Total Number	Rate (%)	Total Number	Rate (%)
Australia	13	20%	28	43%
Mainland China	0	0%	2	33%
Hong Kong	189	17%	249	24%
India	77	22%	92	28%
Indonesia	3	6%	6	14%
Japan	4	5%	6	9%
Malaysia	5	19%	0	0%
Netherlands	0	0%	0	0%
Philippines	10	30%	5	16%
Singapore	48	30%	28	18%
South Korea	2	4%	5	10%
Thailand	6	21%	2	6%
United Kingdom	13	17%	3	5%
USA	16	29%	9	15%
By gender	Total Number	Rate (%)	Total Number	Rate (%)
Male	249	19%	293	24%
Female	137	17%	142	19%
By age group	Total Number	Rate (%)	Total Number	Rate (%)
Below 30	129	25%	130	31%
30 - 50	224	17%	280	22%
Over 50	33	11%	25	8%

APPENDICES

New hires		2022	2021	
Total new hires		495	589	
Overall new hire rate		23%	30%	
By geographical region	Total Number	Rate (%)	Total Number	Rate (%)
Australia	13	20%	33	51%
Mainland China	2	22%	3	50%
Hong Kong	265	23%	380	37%
India	104	30%	77	23%
Indonesia	5	10%	7	16%
Japan	11	14%	9	13%
Malaysia	5	19%	3	11%
Netherlands	1	13%	0	0%
Philippines	11	33%	6	19%
Singapore	46	29%	42	27%
South Korea	2	4%	7	13%
Thailand	1	4%	3	9%
United Kingdom	21	27%	10	16%
USA	8	14%	9	15%
By gender	Total Number	Rate (%)	Total Number	Rate (%)
Male	312	24%	373	30%
Female	183	23%	216	30%
By age group	Total Number	Rate (%)	Total Number	Rate (%)
Below 30	222	43%	233	56%
30 – 50	261	20%	330	26%
Over 50	12	4%	26	9%

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Development and training	2022	2021
Total training hours	32,043	N/A
Average training hours per employee	15.04	N/A
By gender		
Male	15.35	11.2
Female	14.53	10.9
By employee grade		
Senior management	19.06	N/A
Middle management	15.66	N/A
Frontline staff and others	14.84	N/A
Anti-discrimination		
Number of incidents of discrimination	0	0
Anti-corruption		
Concluded legal case regarding corrupt practices	0	0

Notes:

1. The breakdown of employee number in 2021 by employment type, gender, and age group is estimated using the percentages from the corresponding categories provided in the 2021 CSI Sustainability Report.
2. The data of employee number in 2021 by employee grade is unavailable.
3. The definition of employee turnover refers to employees who leave the Group voluntarily or due to retirement, dismissal or other reasons.
4. Turnover rate refers to total number of employee turnover in the specific group per the total number of employees of the corresponding group *100%.
5. The overall turnover rate was calculated by the number of employees left during the reporting period/the number of employees as of 31 December of the reporting period *100%.
6. New hire rate refers to total number of new hires in the specific group per the total number of employees of the corresponding group*100%.
7. The overall new hire rate was calculated by the number of new hires during the reporting period/the number of employees as of 31 December of the reporting period *100%.
8. Senior Management, Middle Management, and Frontline and Other Staff refers to Department Head level, People Managers, and Individual Contributors without direct reports, respectively. Both front office and back office apply.
9. The total training hours, average training hours per employee, and average training hours by employee grade in 2021 is unavailable.

APPENDICES

Appendix II – GRI Standards Content Index

Statement of use	CITIC Securities International has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Application of GRI Sector Standard	Not Applicable

GRI Standard/ other sources	Disclosure	Location	Omission Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosure 2021	The organization and its reporting practices				
	2-1 Organizational detail	About CSI – Business Overview			
	2-2 Entities included in the organization's sustainability reporting	About this Sustainability Report – Reporting Approach			
	2-3 Reporting period, frequency and contact point	About this Sustainability Report – Reporting Approach			
	2-4 Restatements of information	No information restatement			
	2-5 External assurance	The Sustainability Report was reviewed and approved by the Board.			
	Activities, value chain and other business relationships				
	2-6 Activities, value chain and other business relationships	Chairman's message to stakeholders About CSI – Business Overview Performance Review and Highlights			
	2-7 Employees	Caring for our colleagues Appendix I – Key Performance Summary			
	2-8 Workers who are not employees	The CSI Group does not have workers who are not employees.			
	Governance				
	2-9 Governance structure and composition	Sustainability Governance			
	2-10 Nomination and selection of the highest governance body	Sustainability Governance			
	2-11 Chair of the highest governance body	Sustainability Governance			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance			

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GRI Standard/ other sources	Disclosure	Location	Omission Requirement(s) Omitted	Reason	Explanation
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance			
	2-15 Conflicts of interest	Sustainability Governance			
	2-16 Communication of critical concerns	Sustainability Governance			
	2-17 Collective knowledge of the highest governance body	Sustainability Governance			
	2-18 Evaluation of the performance of the highest governance body	Board Structure			
	2-19 Remuneration policies	Omitted	GRI 2-19 (a)	Confidentiality constraints	As a non-listed company, remuneration policies for members of the highest governance body and senior executives, including payments and benefits were not disclosed due to confidentiality constraints.
	2-20 Process to determine remuneration	Omitted	GRI 2-20	Confidentiality constraints	As a non-listed company, process to design CSI's remuneration policies and determine remuneration were not disclosed due to confidentiality constraints.
	2-21 Annual total compensation ratio	Omitted	GRI 2-21	Confidentiality constraints	Compensation ratios were not disclosed due to confidentiality constraints.
Strategy, policies and practices					
	2-22 Statement on sustainable development strategy	Chairman's message Sustainability Commitment			
	2-23 Policy commitments	Sustainability Commitment Corporate Governance Excellence in Investment Services Value Chain Our People Our Environmental Performance			

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GRI Standard/ other sources	Disclosure	Location	Omission Requirement(s) Omitted	Reason	Explanation
	2-24 Embedding policy commitments	Corporate Governance Excellence in Investment Services Value Chain Our People Our Environmental Performance			
	2-25 Processes to remediate negative impacts	Sustainability Governance Business Ethics Value Chain			
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics			
	2-27 Compliance with laws and regulations	Business ethics Anti-bribery and corruption Value Chain People Our Environmental Performance			
	2-28 Memberships associations	Sustainable Finance			
	Stakeholder engagement				
	2-29 Approach to stakeholder engagement	Stakeholder Engagement			
	2-30 Collective bargaining agreements	There are no formal collective bargaining agreements are in place within CSI. However, our employees can enjoy the freedom to take part in trade unions and collective bargaining if they wish.			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment			
	3-2 List of material topics	Materiality Assessment			
GRI 201: Economic Performance 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Excellence in Investment Services			
GRI 201-1	Direct economic value generated and distributed	Appendix 1 – Key Performance Summary	201-1-a-ii 201-1-a-iii	Confidentiality constraints	Economic value distributed and retained were not disclosed due to confidentiality constraints.
GRI 202: Market Presence 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Caring for our colleagues			
GRI 202-2	Proportion of senior management hired from the local community	All of our senior management are hired from local community.			

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GRI Standard/ other sources	Disclosure	Location	Omission Requirement(s) Omitted	Reason	Explanation
GRI 205: Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-bribery and Corruption			
GRI 205-1	Operations assessed for risks related to corruption	Anti-bribery and Corruption			
GRI 205-2	Communication and training about anti-corruption policies and procedures	Anti-bribery and Corruption			
GRI 205-3	Confirmed incidents of corruption and actions taken	Anti-bribery and Corruption			
GRI302: Energy 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Compliances and Policies Energy Management			
GRI 302-1	Energy consumption within the organization	Energy Management			
GRI 302-3	Energy Intensity	Energy Management			
GRI305: Emission 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Compliances and Policies			
GRI 305-1	Direct (Scope 1) GHG emissions	Emissions Appendix I – Key Performance Summary			
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Emissions Appendix I – Key Performance Summary			
GRI 305-3	Other indirect (Scope 3) GHG emissions	Emissions Appendix I – Key Performance Summary			
GRI 305-4	GHG emissions intensity	Emissions Appendix I – Key Performance Summary			
GRI 305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Emissions Appendix I – Key Performance Summary			
GRI 306: Waste 2020					
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management			
GRI 306-1	Waste generation and significant waste-related impacts	Waste Management			
GRI 306-2	Management of significant waste related impacts	Waste Management			
GRI 306-3	Waste generated	Waste Management			
GRI 306-4	Waste diverted from disposal	Waste Management			
GRI 306-5	Waste directed to disposal	Waste Management			

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GRI Standard/ other sources	Disclosure	Location	Omission Requirement(s) Omitted	Reason	Explanation
Environmental Compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Compliances and Policies			
Climate Change Responses					
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change			
GRI 401: Employment 2016					
GRI 3: Material Topics 2021	3-3 Management of material topic	Caring for Our Colleagues			
GRI 401-1	New employee hires and employee turnover	Appendix I – Key Performance Summary			
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Caring for Our Colleagues			
GRI 404: Training and Education 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Development and Training			
GRI 404-1	Average hours of training per year per employee	Appendix I – Key Performance Summary			
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development and Training			
GRI 405: Diversity and Equal Opportunity 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Inclusion, and non-discrimination Employee Development and Training			
GRI 405-1	Diversity of governance bodies and employees	Sustainability Governance Caring for Our Colleagues Appendix I – Key Performance Summary			
GRI 413: Local Communities 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Community			
GRI 413-1	Operations with local community engagement, impact assessments and development programs	79% of our operations implemented local community development program (tree planting) in 2022			

APPENDICES

GRI Standard/ other sources	Disclosure	Location	Omission Requirement(s) Omitted	Reason	Explanation
GRI 416: Customer Health and Safety 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Excellence in Investment Service			
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2022, the CSI Group does not note any non-compliance with regulations or voluntary codes concerning health and safety impacts of products and services that resulted in a warning, fine or penalty.			
GRI 418: Customer Privacy 2016					
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Privacy			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy			
Professional Integrity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics Anti-bribery and corruption			
Product Quality					
GRI 3: Material Topics 2021	3-3 Management of material topics	Excellence in Investment Service			
Information Security					
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Privacy Information Security Intellectual Property Rights			
GRI 3: Material Topics 2021	3-3 Management of material topics	Intellectual Property Rights			
Risk Management					
GRI 3: Material Topics 2021	3-3 Management of material topic	Risk Management Integrating Climate Risk in Investment Climate Change			
Incorporation of ESG factors in Investment Banking and Brokerage Activities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Excellence in Investment Service			
Customer Satisfaction and Responsibility					
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Satisfaction and Responsibility Risk Management			



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